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Form of Proxy

Corporate Profile



Hume Cement Industries Berhad (“HCIB”) is principally an investment holding company, while its subsidiaries are principally engaged in the manufacturing and sale of cement and cement-related products and investment holding activities.

HCIB is a public listed company and its shares are traded on the Main Market of Bursa Malaysia Securities Berhad.

Corporate Information

BOARD OF DIRECTORS

YBhg Datuk Kwek Leng San
(Chairman)

Mr William Tan Kok Siang
(Group Managing Director)

Ms Tai Sook Yee

**YBhg Datuk Ir. Ahmad 'Asri
Bin Abdul Hamid**

**YBhg Dato' Mohamad Kamarudin
Bin Hassan**

COMPANY SECRETARIES

Ms Wong Wei Fong
Ms Zoe Lim Hoon Hwa

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COUNTRY OF INCORPORATION/DOMICILE

A public limited liability company, incorporated and domiciled in Malaysia

Chairman's Statement



To our valued shareholders,

On behalf of the Board of Directors of Hume Cement Industries Berhad ("HCIB" or "the Company"), I am pleased to share with you the Annual Report and Audited Financial Statements of the Group and of the Company for the financial year ("FY") ended 30 June 2026 ("FY2026").



Overview of FY2026

FY2026 was a year in which our decision to sharpen our focus on what we do best translated into tangible gains for our shareholders. The divestment of our concrete business returned our focus to the cement business and, together with continued cost and capital discipline, the Group emerged leaner and financially stronger, with greater capacity to invest in our future growth.

Overall, in the current fiscal year, we recorded a total revenue of RM1,056.2 million and a profit after tax ("PAT") of RM430.6 million (FY2025: revenue of RM1,114.6 million and PAT of RM223.2 million). While the Group's revenue was below the level posted in FY2025, our PAT rose significantly, driven by a one-off gain from the divestment of our concrete business. However, even setting that gain aside, HCIB still delivered a higher PAT this fiscal year than in FY2025. The quality of our earnings continues to improve, underpinned by lower input and production costs. Mirroring the healthier financial position, the Board increased the total dividend to 13 sen per share for FY2026, up from 10 sen the year before, for an aggregate distribution of RM94.3 million.

The defining mark of FY2026 was the pronounced lift in the Group's financial standing. HCIB moved into a debt-free position during the year and added further to our cash reserves, lending considerable strength to the balance sheet. Feeding into this outcome were the healthy profits our cement operations generated and our strategic divestment of HCIB's concrete segment. The divestment of the concrete segment enabled us to concentrate our efforts on the Group's core operations, tighten our capital management, and preserve capacity to act decisively on more strategic opportunities as they arise. The Board is reviewing how best to deploy the Group's enlarged reserves. Priority will be given to the core cement business, including the Waste Heat Recovery ("WHR") investment referred to below, and the Board will continue to assess the level of distribution to shareholders against the Group's cash generation and investment commitments.

All our achievements in FY2026 were set against a dynamic backdrop that needed careful navigation. Geopolitical friction continued to test global supply chains, energy and input costs remained volatile, and the domestic cement market remained competitive with the enforcement of non-overloading rules adding to distribution costs. HCIB navigated these conditions with discipline and resilience. Diversified sourcing provided alternatives where supplies tightened, cost discipline supported margins, and close coordination across the Group's distribution network kept deliveries dependable under the new load requirements.

Chairman's Statement

(Cont'd)

Throughout the year, we stayed on our path of value creation by maintaining a firm grip on operational efficiency and cost optimisation. We remained committed to the product quality, dependability, and customer service that have long underpinned our relationships with buyers. The Group maintained a strong performance in the fourth quarter, with cement earnings holding up notwithstanding the deconsolidation of the concrete business.

In FY2026, HCIB advanced investment in a WHR facility. Once operational, the facility is expected to lower production costs and indirect emissions. Sustainability considerations continue to be integrated into the Group's operations and remain responsive to evolving regulations and stakeholder expectations. Guided by the Malaysian Code on Corporate Governance, the Group continues to nurture a culture of accountability, transparency, and sound risk oversight. We also remain committed to fair employment practices and respect for labour rights across our operations.

The year in review has brought a notable addition to the Group's leadership, with the appointment of Mr William Tan Kok Siang as Group Managing Director. Having previously helmed Hume Cement Sdn Bhd, a wholly owned subsidiary of the Company, he brings a deep grasp of our core operations and provides continuity in the years ahead.

Looking towards FY2027 and beyond, the Group enters the year with a stronger balance sheet and a sharper operating focus. HCIB will continue to lower production costs, improve the dependability and consistency of operations, and improve product quality to enhance our customer value proposition. The path ahead is unlikely to be free of uncertainty, yet we will meet it with measured confidence.

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers, business partners, and the broader stakeholder community for their confidence throughout FY2026. My appreciation extends in equal measure to our people, whose dedication lies behind much of what we have accomplished. I also thank my fellow Board members and Senior Management for the clear direction and measured counsel that have kept us faithful to our values and long-term ambitions.

Anchored by the capabilities of our people, a clear sense of purpose, and the trust our stakeholders place in us, I am confident that HCIB is well-placed to build on the progress made in FY2026.

Thank you,

DATUK KWEK LENG SAN
Chairman



Management Discussion and Analysis

“

Hume Cement Industries Berhad (“HCIB” or “the Group”) is pleased to present the Management Discussion and Analysis (“MD&A”) for the financial year ended 30 June 2026 (“FY2026”). This review outlines the Group’s operational performance, strategic developments, and financial results across the reporting period from 1 July 2025 to 30 June 2026.

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OVERVIEW OF BUSINESS ENVIRONMENT

The financial year ended 30 June 2026 (“FY2026”) was marked by compounding geopolitical and trade pressures. On the geopolitical front, the Russia-Ukraine conflict showed no signs of resolution, while instability across the Middle East deepened further with the United States of America (“US”)-Iran conflict. The latter is particularly relevant to the Group, as it disrupted trade flows through the Strait of Hormuz, leading to spikes in energy and commodity prices.

For a cement producer like HCIB, the most material cost driver was coal. Indonesia, a key source of the Group’s coal supply, tightened coal production and export quotas during FY2026 under the *Rencana Kerja dan Anggaran Biaya* (“RKAB”) policy. This contributed to upward pressure and volatility in coal prices over the course of the year.

Meanwhile, domestically, enforcement of statutory axle-load limits was tightened across the road transport sector during FY2026. As deliveries are undertaken largely by appointed transporters, this — together with a continuing shortage of qualified heavy-vehicle drivers — temporarily reduced the haulage capacity available in the market and affected distribution planning for part of the year. The Group supports the strict observance of load limits in the interest of road safety and the preservation of public road infrastructure.

Against this mixed external environment, Malaysia’s overall economy demonstrated solid resilience. The national Gross Domestic Product (“GDP”) grew 5.4% year-on-year in Q1 of 2026, with full-year 2026 growth forecast at approximately 4.4%. Bank Negara Malaysia (“BNM”) has also cut the Overnight Policy Rate (“OPR”) from 3.0% to 2.75% in July 2025 and maintained this rate throughout FY2026. This supportive monetary stance has helped sustain investment activity and consumer spending across the economy.

For the Group, Malaysia’s broader economic performance continued to support a stable construction sector throughout the year, with civil engineering works remaining the largest contributor to construction output. This steady stream of infrastructure and civil engineering activity sustained consistent demand for cement, providing HCIB with a stable base of offtake through FY2026.

Another meaningful source of cost relief for HCIB in the first half of FY2026 was the strength of the Malaysian Ringgit (“MYR”). The MYR appreciated approximately 10.2% against the US Dollar (“USD”) in 2025, making it Asia’s top-performing currency in that period. Given that key production inputs, such as coal, are predominantly USD-denominated, this appreciation provided a natural hedge that partially offset rising commodity costs.

Amidst this operating environment, HCIB maintains operational momentum. The Group recorded a revenue of RM1,056.2 million and profit before tax (“PBT”) of RM511.4 million in FY2026. This represents a 5.2% decrease in revenue and a 73.3% increase in PBT, compared to FY2025 performance. The increase in PBT is attributable principally to the one-off pre-tax gain of approximately RM191.2 million on the disposal of the concrete business. Excluding this gain, PBT for FY2026 was approximately RM320.2 million, an increase of approximately 8.5% over FY2025. The decrease in revenue reflects principally the deconsolidation of the concrete business with effect from 31 March 2026. Excluding the one-off gain, the Group’s continuous improvements in operational and production efficiency contributed positively to its underlying financial performance.

Management Discussion and Analysis

(Cont'd)

One other area of note regarding HCIB's operations in FY2026 was its investment in a Waste Heat Recovery ("WHR") project, which harnesses surplus heat generated during the production process to generate electricity for the plant's own use. By reducing reliance on purchased power, the project is expected to generate cost savings and cushion the Group against energy price volatility. At the same time, it lowers the Group's environmental footprint, positioning HCIB to respond to the increasing expectations for stronger sustainability performance among stakeholders and regulators that continue to shape its operating environment.

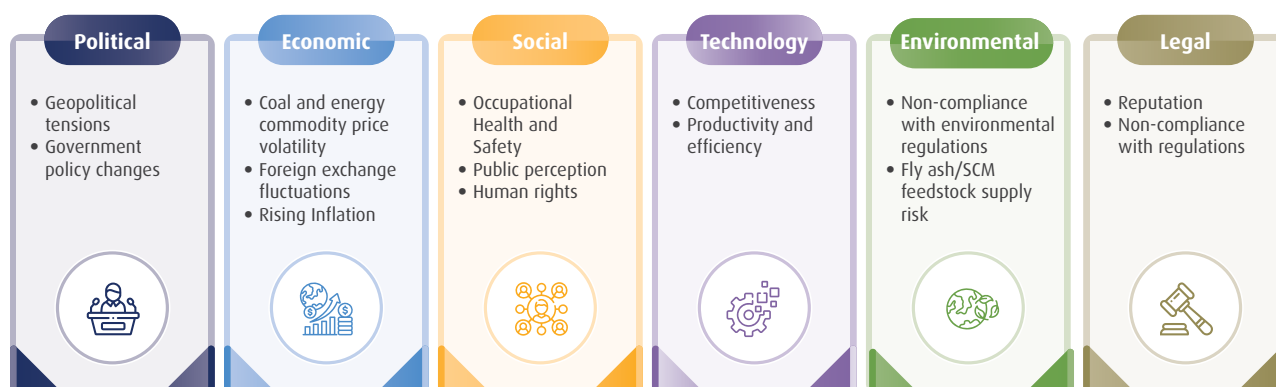
The most significant strategic development within FY2026 was the completion of the Group's disposal of our entire equity interest in Hume Concrete Sdn Bhd ("HCCT") for a base disposal price of RM215 million. Completed in March 2026, this transaction generated a one-off disposal gain of approximately RM191.2 million (pre-tax) and marks a pivotal strategic milestone. The disposal forms part of the Group's ongoing strategic review to enhance our operational focus on the manufacture of cement and cement-related products. It allows HCIB to operate more efficiently in its existing business and to explore new viable investment opportunities as and when they arise.

REVIEW OF BUSINESS PERFORMANCE

In line with sound corporate governance and long-term business resilience, HCIB has undertaken a comprehensive assessment of external operating conditions through the internationally recognised sectors of Political, Economic, Social, Technological, Environmental, and Legal ("PESTEL") framework.

This exercise enabled the Group to systematically identify key external risks and opportunities that may impact operations, financial performance, and strategic direction. Based on these insights, HCIB has formulated targeted mitigation measures and strategic responses to strengthen operational agility and ensure continued value creation.

The following sections outline the material factors identified under each PESTEL domain, along with the Group's corresponding response strategies.



POLITICAL SECTOR

Global geopolitical developments continued to create uncertainty in the broader market environment during FY2026. While HCIB's operations remain primarily focused on domestic supply, global conflicts indirectly influence input costs and business sentiment.

The ongoing conflicts in Europe and the Middle East have contributed to volatility in global energy and raw materials markets. Additionally, the escalating tensions between the USA and Iran in early 2026 led to global trade disruptions, driving up fuel costs, particularly unsubsidised industrial diesel.

Most notably, the Indonesian government tightened its coal export quota under the RKAB policy. This curtailed exports from one of the region's leading coal suppliers, resulting in upward pressure on prices and an increase in production costs.

Management Discussion and Analysis

(Cont'd)

Potential Risks and Impacts	HCIB's Response
<u>Volatile Commodity and Input Cost Pressures</u> Global geopolitical developments continued to shape commodity markets during FY2026. The Indonesian government's RKAB policy cut coal export quotas, increasing coal prices. At the same time, the ongoing US-Iran conflict also added additional cost pressure as tensions disrupted the movement of energy supplies. This affected the Group most directly through the cost of industrial diesel, which is not subsidised, adding further pressure on operating costs.	<u>Supplier Diversification and Procurement Strategy</u> HCIB actively broadens and diversifies its supplier network, particularly for imported commodities, to reduce exposure to geopolitical risks and potential supply chain disruptions. Regular reviews of procurement arrangements enable the Group to strengthen supply continuity, improve cost visibility, and enhance negotiating position, supporting operational resilience. <u>Risk Management and Hedging Strategies</u> In response to heightened market volatility, HCIB maintains a disciplined risk management approach. The Group closely monitors geopolitical, commodity, and currency trends to anticipate potential cost pressures. Forward foreign exchange contracts are employed to mitigate risks associated with USD-denominated purchases, helping to safeguard margins.

Outlook

HCIB adopts a proactive and resilient approach to managing global volatility by monitoring geopolitical shifts and reinforcing risk mitigation through supplier and financial strategies.

 ECONOMIC SECTOR

In FY2026, Malaysia's economy sustained a firm growth trajectory, expanding by an estimated 5.4% in 2025, before moderating to around 4.4% in 2026 amid global trade headwinds. Similarly, the construction sector, which the Group's operations generally follow, remained resilient and broadly stable throughout the financial year. This was largely due to government infrastructure spending and ongoing private-sector activity.

On the fiscal front, Malaysia has expanded the scope of the Sales and Service Tax ("SST") to a range of imported goods, including key raw materials such as coal. This 5% sales tax added further consideration to the Group's cost base during the year.

As part of its risk-informed approach, the Group has identified these economic variables as material factors and continues to implement targeted strategies to mitigate their impact and support long-term operational and financial resilience.

Potential Risks and Impacts	HCIB's Response
<u>Currency Stability and Exchange Rate Risk</u> Throughout FY2026, the Malaysian Ringgit ("MYR") remained relatively firm against the US Dollar ("USD") for much of the period. This reduced the cost of foreign-currency-denominated inputs, notably coal and spare parts, and eased pressure on profit margins. Nonetheless, exchange rate volatility persisted in the second half of FY2026, and foreign exchange risk remained a key factor influencing the Group's cost structure and profitability.	<u>Currency Forward Contract Mechanism</u> To mitigate currency volatility, HCIB has adopted forward contracts within its procurement and treasury operations, enabling fixed exchange rates for future foreign-denominated purchases, especially raw materials. This strategy enhances cost predictability, supports pricing stability, and helps protect operating margins in a volatile exchange rate landscape.

Management Discussion and Analysis

(Cont'd)

Potential Risks and Impacts	HCIB's Response
<u>Coal and Energy Input Cost Volatility</u> Coal is the single largest cost input in cement production. As such, Indonesia's reduced coal export quotas under the RKAB policy exerted upward pressure on production costs. At the same time, the additional 5% SST on imported goods, including coal, further raised costs. To HCIB, energy price volatility and cost pressures are the principal near-term challenges to its operating environment. <u>Rising Inflation</u> Rising inflation is expected to drive up operating expenses, including energy and labour costs, thereby tightening HCIB's margins and intensifying pricing pressures.	<u>Operational Efficiency and Cost Optimisation</u> The Group continues to prioritise operational excellence and cost-optimisation initiatives, which drove lower input and production costs across FY2026 and helped offset external cost pressures. These efficiency gains supported an improvement in underlying earnings even as revenue softened. <u>Procurement and Fuel Diversification</u> HCIB continues to employ a hybrid procurement strategy that balances fixed-price and index-linked contracts for key raw materials. This approach allows the Group to capitalise on favourable market movements, thereby improving cash flow management, strengthening cost predictability, and reinforcing financial resilience. Given the ongoing coal export disruptions stemming from the Indonesian Government's policy changes, the Group continues to monitor the situation closely and capitalise on opportunities to secure coal when prices are competitive. <u>Driving Market Expansion and Customer Diversity</u> The Group is advancing a long-term resilience strategy by expanding its cement footprint and diversifying its customer base across sectors and regions. This approach helps spread risk, reduces reliance on any single segment, and bolsters the Group's ability to navigate economic fluctuations while driving more sustainable, multi-channel growth. <u>Financial Planning and Forecasting</u> Vigilant financial forecasting is integral to HCIB's strategic planning, enabling the Group to anticipate challenges, adapt swiftly, and align financial decisions with evolving market conditions. This approach supports cash flow protection and strengthens operational agility.

Outlook

By remaining vigilant of economic variables, HCIB leverages its financial planning, procurement flexibility, and customer diversification efforts to reduce its vulnerability to macroeconomic shifts. The Group's move to a net cash position with no bank borrowings, following the disposal of the concrete business, further strengthens its resilience against macroeconomic volatility.

Looking ahead, HCIB maintains a cautiously optimistic outlook on Malaysia's economy and is well-positioned to navigate uncertainties, seize emerging opportunities, and sustain long-term, competitive growth.

The Group expects domestic resilience, underpinned by sustained development expenditure and ongoing infrastructure projects, to continue supporting market activity.

Management Discussion and Analysis

(Cont'd)

▶ SOCIAL

Strong social foundations are integral to sustaining long-term resilience. As such, effective management of social risks, both among the workforce and surrounding communities, supports operational continuity, reinforces stakeholder confidence, and underpins the Group’s social license to operate.

Within the Group, employee health, safety, and morale remain central priorities. These factors directly influence productivity, retention, and the Group’s ability to maintain a competitive position in the domestic market.

Meanwhile, externally, HCIB continues to build constructive relationships with surrounding communities through consistent engagement and mutual respect.

Potential Risks and Impacts	HCIB’s Response
Occupational Health and Safety Risks Insufficient attention to health and safety could expose HCIB to operational disruptions, legal liabilities, and reputational setbacks. It would also undermine workforce productivity, morale, and retention, ultimately affecting long-term performance.	Employee Health and Safety HCIB places health and safety at the centre of its operational practices. Structured protocols, routine risk assessments, and ongoing training programmes are implemented to maintain a secure workplace. This proactive approach supports workforce stability, strengthens employee morale, and reinforces HCIB’s positioning as a responsible employer, contributing to sustained competitiveness.
Employee Attrition and Talent Retention The loss of experienced employees and specialised technical talent poses a material risk to operational continuity. Elevated attrition would also increase recruitment and training costs, disrupt production consistency, and erode the operational efficiency gains that have supported the Group’s margins.	Talent Retention and Engagement Strategy HCIB seeks to retain key talent through competitive remuneration and benefits, as well as structured career development. Regular employee engagement, transparent internal communication, and clear career progression pathways help sustain morale and reinforce the Group’s position as an employer of choice.
Reputational Risks Limited engagement with local communities or inadequate responsiveness to social concerns could heighten public resistance, disrupt operations, and damage HCIB’s reputation. Negative publicity may weaken customer confidence and erode market share.	Community Outreach The Group views community engagement as a core element of responsible business. The Group fosters long-term partnerships through open dialogue and collaborative initiatives. By supporting local development, HCIB strengthens its role as a trusted partner, safeguards its reputation, and promotes social harmony that underpins operational continuity.
Human Rights Risks Failure to engage transparently with communities risks undermining trust, triggering operational challenges, and damaging HCIB’s license to operate. Negative media coverage could further erode brand equity and market confidence.	Simen Rahmah Initiative HCIB’s participation in the government-led Simen Rahmah programme reflects its commitment to inclusivity and national progress. This initiative reinforces HCIB’s role as a socially responsible industry player beyond its commercial interests.

Outlook

Moving forward, HCIB will continue to refine and expand its social initiatives to ensure they remain responsive, inclusive, and aligned with stakeholder expectations. With a strong sense of responsibility and long-term commitment, the Group aspires to be a catalyst for positive change, both within its workforce and across the communities it touches.

Management Discussion and Analysis

(Cont'd)

TECHNOLOGY

HCIB continues to advance its digital transformation agenda through strategic investments in automation, process optimisation, and customer-facing technologies. These efforts focus on improving plant efficiency, reducing operational bottlenecks, and strengthening customer relationships.

Driven by Malaysia's broader Fourth Industrial Revolution ("4IR") vision, the Group recognises that integrating smart technologies is no longer optional but essential for future-readiness. By embedding innovation into its operational model, HCIB positions itself to lead in an increasingly digital and competitive landscape.

With the Group now operating as a focused cement producer, technology investment is concentrated on the Gopeng integrated plant, where efficiency and product innovation directly support margins. During FY2026, the Group also progressed the development of new green cement products, increasing to a meaningful share of total sales over time.

Potential Risks and Impacts	HCIB's Response
<u>Competitive Advantage Through Digitalisation</u> Digitalisation and automation provide HCIB with stronger visibility across operations, better customer insights, and faster decision-making. These technologies help streamline manual processes, improve efficiency, and lower costs, strengthening the Group's competitiveness and adaptability in a changing business environment. <u>Efficiency and Productivity</u> Smart control systems and automation are central to HCIB's drive for efficiency. These tools enable quicker responses to market needs, shorter turnaround times, and improved cost management. The resulting gains in productivity support customer satisfaction and reinforce the Group's commitment to sustainability and operational excellence.	<u>Customer Relationship Management ("CRM")</u> HCIB is enhancing customer satisfaction and loyalty by using an advanced CRM system. By improving coordination between internal systems and customer-facing teams, the Group aims to deliver more personalised, efficient, and responsive service, creating a seamless client experience that adds long-term value. <u>Robotic Process Automation ("RPA") and Plant Control Systems</u> HCIB continues to roll out RPA for routine, high-volume tasks, while continuing to leverage its Distribution Control System ("DCS") and Programmable Logic Controllers ("PLCs"). These systems allow real-time monitoring and precise process control, reducing reliance on manual work, ensuring stable operations, and optimising product quality across varying production requirements. <u>Green Product Innovation</u> The Group is investing in research and development to create green cement products that remain cost-competitive. This initiative supports customer demand for sustainable building materials and aligns with the Group's decarbonisation goals. By advancing green innovation, HCIB strengthens its long-term market relevance and environmental responsibility.

Outlook

By leveraging automation and data-driven technologies, HCIB is confident these capabilities will support the Group's long-term goal of enhancing productivity, improving efficiency, and building resilience in an increasingly digital marketplace.

In the coming period, HCIB remains committed to embedding innovation across its operations. As technological advancements continue to reshape the industrial landscape, the Group is focused on harnessing these tools to drive sustainable growth and play a leading role in advancing a more future-ready, technology-driven industry.

Management Discussion and Analysis

(Cont'd)



ENVIRONMENTAL

HCIB is committed to continuing to explore ways to minimise its environmental footprint and support the transition towards a low-carbon economy by embedding sustainable practices throughout its operations. This commitment is driven by the growing environmental challenges posed by greenhouse gas emissions, pollution, and climate change, which continue to shape the regulatory and operating landscape.

The importance of effective environmental management is further reinforced by evolving environmental regulations and the growing focus on decarbonisation across energy-intensive industries, such as cement manufacturing. Beyond regulatory compliance, these developments are also raising stakeholder expectations for stronger environmental performance, transparency, and accountability.

In response, HCIB recognises the importance of managing its environmental risks and continues to integrate environmental considerations into business decisions to support long-term resilience and sustainable value creation.

Potential Risks and Impacts	HCIB's Response
<u>Pollution and Community Discontent</u> Cement manufacturing is inherently resource- and emissions-intensive, generating dust (particulate matter), noise, and potential air and water pollution. Inadequate control of these environmental impacts exposes the Group to regulatory breaches, potential penalties, and operational disruption. At the same time, it can create negative sentiment among surrounding communities, potentially leading to complaints, protests, or boycotts of HCIB's operations. Such discontent may impair the Group's reputation and threaten its social licence to operate.	<u>Environmental Footprint Monitoring</u> The Group is committed to maintaining transparency in its environmental performance through regular reporting and continuous monitoring of key environmental indicators. By tracking emissions and other environmental metrics, HCIB can identify potential issues early, strengthen regulatory compliance, and implement timely corrective measures. These efforts reinforce accountability while demonstrating the Group's commitment to reducing its environmental footprint.
<u>Risk of Closure</u> Persistent non-compliance with environmental requirements may place the Group's licence to operate at risk and could result in regulatory enforcement actions, including temporary suspension or closure of operations. Such outcomes would not only affect the Group's financial performance but could also disrupt the livelihoods of employees and the surrounding communities that depend on HCIB's operations.	<u>Community Engagement</u> HCIB is dedicated to building strong and lasting relationships with the communities surrounding its operations through open communication, transparency, and mutual respect. The Group actively supports community development initiatives while providing stakeholders with information on its environmental management efforts and workplace safety practices. By maintaining regular dialogue and responding promptly to community concerns, HCIB seeks to foster trust and create shared value for the communities it serves.
<u>Supplementary Cementitious Materials ("SCM") Feedstock Supply Risk from Coal Plant Retirements</u> One risk associated with decarbonisation is that fly ash from coal-fired power plants is a core SCM used to partially replace clinker during cement manufacturing. Under the National Energy Transition Roadmap ("NETR"), Malaysia plans to retire all coal-fired power plants by 2044, posing a long-term risk to the Group's fly ash sourcing. A tightening SCM supply would raise input costs and limit HCIB's ability to lower the clinker content of its cement. This, in turn, makes it harder for the Group to reduce carbon intensity.	<u>Alternative Fuel Usage and SCM</u> HCIB continues to accelerate its transition towards lower-carbon operations by increasing the use of alternative fuels, SCMs, and industrial by-products in its manufacturing processes. This approach supports the development of a more circular production model, contributing to emissions reduction while improving resource efficiency. At the same time, reducing reliance on conventional fossil fuels helps mitigate the financial impact of coal price volatility.

Management Discussion and Analysis

(Cont'd)

Potential Risks and Impacts	HCIB's Response
	<u>Securing Supply and Ash Reclamation</u> As an immediate solution to potential fly ash scarcity, the Group is pursuing longer-term supply arrangements to secure fly ash volumes while coal capacity remains online. At the same time, HCIB is evaluating the use of harvested/reclaimed ash from existing stockpiles and ponds as a transitional source. In the longer term, the Group will continue to explore alternative SCMs and product reformulation to reduce its reliance on fly ash <u>Investment in Waste Heat Recovery ("WHR") Project</u> HCIB has invested in a WHR project, which upon completion, is expected to generate significant cost savings while reducing the Group's carbon footprint. This initiative reinforces both its operational and environmental objectives.

Outlook

In response to escalating environmental concerns, HCIB acknowledges the growing stakeholder demand for higher environmental stewardship standards. The Group proactively aligns with these expectations by implementing purposeful initiatives that advance its sustainability agenda.

LEGAL

HCIB is committed to upholding the highest standards of legal compliance and ethical conduct as part of its long-term sustainability strategy. By identifying and managing legal risks early, the Group aims to protect business continuity, safeguard stakeholder trust, and build a resilient foundation for future growth.

The Group maintains strict adherence to labour laws, reinforces its anti-corruption framework, and ensures that its corporate practices remain aligned with regulatory expectations. With growing global attention on carbon reduction, HCIB is also preparing for the legal complexities arising from evolving environmental and sustainability-related requirements. These developments further underscore the need for a proactive, structured approach to legal risk management.

Potential Risks and Impacts	HCIB's Response
<u>Penalties from Non-Compliance</u> Maintaining compliance with applicable laws and regulations is fundamental to HCIB's commitment to responsible business practices. The Group adopts a proactive approach to legal risk management by strengthening internal controls and governance processes, thereby reducing the risk of regulatory breaches, avoiding financial penalties, protecting profitability, and reinforcing stakeholder confidence.	<u>Anti-Bribery and Corruption Management System ("ABCMS")</u> HCIB has implemented the SIRIM-certified ISO 37001 ABCMS as part of its commitment to maintaining the highest standards of ethics and corporate governance. By embedding the framework across its operations, the Group strengthens legal compliance, mitigates bribery and corruption risks, and promotes a culture of accountability, transparency, and integrity.

Management Discussion and Analysis

(Cont'd)

Potential Risks and Impacts	HCIB's Response
<u>Reputational Damage</u> The Group recognises that its reputation is closely linked to its ability to operate responsibly and ethically. Any legal or ethical misconduct could undermine stakeholder confidence, weaken investor trust, and reduce HCIB's attractiveness to customers, business partners, and prospective employees. To safeguard its reputation, the Group remains committed to transparent decision-making, ethical business conduct, and effective governance across all levels of the organisation.	<u>Employee Awareness and Training</u> HCIB actively promotes a culture of compliance by equipping employees with the knowledge and skills to identify and manage legal and compliance risks. Through regular awareness programmes, briefings, and updates on evolving regulatory requirements, the Group keeps its workforce informed while reinforcing ethical behaviour and alignment with its compliance framework.
<u>Increasing Costs from Evolving Regulatory Requirements</u> The ongoing evolution of regulatory requirements may lead to additional compliance costs and operational challenges. Such requirements may increase the Group's compliance obligations and could require investments in new systems, process enhancements, and operational adjustments, potentially affecting the Group's efficiency and financial performance.	<u>Proactive Regulatory Monitoring</u> HCIB closely monitors changes in the regulatory landscape to ensure timely compliance with emerging legal and reporting requirements. By anticipating legislative developments, the Group is better positioned to minimise regulatory risks, protect business continuity, and maintain financial resilience.

Outlook

HCIB actively monitors evolving regulations and adapts its practices accordingly to maintain continuous compliance. By aligning its operations with emerging legal standards, the Group seeks to establish a robust foundation for sustainable, responsible business growth.

This proactive stance underscores HCIB's unwavering commitment to legal compliance, ethical business conduct, and business transparency. By effectively managing legal risks, the Group not only safeguards its reputation but also ensures long-term resilience and stakeholder trust, which are essential to its ongoing success.

BUSINESS MODEL

HCIB is principally an investment holding company, whilst the principal activities of its subsidiaries are investment holding and the manufacture and sale of cement and cement-related products.



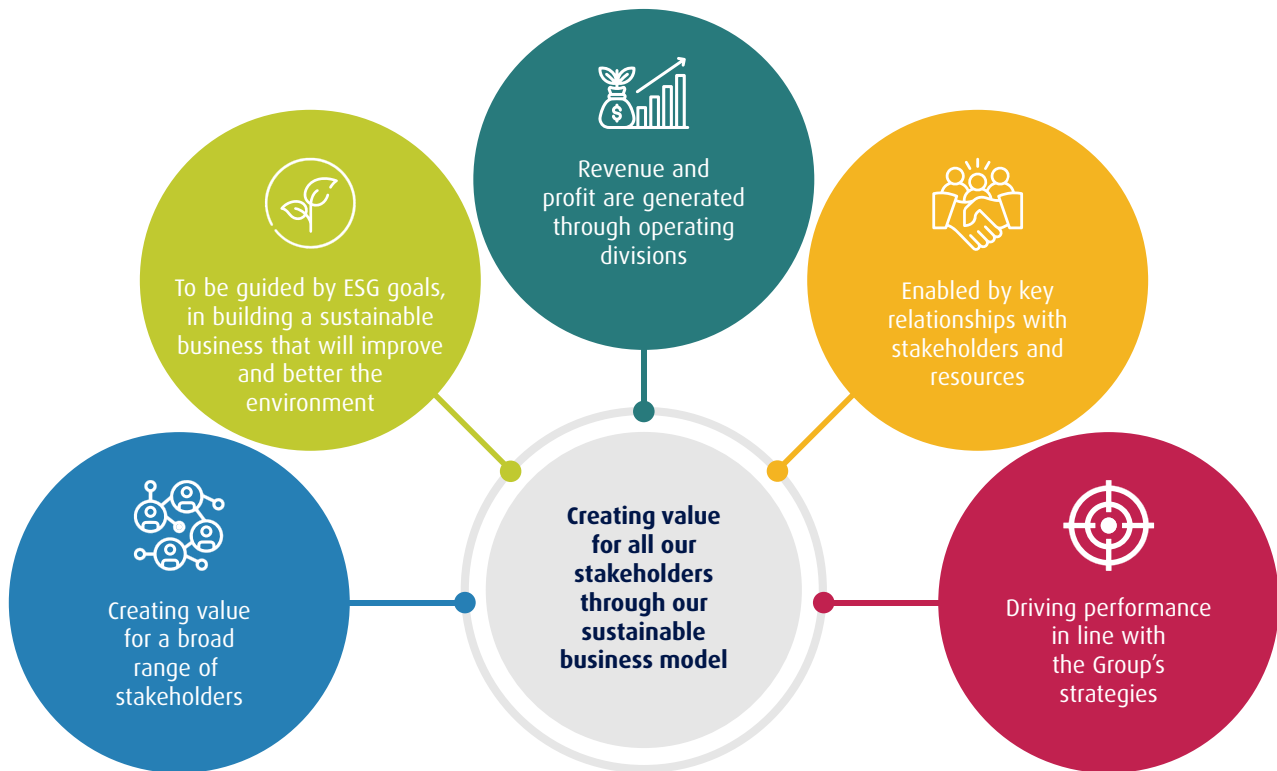
Hume Cement Sdn Bhd ("HCMT") commenced operations in 2012 with the commissioning of its first production line, followed by a second line in 2016. The company operates a fully integrated cement facility situated in Gopeng, Perak, utilising state-of-the-art technology in its production processes. Currently, HCMT has a total installed capacity of 3.0 million tonnes of clinker per annum.

The Group strives to establish a business capable of sustainably meeting the demands of stakeholders today, while also securing value for future generations. Central to this effort is the careful alignment of stakeholder interests and the collaborative pursuit of mutual objectives. By integrating robust financial performance with responsible environmental and social practices, the Group underscores its belief that true value extends beyond profitability alone.

Management Discussion and Analysis

(Cont'd)

Following the concrete divestment, the Group is also exploring diversifying its revenue streams, including a potential expansion into selected non-cement, technology-led segments, while retaining cement as its core segment.



RISK PROFILE AND MANAGEMENT APPROACH

Recognising the critical role that risk management plays in organisational integrity, the Group maintains a robust and continuous risk review process. This involves thorough, regular evaluations of potential operational and financial vulnerabilities to support informed decision-making.

To support this, the Group leverages a robust affirmative action plan to ensure business agility in addressing emerging risks and seizing new opportunities.

Through this rigorous approach, the Group is positioned to swiftly adapt to market changes, uphold stakeholder confidence, and ensure sustained business resilience.

Management Discussion and Analysis

(Cont'd)

Credit Risks

Description

- At its core, credit risk represents the chance of counterparties defaulting or failing to meet their expected payment obligations, potentially affecting the Group's financial performance and stability. The Group primarily faces credit risk exposure through customer receivables, bank balances, short-term deposits, and active forward exchange contracts. Essentially, credit risk involves the possibility of financial losses arising from a customer's or counterparty's inability to fulfil contractual commitments related to financial instruments.

Strategic Approach

- The Group's receivables mainly stem from dependable, long-term customers. Receivables are rigorously assessed for accuracy and impairment risk under a structured credit management policy, including thorough financial checks for customers seeking significant credit, with periodic ageing analyses to manage exposures.
- Receivables identified as carrying substantial overdue amounts and posing elevated credit risks are subject to focused, individual assessments by the Group. The Group conducts periodic ageing analyses as well to facilitate effective management of these exposures.
- With a substantially enlarged cash position of around RM529.7 million as at 30 June 2026, prudent counterparty selection for deposits has become an increasingly important element of credit-risk management.

Liquidity Risk

Description

- Liquidity risk arises when the Group encounters challenges in maintaining sufficient cash or funding resources to meet obligations as they fall due, which could impact operational continuity and financial stability. The Group primarily faces liquidity risk through its financial obligations, including payables.

Strategic Approach

- The Group ensures timely repayment of financial obligations and funding requirements by monitoring and managing operating cash flows and funding requirements.
- The Group maintains financial stability by holding sufficient cash reserves to cover working capital requirements. Its move to a net cash, debt-free position materially strengthens liquidity and reduces refinancing risk.
- As part of its working capital optimisation, HCIB consistently seeks the most competitive market rates available for fixed-rate investment instruments, strategically utilising its short-term deposits to optimise returns while effectively managing liquidity.

Management Discussion and Analysis

(Cont'd)

Market Risk

Description

- Market risk reflects the potential impact of external price volatility on the Group's overall financial performance and risk exposure. The Group is exposed to market risk through fluctuations in foreign exchange rates, interest rates, and other price movements that may affect its financial instruments and investment portfolio. These changes can result in unexpected gains or losses, directly influencing both the Group's financial position and future cash flows.

Strategic Approach

- To mitigate the impact of foreign currency fluctuations, the Group uses derivative instruments such as forward exchange contracts, with material exposures evaluated individually and hedging applied on a case-by-case basis.
- With no borrowings outstanding, the Group's interest rate exposure is now minimal. The Group continues to monitor interest rate movements and manages surplus funds prudently to preserve liquidity and optimise returns.

Operational Risk

Description

- Operational risk arises from the inherent uncertainties within the Group's core activities, including fluctuations in the cost and availability of raw materials, skilled labour, and critical spare parts. The Group addresses operational challenges through proactive risk management strategies that support resilience and ensure compliance with evolving legal, regulatory, health, and environmental standards.

Strategic Approach

- The Group takes a comprehensive view in identifying and assessing potential operational risks through a structured review process, supported by a robust risk management system embedded across all levels of operations. Regular oversight by Senior Management and the Audit and Risk Management Committee, with governance from the Board, ensures operational risk factors are systematically reviewed and addressed.
- The Group's preventative risk management efforts create a strong foundation for business stability and long-term sustainability, with risk reports carefully reviewed and translated into clear action plans aimed at reducing or addressing key exposures.
- Securing long-term limestone reserves via the land acquisition adjacent to the Gopeng plant further mitigates raw-material availability risk.

Management Discussion and Analysis

(Cont'd)

PERFORMANCE REVIEW OF SUBSIDIARIES

Hume Cement Sdn Bhd ("HCMT")

HCMT continues to reinforce its market position by delivering a broad portfolio of cement products tailored to the varying requirements of infrastructure, commercial, and residential projects. Central to this offering is its flagship Panda Cement brand, which remains a key differentiator and has established a strong reputation as one of Malaysia's leading cement brands.

Throughout FY2026, the Group maintained a strong focus on operational excellence through continuous plant improvement initiatives. These efforts enhanced equipment reliability, increased productivity, and improved manufacturing efficiency, ultimately contributing to lower production costs and stronger financial performance.

Hume Concrete Sdn Bhd ("HCCT")

Building on the prior year's reduction of concrete operations in Peninsular Malaysia, the Group completed a full exit from the concrete business in FY2026, disposing of its 100% interest in HCCT for a base disposal price of RM215.0 million on 31 March 2026. The disposal will enable the Group to realise its investment in the concrete segment and concentrate resources on its core cement operations.

SHAREHOLDER VALUE CREATION

The Group views dividend distribution as a key mechanism in delivering shareholder value. The Board takes a holistic approach to determining payout levels, considering a range of financial indicators, including profitability, capital expenditure needs, debt repayment obligations, capital adequacy, and other relevant metrics.

This measured and consistent approach to capital allocation reinforces the Group's broader strategy to balance reinvestment for growth with meaningful returns to shareholders.

In FY2026, the Company declared and paid a total of 13 sen per share in first- and second-interim single-tier dividends, reflecting its ongoing commitment to rewarding shareholders.

PROSPECTS MOVING FORWARD

HCIB continues to prioritise operational excellence as a foundation for sustainable long-term growth. By investing strategically in its manufacturing facilities and strengthening its research and development capabilities, the Group aims to improve production efficiency while accelerating the development of innovative products that meet evolving customer and market requirements.

Alongside operational improvements, the Group is reinforcing its competitive position through initiatives that enhance brand recognition and customer engagement. Consistent product quality, targeted marketing efforts, and closer customer relationships remain central to strengthening brand confidence and fostering long-term customer loyalty. Looking ahead, HCIB also plans to introduce more green cement products while exploring selected technology-driven business opportunities beyond its traditional cement operations.

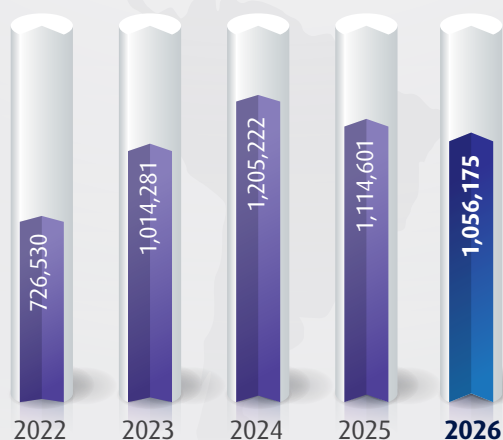
The evolving regulatory landscape and growing stakeholder expectations surrounding environmental sustainability continue to shape the Group's strategic direction. In response, HCIB is integrating environmental considerations more deeply into its governance and operational decision-making, supported by strengthened compliance processes to meet future regulatory obligations.

Although the operating environment remains shaped by external uncertainties, HCIB maintains a prudent yet confident outlook. Supported by ongoing domestic infrastructure development and a strengthened financial position, the Group is well-equipped to navigate emerging challenges and uncertainties and deliver sustained value over the long term.

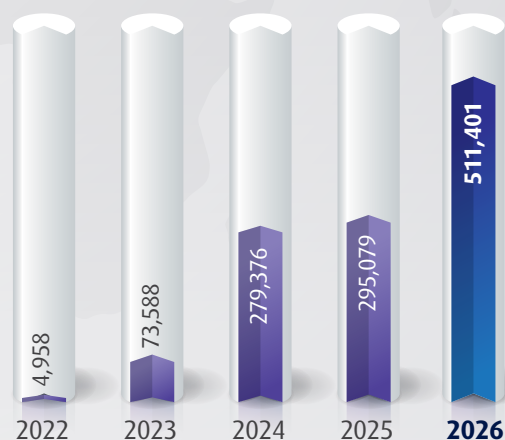
Group Financial Highlights

RM'000	FY2022	FY2023	FY2024	FY2025	FY2026
Revenue	726,530	1,014,281	1,205,222	1,114,601	1,056,175
Profit Before Taxation	4,958	73,588	279,376	295,079	511,401
Profit Attributable Owners Of The Company	3,118	60,034	210,939	223,171	430,559
Net Earnings Per Share (sen)	0.6	11.9	36.0	30.8	59.7
Net Dividend Per Share (sen)	-	-	8.0	10.0	13.0
Total Equity	368,019	428,833	584,863	727,914	1,070,214
Total Assets	1,297,648	1,186,241	1,222,112	1,219,725	1,399,783
Capital Expenditure	14,712	19,322	33,155	26,698	36,738

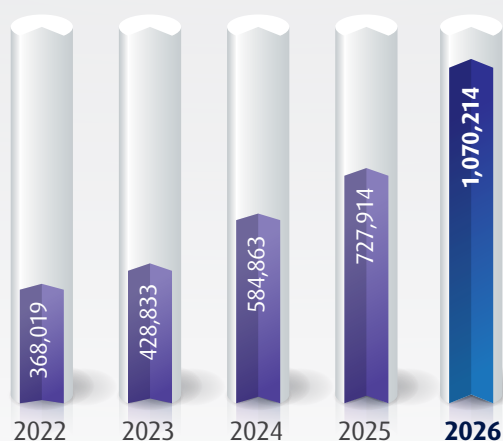
REVENUE
(RM'000)



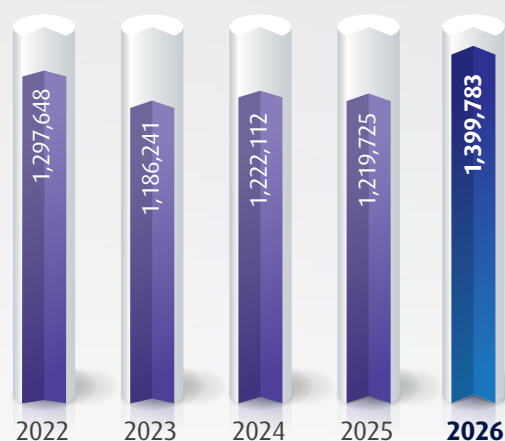
PROFIT BEFORE TAXATION
(RM'000)



TOTAL EQUITY
(RM'000)



TOTAL ASSETS
(RM'000)



Sustainability Statement

1.0 ABOUT THIS STATEMENT

1.1 INTRODUCTION

Hume Cement Industries Berhad ("HCIB" or "the Group") is proud to present its Sustainability Statement for the financial year 2026 ("SS2026"). This report aims to outline the Group's efforts and performance in managing economic, environmental, social, and governance ("EESG") matters between 1st July 2025 and 30th June 2026 ("FY2026"), unless otherwise noted, and is aligned with the reporting period of the related consolidated financial statements. Where relevant, the Group has also included three-year data (FY2024 to FY2026) to help illustrate possible performance trends over time.

While HCIB primarily functions as an investment holding company, this SS2026 shall focus on the business activities of its main subsidiary, Hume Cement Sdn Bhd ("HCMT") and Hume Concrete Sdn Bhd and Hume Concrete (EM) Sdn Bhd (collectively, "HCCT").

It is to be noted that HCCT, the precast concrete producer, was divested by the Group in March 2026.

Through this SS2026, the Group hopes to help stakeholders understand how the Group aims to continue to build long-term value responsibly, both financially and non-financially. To get a complete picture of HCIB's approach to sustainability, this statement should be read together with the Chairman's Message, Management Discussion and Analysis ("MD&A"), Statement of Risk Management and Internal Control, Corporate Governance Overview Statement, and the Group's consolidated financial statements, which can be found within this Annual Report.

1.2 REPORTING FRAMEWORK APPLIED

The preparation of this Sustainability Statement has been guided by the following frameworks and guidelines:

- Bursa Malaysia's Main Market Listing Requirements
- International Financial Reporting Standards ("IFRS") S1 and S2
- National Sustainability Reporting Framework ("NSRF")
- United Nations Sustainable Development Goals ("UNSDGs")
- Global Reporting Initiative ("GRI") Standards
- FTSE4Good Bursa Malaysia Index
- Sustainability Accounting Standards Board ("SASB") - Construction Materials

HCIB has also commenced aligning its disclosures on general sustainability-related topics with the requirements of IFRS S1 and S2 under the NSRF and will progressively expand the scope of its alignment with the framework in subsequent reporting cycles.

1.3 STATEMENT OF USE

This Statement is made following the Board's approval on 18 August 2026. HCIB has reported the information cited in this GRI content index for the period 1 July 2025 to 30 June 2026 with reference to the GRI Standards.

In preparing the Sustainability Statement for FY2026, HCIB has applied certain transition reliefs under the NSRF to support its phased adoption of the ISSB Standards. These include:

- prioritising climate-related disclosures under IFRS S2 (the climate-first relief), while progressively expanding alignment with the broader requirements of IFRS S1;
- deferring full Scope 3 greenhouse gas emissions disclosure, with reporting currently limited to selected material categories; and
- providing qualitative disclosure of the anticipated financial effects of climate-related risks and opportunities where quantitative information is not yet practicable.

Sustainability Statement

(Cont'd)

1.4 REPORTING SCOPE AND BOUNDARY

This SS2026 covers HCIB and its subsidiaries within the Group's reporting entity, with the table below identifying the operating entities and the applicable reporting periods covered by the Sustainability Statement.

As such, the focus of this report is limited to the following:

Operating companies	Location
Group ("HCIB")	- Petaling Jaya, Selangor (Head Office)
Hume Cement Sdn Bhd ("HCMT")	- Gopeng, Perak
Hume Concrete Sdn Bhd ("HCCT")	- Beranang, Selangor - Kota Kinabalu, Sabah ("Hume Concrete (EM) Sdn Bhd") - Any information and data related to the activities of HCCT shall only be up to February 2026

HCCT ceased to form part of the Group during FY2026 following completion of its disposal on 31 March 2026. Concurrently, the disclosure of sustainability performance data for HCCT aligns with the specific operational periods of its individual manufacturing sites prior to closure. For the Beranang site, the recorded data covers activities up to December 2025. Regarding the Kota Kinabalu site, the reporting boundary extends up to February 2026, reflecting the concluding timeline for data collection across these specific locations.

Throughout the SS2026, mentions of "HCIB" or "the Group" shall refer to the full organisation. Meanwhile, "HCCT" or "HCMT" shall be used when referencing the specific subsidiaries. "HCCT" may also be used to collectively refer to all its production facilities, unless otherwise specified.

1.5 LIMITATIONS

All data and information provided in this report are based on HCIB's current capabilities in gathering relevant quantitative and qualitative information from internal operations and external partners. The same data collection standards apply across the Group's value chain. While the Group strives for accuracy, some data gaps remain. HCIB endeavours to improve its data collection and monitoring processes continuously for future reporting.

1.6 FORWARD-LOOKING STATEMENTS

Some parts of this SS2026 may include future plans, targets, or forecasts that reflect the Group's strategic direction and expectations based on current market conditions and internal evaluations. These forward-looking statements are formulated using the best available data and assumptions at the time of writing. However, the Group acknowledges that, due to various external and internal uncertainties, actual outcomes may differ significantly from projections.

As such, readers are advised to approach these statements with a balanced understanding and to consider them as indicative rather than guaranteed future results.

1.7 ASSURANCE AND APPROVAL

The data and disclosures presented in this SS2026 have been reviewed by HCIB's management team and the respective data owners. Additionally, this report has been reviewed and approved by the Group's Board of Directors to provide an additional layer of accountability.

In addition, selected disclosures have undergone internal review by the Group's Internal Audit department. These disclosures have also been reviewed and approved by the Board Audit and Risk Management Committee ("BARMC"). A complete Statement of Assurance is included in the appendices of this SS2026.

1.8 DISTRIBUTION AND FEEDBACK

To constantly improve the Group's sustainability approaches, HCIB welcomes constructive feedback from its valued stakeholders. Please direct any queries, feedback, or suggestions to:

Hume Sustainability Department
sustainability@humecementind.com

Sustainability Statement

(Cont'd)

2.0 SUSTAINABILITY OVERVIEW

2.1 SUSTAINABILITY HIGHLIGHTS

In FY2026, the Group has achieved commendable progress in other areas of sustainability, which entails as following:

Sustainability Pillar	Highlight
Economic	- HCMT's operations are certified to ISO 9001, ISO 14001 and ISO 45001 for quality, environment and safety. - HCMT's laboratory in Gopeng has been accredited according to ISO/IEC 17025 standards.
Environmental	- HCMT's Gopeng cement plant holds ISO 14001 certification for environmental management systems. - HCMT's Panda Green and Panda Yellow cement products were certified with the Singapore Green Label. - Panda Green and Panda Yellow cement products have been listed in MyHIJAU, the official green recognition scheme endorsed by the Malaysian government. - HCIB invested in Waste Heat Recovery ("WHR") plant to capture and reuse heat, to offset fossil-based energy consumption.
Social	- Collectively, the Group has provided 5,889 hours of safety training to its employees. - The Group has implemented an OSH Management System aligned with ISO 45001:2018 standards. - The Group recorded improvements in LTIR and LTIFR of 0.26 and 1.28 respectively (FY2025: 0.55 and 2.77). - The Group recorded zero work-related fatalities for both contractors and employees.
Governance	100% of HCIB's plants have received ISO 37001 certification for Anti-Bribery & Corruption Management System ("ABCMS").

2.2 MEMBERSHIPS IN ASSOCIATION

Through active memberships in various industry associations, The Group stays engaged in the sector. This active participation allows HCIB to stay up to date with current sustainability best practices and contribute to ongoing industry discussions. HCIB's memberships in associations and professional bodies are as follows:

Associations
Cement & Concrete Association Malaysia
American Concrete Institute – Malaysian Chapter
Federation of Malaysia Manufacturers ("FMM")

2.3 ACCOLADES

Certifications

HCMT – SIRIM QAS International Certifications		
- ISO 9001: 2015 - MS EN 197-1: 2014 - ISO 37001:2016	- ISO 14001: 2015 - MS EN 413-1: 2012	- ISO 45001: 2018 - ISO/IEC 17025: 2017
HCCT – SIRIM QAS International Certifications		
- ISO 9001: 2015 - MS 881: Part 3: 1991 - MS 1314: Part 6: 2004 - BS EN 1168: 2005+A3: 2011 CIS 24:2021	- ISO 37001: 2016 - SIRIM ECO 065:2019 - MS EN 206: 2016 CIS 21: 2018 - BS EN 13747: 2005+A2: 2010 CIS 24: 2021	- MS 881: Part 1: 1991 - MS 1314: Part 3: 2004 - BS EN 13225: 2013 CIS 24: 2021

Sustainability Statement

(Cont'd)

3.0 SUSTAINABILITY GOVERNANCE

3.1 SUSTAINABILITY FRAMEWORK AND APPROACH



VISION

To be a leader in sustainable cement and concrete products manufacturing, providing innovative solutions to build a better future for generations to come.



MISSION

To produce high quality products while contributing positively to the environment and creating value for all stakeholders.



ENVIRONMENTAL

Contributing positively to the environment

1. GHG Emissions
2. Energy
3. Climate Change
4. Other Air Pollutant
5. Waste Management
6. Biodiversity
7. Water Management
8. Product Innovation



SOCIAL

Composing positive impacts on social systems internally and externally

1. People, Labour & Human Rights
2. Responsible Sourcing & Value Chain Resilience
3. Community Engagement & Impacts
4. Health & Safety



GOVERNANCE

Conducting business ethically

1. Governance, Ethics & Compliance

HCIB utilises its sustainability framework as a guiding blueprint for integrating sustainability considerations into operations. Formulated around the core environmental, social, and governance ("ESG") pillars, this framework aims to provide clear direction for embedding sustainability principles into the Group's day-to-day operations.

Alignment with HCIB's overarching vision and mission aims to support the translation of strategic priorities into practical and consistent actions throughout the organisation. This structured approach helps to support the Group's top-down governance model, providing the Board and Senior Management with a unified mechanism to oversee, evaluate, and refine sustainability efforts. Furthermore, it supports collaboration across the Group, enabling both management and operational teams to implement ESG-related initiatives with a shared understanding of expectations.

3.2 SUSTAINABILITY GOVERNANCE STRUCTURE

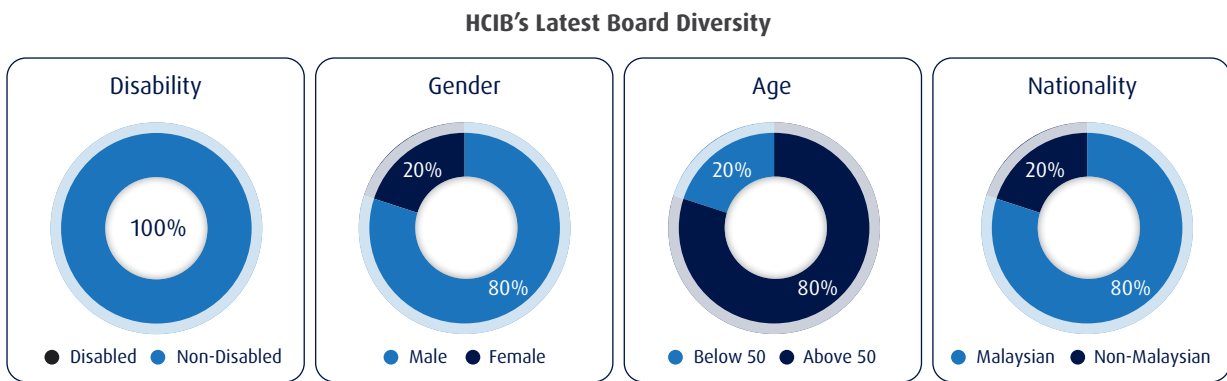


A structured corporate governance framework serves as an important element in supporting HCIB's sustainability path. Within the Group's sustainability governance structure, the Board of Directors ("Board") holds the mandate for directing sustainability strategies and monitoring their implementation. This top-down alignment helps to bring material sustainability matters, including health and safety as well as climate change-related risks and opportunities, under the direct oversight of the Board.

Sustainability Statement

(Cont'd)

Membership on the Group’s Board totals five individuals, three of whom are Independent Non-Executive Directors. This structural balance helps to provide independent oversight regarding the Group’s sustainability approach, supporting balanced decision-making that considers the interests of HCIB and its stakeholders. The Board’s composition for FY2026 is detailed below:



Board diversity by gender and age group is presented in the table below.

Board Diversity	Category	FY2024	FY2025	FY2026
Gender	Male (%)	75	75	80
	Female (%)	25	25	20
Age Group	Under 30	0	0	0
	Between 30-50	0	0	20
	Above 50	100	100	80

Governance and Board Oversight

The Board of Directors (“Board”) has overall oversight of sustainability-related risks and opportunities, including climate change, environmental, and safety and health risks. The Board retains oversight of these matters. The Group Managing Director (“GMD”), who is a member of the Board, chairs the Sustainability Steering Committee (“SSC”) and leads their implementation.

Operational and strategic governance is channelled through the Board Audit and Risk Management Committee (“BARMC”), which specifically assesses major business risks, including those linked to sustainability and climate change. The Board’s governance responsibilities are formally documented and executed through the Sustainability Steering Committee Charter, which serves as the Terms of Reference (“TOR”). This charter mandates the SSC to integrate sustainability into day-to-day operations, review strategies across all sustainability areas, and authorise the SSC to extract necessary data from any department.

SSC is chaired by the Group Managing Director, William Tan Kok Siang, who also serves as a member of the Board. In this capacity, he provides strategic oversight of the Group’s sustainability agenda, including key matters relating to health and safety and climate change.

Communication and Strategic Integration

The SSC Chairman provides the Board with updates on sustainability processes, actions taken, and ESG developments. Meetings of the SSC occur quarterly, with the provisions to call for additional sessions as necessary. Sustainability considerations are integrated into strategic workflows and major corporate decisions through specific channels. For framework alignment, the SSC studies and proposes reporting guidelines that align with applicable standards, and recommends Group ESG policies. For major transactions, the Board reviews and approves capital expenditures, investments, and divestments to support the alignment with long-term sustainability principles. Regarding risk management, the Group adopts the ISO 31000:2018 framework, evaluating the likelihood and impact of ESG risks against the Group’s risk appetite to determine severity from severe to trivial.

Sustainability Statement

(Cont'd)

Board Target Monitoring

Monitoring the progress of sustainability strategies is operationalised through interconnected management and committee workflows. The Group incorporates quantifiable objectives into annual business plans to translate corporate aspirations into practical initiatives. Evolving performance data, such as GHG emission, energy efficiency, workforce diversity and safety initiatives, is monitored by the SSC and the Sustainability Working Committee ("SWC") before being reported back to Board-level committees. Furthermore, the BARMC evaluates the adequacy and effectiveness of risk management measures quarterly to monitor whether action plans remain relevant and that targets are met.

Management Implementation and Control Procedures

Management serves as the operational bridge between executive strategy and daily activities, initiating business concepts that create a competitive edge while tracking compliance across divisions. Operational execution relies on structured reporting protocols and systems. Details of identified risks and corresponding treatment plans are recorded in risk registers and presented to the BARMC quarterly for review. Daily operations are guided by standard operating procedures ("SOPs"), which are documented corporate policies that aim to serve as practical guides for supporting ethical conduct and sustainability in daily decision-making. To maintain robust management systems and certifications, the Group utilises internationally recognised systems, including ISO 14001 for environmental management and ISO 45001 for occupational health and safety, to monitor and evaluate performance. Internal assurance processes are sustained through internal control assurance activities, such as self-audits and internal control questionnaires, to demonstrate the evaluation of risk management systems. Finally, regular committee reviews allow progress on ESG initiatives to be tracked through monthly SWC meetings and quarterly SSC meetings, which facilitate the sharing of best practices and the execution of corrective actions.

3.3 STRATEGIC TARGETS AND PERFORMANCE METRICS

The Group establishes sustainability goals that aim to monitor progress, support accountability, and align corporate operations with international best practices. In accordance with the IFRS S1 framework, specific quantitative and qualitative targets are utilised to evaluate performance across key environmental, social, and governance disclosures.

The following matrix outlines the metrics, baseline periods, milestones, and specific targets established for the FY2026 reporting cycle.

Indicators	Performance Metric	Baseline & Tracking Period	Targets & Milestones (FY2026)
Air Emissions	Micrograms per cubic metre ($\mu\text{g}/\text{m}^3$) for ambient air and milligrams per cubic metre (mg/m^3) for stack emissions.	Three-year data trends (FY2024-FY2026).	Ambient Air (PM10): $<100\mu\text{g}/\text{m}^3$ for the plant site.
			Stack Emissions (PM): $<50\text{mg}/\text{m}^3$ for the Kiln, Cooler, Coal Mill, and Main Stacks.
Scope 3 Emissions	Data collection tracking across value chain segments.	Employee Commuting: Began in FY2024.	Focus remains on building a comprehensive emissions baseline.
		Business Travel: Initiated in FY2025.	
Energy & Water	Energy: Gigajoules (GJ) and Megawatt Hours (MWh).	Three-year data trends (FY2024-FY2026).	Ongoing performance monitoring against operational benchmarks.
	Water: Megalitres and water intensity (m^3/tonne cement produced).		
Employee Training	Average hours and average days per employee.	Three-year data trends (FY2024-FY2026).	Targets of >20 average training hours and >0.8 average training days per employee.
Safety & Governance	Safety: Number of LTIs, LTIR, LTIFR, training hours, and fatalities.	Ongoing compliance tracking.	Anti-Corruption: Maintaining a strong ethical culture and upholding the Group's commitment that it does not condone any form of bribery and corruption.
	Governance: Absolute anti-corruption alignment.		Safety: No reported incidents and accidents across all plants.

Sustainability Statement

(Cont'd)

3.4 STAKEHOLDER PARTICIPATION

Beyond internal governance structures, HCIB recognises the importance of engaging its external stakeholders in its overall governance and decision-making process. One key avenue for this engagement is the Annual General Meeting (“AGM”).

The AGM serves as an inclusive platform where key stakeholders are invited to review the Group’s performance and provide feedback. It enables the Board to present the Group’s financial and operational outcomes, explain strategic plans, and respond directly to questions and concerns raised by stakeholders.

This annual engagement demonstrates HCIB’s commitment to transparency, accountability, and open dialogue. By holding regular AGMs and promoting meaningful stakeholder participation, the Group aims to strengthens stakeholder trust, builds long-term relationships, and supports its governance practices to remain inclusive and responsive to external expectations.

ITEM		FY2024	FY2025	FY2026
AGM	AGM Notice Filing Date (DD-MM-YYYY)	08-10-2024	07-10-2025	06-10-2026
	AGM Date (DD-MM-YYYY)	07-11-2024	06-11-2025	05-11-2026
	Number of days between the date of notice and the date of meeting	29	29	29

Note: Please refer to this Annual Report for the FY2026 Notice of AGM.

3.5 CORPORATE GOVERNANCE POLICIES AND PRACTICES

Establishing clear and robust policies forms the foundation of effective corporate governance across the Group. These formal policies function in tandem with HCIB’s sustainability framework and governance structure, aiming to serve as practical guides for embedding ethical conduct and sustainability considerations into daily decision-making. Through this aligned approach, the Group aims to maintains responsible and ethical practices throughout its day-to-day operations.

The Group expanded its structural framework in FY2025 by developing and adopting a Sustainability Policy Statement. Moving into FY2026, this policy continues to serve as a formal declaration of the Group’s approach to integrating economic, environmental, social, and governance (“EESG”) principles across all operational areas. The policy aims to supports the corporate aspiration to align sustainability initiatives with the Group’s requirements for profitable growth, thereby advancing a sustainable future for both future generations and the company itself.

The Group aims to continue to rely on its key corporate and sustainability policies adopted over the years to support responsible and ethical business practices. Detailed information regarding each of these individual policies remains accessible on HCIB’s official website at Codes and Policies (humecementind.com)



Safety, Health, & Environment (“SHE”) Policy

- Each subsidiary has its own policy



Energy Policy & Management

- Only applicable for HCMT



Whistleblowing Policy

- Applicable to all



Anti-Bribery & Corruption (“ABC”) Policy

- Applicable to all

Sustainability Statement

(Cont'd)



Code of Conduct and Ethics

- Applicable to all employees. Directors refer to the "Code of Ethics for Company Directors", and suppliers will refer to the "Supplier Code of Conduct and Ethics."



Data Privacy Policy

- Applicable to all



Labour Standards Statement

- Available in English and Malay
- Applicable to all



Sustainability Policy Statement

- Applicable to all

3.5.1 Anti-Corruption and Ethical Conduct

Anti-corruption practices and ethical conduct are central to guiding HCIB's decision-making across all levels of the organisation, safeguarding the Group's reputation and stakeholders' trust.

Indicators	FY2024	FY2025	FY2026
Corruption Risk Assessment (%)	100	100	100
Employees Receiving Anti-Corruption Training (%)	100	78	98
Confirmed incidents of corruption	0	0	0

The Group does not condone any form of bribery or corruption and is guided by the Hong Leong Manufacturing Group Code of Conduct and Ethics, as well as HCIB's Anti-Bribery and Corruption ("ABC") Policy and Code of Conduct and Ethics. These frameworks establish the basis for ethical decision-making across all operational areas, aligning business practices with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and applicable national regulations.

Oversight and accountability for these anti-corruption initiatives are led at the highest governance levels, where the Board and Senior Management oversee policy refinement and organisational implementation. This governance structure is supported by a dedicated Compliance Function, which is overseen by the BARMC, the Group Managing Director, and the Compliance Manager. This function is responsible for administering the Group's Anti-Bribery and Corruption Management System ("ABCMS"), which is structured in accordance with ISO 37001:2016. During FY2026, the ABCMS underwent an independent audit by SIRIM to assess its compliance with international anti-bribery benchmarks.

The operational scope of the ABCMS encompasses all HCIB subsidiaries and personnel. Under the Hong Leong Manufacturing Group Self-Declaration Policy, all employees are required to complete an annual self-declaration and formally acknowledge the Group's ABC Policy, Employee Code of Conduct and Whistleblowing Policy. This annual process aims to reinforce employees' awareness and understanding of the Group's expectations regarding ethical conduct, integrity and responsible business practices.

Additionally, the Group's Gift Policy applies to all employees who are required to submit gift declarations twice a year. Directors, meanwhile, complete their declarations annually at the beginning of each calendar year. In addition, Directors are guided by the Code of Ethics for Company Directors, which sets out the ethical principles and standards of conduct expected of the Board and is available on HCIB's corporate website.

Employee awareness and risk mitigation are promoted through ongoing educational programmes. In FY2026, a total of 204 hours of anti-corruption training were conducted across the organisation. These sessions are tailored to specific job roles and risk exposures, featuring modules that address various forms of corruption, including bribery, conflicts of interest, fraud, and abuse of power, while providing systematic guidance on how to recognise, prevent, and report unethical conduct.

Sustainability Statement

(Cont'd)

Employee Category	Percentage of Employees Who Received Anti-Corruption Training (%)		
	FY2024	FY2025	FY2026
Management	100	84	99
Executive	100	88	98
Non-executive	100	87	97
General Workers	100	0	N/A

Information regarding the Group’s anti-corruption objectives and practices is disseminated through various communication channels to support transparency and accessibility. These avenues include employee informational materials, periodic updates published on the Group’s intranet, and public access to HCIB’s ABC policy and commitments via its official website. Furthermore, the Group maintains and promotes dedicated whistleblowing channels, providing a safe and confidential avenue for reporting suspected misconduct.

The Group implemented the ABCMS across all operating companies as of FY2026, with each company certified to ISO 37001:2016 standards. No incidents of corruption were reported throughout the year, which aligns with the operation of HCIB’s anti-corruption measures and the organisation’s ongoing emphasis on upholding ethical business conduct. Moving forward into FY2027, these communication channels, certification standards, and reporting mechanisms continue to form part of the Group’s governance framework.

Indicators	FY2024	FY2025	FY2026
Political contribution made (RM)	0	0	0
Staff disciplined or dismissed for anti-corruption policy breaches	0	0	0
Fines, penalties, or settlements related to corruption (RM)	0	0	0
Confirmed incidents of corruption and action taken	0	0	0



HCIB’s ABC Awareness Campaign

In order to raise awareness of ethical business practices, HCIB conducted an ABC Awareness Campaign in conjunction with its SHE Awareness & Family Day. The campaign educated employees and their families on the risks and consequences of bribery and corruption through awareness materials, practical examples, and guidance on reporting suspected misconduct.

During the event, HCIB’s top management also unveiled and signed a commitment poster reaffirming its support for the HCIB’s ABCMS. This initiative demonstrated the Group’s commitment to integrity, transparency, and do not condone any form of bribery and corruption.

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3.5.2 Whistleblowing Policy and Mechanisms

HCIB provides a secure and confidential environment for employees to report potential misconduct, aiming to strengthen the Group's commitment to transparency and ethical governance.

The Group continues to maintain a comprehensive Whistleblowing Policy that empowers employees across all levels of the organisation to report potential misconduct. This includes unethical practices such as fraud, bribery, corruption, or any other unlawful behavior within the working environment.

The Whistleblowing Policy outlines clear and accessible reporting channels to support ease of use and trust in the process. Employees may submit concerns through a designated Whistleblowing Form or directly contact the Chairman of the BARMC via email. All reports are channeled to the BARMC Chairman for independent and impartial assessment, adhering to procedures set out in the policy framework. This independent oversight aims to support all disclosures being reviewed objectively and with due diligence.

Confidentiality is an important component of HCIB's whistleblowing process. The policy intends for any report made in good faith to be handled with strict confidentiality, and whistleblowers to be safeguarded against any form of retaliation, harassment, or disciplinary actions, even if subsequent investigations do not confirm the allegations made. All reports are treated with the highest level of discretion, and the identity of the whistleblower is protected in accordance with applicable legal provisions. HCIB remains firmly supportive of creating a safe reporting environment where individuals can speak up without fear of adverse consequences.

HCIB provides employees with established channels to raise workplace concerns through the Code of Conduct & Ethics and the Whistleblowing Policy. The Code of Conduct & Ethics sets out the standards of professionalism and ethical conduct expected of employees in carrying out the Group's business and professional activities, while promoting compliance with applicable laws and regulatory requirements. The Whistleblowing Policy enables employees and other stakeholders to confidentially report suspected misconduct directly to the Chairman of the Board Audit & Risk Management Committee.

Awareness of these reporting mechanisms is incorporated into the HR Induction and ABCMS Awareness Training for all new employees. In addition, employees reaffirm their understanding of the Code of Conduct & Ethics through an annual declaration, reinforcing awareness of the available reporting channels and expected standards of conduct.

No formal employee grievance cases were reported to HCIB through these channels during FY2026.

3.5.3 Regulatory Compliance

Operational integrity across the Group is guided by compliance with statutory requirements and internal governance frameworks.

In order to support consistency and responsiveness across all business activities, the Group integrates regulatory adherence into its core operational framework. This compliance baseline is driven by HCIB's Safety, Health, and Environment ("SHE") Policy, which functions as the mechanism for setting corporate benchmarks and supporting responsible practices across all operational areas.

Environmental obligations are managed through specialized Environmental Management Systems ("EMS") that operate in tandem with the SHE Policy to support sustainable development and regulatory alignment. Concurrently, workplace welfare, physical safety, and statutory health mandates are addressed through the structured execution of the Group's Occupational Health and Safety Management System ("OHSMS").

Accountability and field execution are maintained via localized SHE Committees active within every subsidiary. These units bring together departmental heads, SHE officers, and employee representatives under the direct leadership of the Head of Plant, General Manager, and Regional Managers. By convening at regular intervals, these committees review localised SHE performance and tracking data. The resulting observations are formally compiled into the Plant Performance Report ("PPR"), delivering critical operational intelligence to the Managing Directors and the Group's SSC to facilitate data driven governance and continuous structural refinement.

Sustainability Statement

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3.6 SUPPLY CHAIN MANAGEMENT

Strategic supply chain management underpins the capacity of HCIB to maintain consistent quality and drive operational efficiency across its business activities.

The operational ecosystem relies on an extensive network of suppliers, vendors, and service providers that integrate directly into the Group’s broader value chain. Although commercial engagements include international partners, the Group directs specific focus toward cultivating long-term relationships with local suppliers. This prioritisation of local procurement is intended to support stable delivery schedules, maintains material consistency, and enhances cost efficiency, thereby strengthening business continuity, upgrading production planning, and mitigating of potential exposure to external logistical disruptions.

Due diligence protocols are executed prior to onboarding any new supplier or service provider, irrespective of their geographic origin, to facilitate early risk identification and support balanced procurement selections. This framework is governed by a formalised Supplier Code of Conduct and Ethics, which outlines the Group’s expectation regarding business integrity, environmental compliance, and ethical labour standards. Furthermore, external providers are required to align with the Group’s ABC Policy and ABCMS. Collectively, these frameworks aim to establish the regulatory compliance benchmarks, ethical principles, and responsible operational behaviours expected by the organisation. The Group may take appropriate actions, including termination of commercial relationships and restriction of future engagements where entities are found to be in breach of these requirements.

Operational execution across individual subsidiaries is directed by standardized internal operating procedures (“SOPs”) that govern due diligence workflows within high-risk segments, including supplier onboarding, recruitment, and competitive tendering. These structured SOPs aim to promote procedural transparency, reduce the risk of unethical conduct, and support alignment of procurement choices with broader corporate policies. Through these integrated mechanisms, the Group seek to maintain an ethical and structured supply chain that support long-term operational sustainability.

3.7 DATA PRIVACY AND CYBERSECURITY

Alignment with the Personal Data Protection Act (PDPA) 2010 governs the collection of personal data across the Group, supporting the lawfully collection of information through the informed and explicit consent of data owners.

Transparent and accessible notices are provided to individuals to clarify the nature, purpose, and duration of data collection and storage, supporting accountability throughout data management workflows. The Group handled collected data with care and limit disclosure to third parties, except where requested by law enforcement agencies or with appropriate authorisation from data owners.

Proactive risk management serves as a primary focus for the Group in mitigating the operational and technical risks associated with data handling. Continuous investment is directed into digital infrastructure to facilitate the early identification and rectification of potential vulnerabilities within the internal IT systems. Furthermore, cybersecurity awareness is integrated into the organisational culture, with personnel receiving regular instruction on fundamental best practices necessary to protect digital privacy and maintain data protection standards.

These integrated security protocols and infrastructure upgrades aim to support a secure digital environment across the organisation. The Group has not identified any instances of data breaches or losses involving sensitive customer data.

Indicator	FY2024	FY2025	FY2026
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

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4.0 STAKEHOLDER ENGAGEMENT

Active stakeholder engagement serves as a cornerstone of the Group's operational strategy, fostering mutual trust, transparency, and long-term collaboration.

Constructive and ongoing dialogue enables the Group to align its commercial objectives with evolving external expectations, driving informed decision-making and responsible corporate conduct.

Key stakeholder groups remain fundamental to the continuous success and operational durability of the organisation. By identifying and understanding their core expectations, concerns, and aspirations, the Group aims to strengthen its business resilience and maintains a proactive approach to corporate governance. The frameworks and engagement channels utilized to sustain these vital relationships are summarised below:

Relevant Material Topics	Engagement Channel
Customers Customers are important stakeholders to HCIB as they drive demand for the Group's products and services.	
Risks: Changing preferences and expectations, loss of market share to faster-moving sustainable competitors	Opportunities: Present opportunities for growth and innovation through constructive feedback and loyalty
Product Innovation	• Customer feedback surveys • Conferences and meetings • Roadshows and visits to customers • Corporate website
Employees (including Management) Employees and leadership form the backbone of the Group's operations, executing operational performance and driving strategic growth in line with HCIB's vision.	
Risks: Talent retention lapses, reduced workforce productivity, potential labour disputes, safety non-compliance, technical skill shortages	Opportunities: Offer chances for innovation, improved performance, and a strong organised culture
People, Labour and Human Rights Areas covered: • Labour Standards & Employee Management • Health & Safety • Human Rights	• Employee engagement programmes • Internal communication channels (e-mails, work groups, etc.) • Town hall/briefings • Training sessions • Genba walks • '5S' activities • Surveys
Governance, Ethics & Compliance Areas covered: • Corporate Governance • Anti-Bribery & Corruption	

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Relevant Material Topics	Engagement Channel
Suppliers/Business Partners Suppliers and business partners enable HCIB to continue operations and consistently deliver quality products. Their collaboration also supports the Group’s efforts to uphold ESG standards across the value chain.	
Risks: Operational disruption, reputational risks, and non-compliance to Group standards Opportunities: Drive cost efficiency, collaborative innovation, and responsible sourcing	
Responsible Sourcing & Value Chain Resilience Areas covered: - Supply Chain Management Environmental Material Topics: - GHG Emissions - Climate Change - Waste Management - Other Air Pollutants - Energy People, Labour and Human Rights Areas covered: - Human Rights Governance, Ethics & Compliance Areas covered: - Anti-Bribery & Corruption	- Site visits and meetings - Audits and surveys - Vendor registration and feedback - Exhibitions, conferences, and technical roadshows
Government Agencies/Regulators Government agencies and regulators define the operating landscape for HCIB. Constructive engagement allows the Group to stay compliant and aligned with national development priorities.	
Risks: Non-compliance issues and unpredictable policies Opportunities: Access to government incentives/ subsidies and favourable operating conditions	
Governance, Ethics & Compliance Areas covered: - Corporate Governance - Anti-Bribery & Corruption - Data Privacy People, Labour and Human Rights Areas covered: - Health & Safety - Labour Standards - Human Rights Environmental Material Topics: - GHG Emissions - Climate Change - Other Air Pollutants - Waste Management - Biodiversity	- Dialogues and meetings - Exhibitions and conferences - Formal and informal correspondence - Site visits - Government initiatives and programmes

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Relevant Material Topics	Engagement Channel
Local Community/Non-Governmental Organisations (“NGOs”) These stakeholders support HCIB in identifying emerging ESG-related risks and developing more inclusive and responsible operational practices.	
Risks: Community relation friction, negative public sentiment, operational disruption from unresolved disputes, regulatory scrutiny over local impacts, localised environmental concerns	Opportunities: Provide opportunities for building a positive reputation and achieving social license to operate through community engagement and support
Community Engagement & Impact Environmental Material Topics: • GHG Emissions • Climate Change • Other Air Pollutants • Waste Management People, Labour and Human Rights Areas covered: • Human Rights Governance, Ethics & Compliance Areas covered: • Anti-Bribery & Corruption	• Site visits • CSR activities • Sponsorships and donations
Shareholders/Investors Shareholders and investors are important for providing the capital the Group needs for growth and business expansion.	
Risks: Financial performance and market volatility	Opportunities: Funding, strategic guidance, and increased market credibility
Governance, Ethics & Compliance Areas covered: • Corporate Governance • Anti-Bribery & Corruption Environmental Material Topics: • GHG Emissions & Climate Change	• Annual general meetings • Investor briefings • Corporate affairs correspondences • Corporate website and publications • Financial and sustainability disclosures
Employee Unions Employee unions contribute to fair and inclusive workplaces, helping HCIB balance operational goals with the needs of its workforce.	
Risks: Industrial action, strained relations, and potential regulatory breaches	Opportunities: Fosters inclusive dialogue, promote fair practices, and reinforce workplace stability
People, Labour and Human Rights Areas covered: • Labour Standards & Employee Management • Health & Safety • Human Rights	• Formal union meetings • Various ad-hoc communication sessions

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Relevant Material Topics	Engagement Channel
Industry Associations Industry associations offer HCIB valuable platforms for policy advocacy, benchmarking, and collective innovation. They can help advance best practices across the sector and drive progress through collaboration with the Group’s peers. <i>Risks:</i> Lack of advocacy and missed trends	
<i>Opportunities:</i> Access to shared knowledge, shape industry standards, and raise corporate profile	
Governance, Ethics & Compliance Areas covered: - Corporate Governance Environmental Material Topics: - GHG Emissions - Climate Change People, Labour and Human Rights Areas covered: - Human Rights	- Meetings - Conferences - Working Committees

Structured engagement and two-way communication support the Group in gaining insights into how its operations are perceived, facilitate the resolution of emerging concerns, and allow for a more responsive response to evolving stakeholder expectations. This proactive dialogue contributes to maintaining the organisation’s social licence to operate while supporting its capacity to generate shared value for relevant stakeholders.

5.0 ASSESSING MATERIALITY

5.1 MATERIALITY ASSESSMENT PROCESS

HCIB adopts a materiality-driven approach for its sustainability efforts to remain focused on the ESG matters that have the greatest significance to the Group and its stakeholders. The materiality assessment serves as the foundation for identifying sustainability priorities, enabling the Group to integrate material ESG considerations into its business strategy, risk management, and decision-making processes.

Following the FY2024 Materiality Assessment Exercise, HCIB refined its material topics for SS2026 to reflect the Group’s evolving business context and align with internationally recognised sustainability frameworks, including IFRS Sustainability Disclosure Standards and SASB. The review focused on improving clarity, eliminating overlaps, and reviewing the alignment of material topics with HCIB’s sustainability priorities.

In FY2026, HCIB undertook a comprehensive Materiality Assessment Exercise (MAE) to review and prioritise the ESG topics most relevant to its operations. The assessment considered industry benchmarks, stakeholder input, and recognised sustainability frameworks, including the GRI Standards, FTSE4Good criteria, Bursa Malaysia’s ESG indicators, and the Bursa Malaysia Sustainability Reporting Guide. By adopting this structured approach, HCIB aims for its sustainability priorities to remain aligned with evolving stakeholder expectations, emerging ESG developments, and the Group’s long-term strategic objectives.

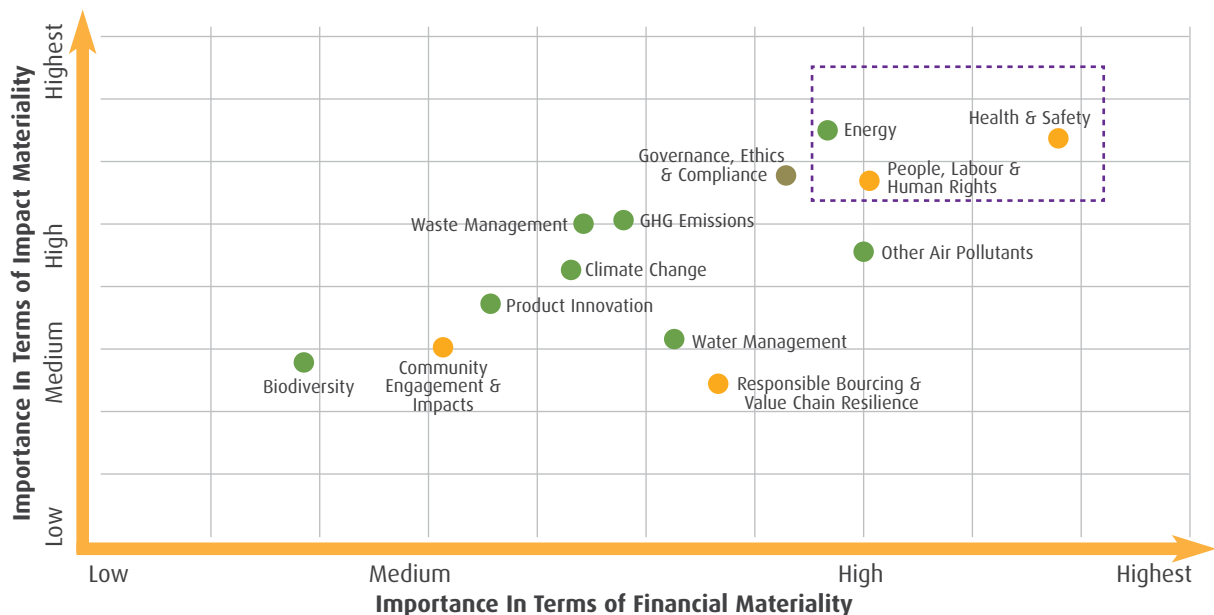
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Materiality Assessment Stage	Key Activities
Scoping and Identification of Material Topics	- Identify internal and external ESG matters relevant to the Group's operations and stakeholders. - Consolidate common sustainability topics and develop a preliminary list of material matters for assessment.
Stakeholder Engagement and Prioritisation	- Gather stakeholder perspectives through surveys, interviews, and engagement sessions. - Assess and validate the significance of identified material topics based on stakeholder feedback and business relevance.
Review and Validation	- Evaluate the materiality assessment against emerging sustainability trends, industry developments, and key business risks. - Refine the material topics to align with the Group's strategic priorities and evolving ESG landscape.
Board Review and Approval	- Present the final materiality assessment outcomes and materiality matrix to the Board for review and approval. - Confirm the Group's material sustainability priorities for reporting and strategic decision-making.

The revised material topic structure streamlines the assessment process, supports alignment with evolving reporting expectations, and helps the materiality assessment remain relevant to HCIB's operating environment and long-term sustainability strategy.

5.2 MATERIALITY MATRIX



Based on the 2026 materiality assessment, Energy, Health & Safety, and People, Labour & Human Rights were identified as HCIB's three highest-priority material topics, reflecting the relative outcome of the FY2026 materiality assessment. GHG Emissions and Climate Change remain recognised as material topics and continue to be addressed in the Group's sustainability disclosures.

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Material Topics	HCIB's Approach
Environment	
	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND
- GHG Emissions - Climate Change - Other Air Pollutants - Biodiversity - Waste Management - Energy - Water Management - Product Innovation	- Implement environmental management systems ("EMS") at selected operational sites under ISO 14001:2015 framework. - Maintain environmental quality standards in compliance with the EQA and Clean Air Regulations. - Implement a systematic approach to energy management guided by the facility's "10 Golden Rules" framework. - Assess water quality in retention ponds before discharge. - Recycle water for day-to-day plant operations. - Support carbon reduction through energy efficiency initiatives. - Integrate biodiversity and environmental approaches into operational and land management practices. - Promote a circular economy where materials are reused or repurposed instead of disposed.
Social	
	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
- People, Labour and Human Rights - Health & Safety - Responsible Sourcing & Value Chain Resilience - Community Engagement & Impacts	- Establish Occupational Safety, Health and Environment ("OSHE") Committees at each operating plant. - Invest in the community through CSR activities, divided into different focus areas. - Standardize internal operating procedures ("SOPs") across individual subsidiaries. - Oppose any form of human rights violations, discrimination, and non-compliance in workforce diversity. - Inform employees on whistleblowing and grievance channels to report cases of discrimination.
Governance	
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Governance, Ethics & Compliance	- The Group does not condone any form of bribery, corruption or unethical conduct. - Dedicate a Compliance Function structured in accordance with ISO 37001:2016. - Align practices with corporate governance standards. - Collaborate with authorities and important stakeholders. - Constant review of potential risks and opportunities.

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6.0 ECONOMIC

6.1 DIRECT AND INDIRECT VALUE CREATION

HCIB recognises that strong financial performance is essential to sustaining long-term business success while enabling the delivery of its sustainability commitments. The Group's ability to generate economic value supports business resilience, enhances competitiveness, and provides the financial capacity to respond effectively to evolving market conditions.

Financial value is created through the Group's operational performance, supported by strategic initiatives that strengthen efficiency, optimise supply chain management, advance digitalisation, and embed sustainability across the business. Consistent revenue generation, healthy profit margins, and operational efficiency enable HCIB to reinvest in its operations, strengthen its market position, and pursue growth opportunities that create long-term value.

The Group also recognises that financial performance and sustainability are increasingly interdependent. A strong financial foundation enables continued investment in initiatives that improve environmental performance, accelerate decarbonisation efforts, enhance employee wellbeing, and contribute positively to the communities in which HCIB operates. These investments not only strengthen business resilience but also reinforce the Group's commitment to responsible and sustainable growth.

Beyond supporting business expansion, sustained profitability enables HCIB to create value for a broad range of stakeholders. This includes providing competitive remuneration and career development opportunities for employees, delivering sustainable returns to shareholders, maintaining strong partnerships with suppliers and customers, and supporting community development initiatives that contribute to broader socioeconomic progress. Through this balanced approach, HCIB seeks to generate lasting value for its stakeholders while advancing its long-term sustainability objectives.

Recognising that financial and non-financial performance are closely interconnected, HCIB considers indirect value creation to be an integral component of its long-term business strategy. Together, these factors strengthen enterprise value, support operational continuity, and position the Group to deliver sustainable returns over time.

An overview of HCIB's economic performance is presented below. More detailed financial information is available in the Financial Statements section of this Annual Report.

Indicator	FY2024	FY2025	FY2026
Revenue (RM'000)	1,205,222	1,114,601	1,056,175
Group Profit/(Loss) After Tax (RM'000)	210,939	223,171	430,559
Net Cash Generated from Operating Activities (RM'000)	363,462	356,298	394,017
Net Asset Per Share (RM)	0.81	1.00	1.48
Earnings Per Share (sen)	36.02	30.84	59.67

6.2 PRODUCT QUALITY AND CUSTOMER SATISFACTION

Product quality is fundamental to HCIB's ability to maintain customer confidence, strengthen long-term relationships, and sustain its competitive position in the market.

Consistent product performance enables the Group to meet customer requirements while reinforcing operational excellence and long-term business resilience. Quality management is embedded across the Group's manufacturing operations through established systems, policies, and performance monitoring mechanisms. All manufacturing plants operate under a Quality Management System certified to ISO 9001:2015, supported by a Quality Policy that sets out the Group's commitment to product quality, compliance, and continual improvement. Selected business units are also certified to ISO 14001:2015 and ISO 45001:2018, reflecting HCIB's integrated approach towards quality, environmental management, and occupational health and safety.

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Quality performance is monitored through Quantifiable Quality Objectives incorporated into the annual business plan. These objectives are supported by key performance indicators that enable the Group to evaluate performance, identify opportunities for improvement, and maintain consistent product standards across its operations.

The technical sales team serves as the primary interface between HCIB and its customers, providing technical support, monitoring product performance, and managing customer feedback. Product-related concerns are investigated jointly with the Quality Control Department, enabling timely corrective actions and effective resolution of issues. This coordinated approach strengthens customer confidence while supporting continuous quality improvement.

Customer feedback is gathered through periodic satisfaction surveys covering product quality, pricing, delivery performance, and service responsiveness. The findings are used to identify improvement opportunities and enhance customer experience. During FY2026, HCIB received 16 customers feedback cases, all of which were addressed through the Group’s established customer feedback management process.

Quality performance and customer feedback are reviewed during weekly management meetings, allowing management to monitor trends, evaluate corrective actions, and drive continual improvements across products, processes, and customer service.

6.3 SUPPORTING LOCAL PROCUREMENT

HCIB integrates local procurement into its sourcing strategy to strengthen supply chain resilience while creating economic value for the communities in which it operates. The Group continues to prioritise locally sourced goods and services where they meet operational, quality, and commercial requirements.

Local sourcing contributes to greater operational efficiency by shortening delivery lead times, reducing transportation costs, and lowering emissions associated with long-distance logistics. It also supports the growth of local businesses, generating positive economic spillover effects and strengthening relationships with suppliers within the Group’s operating regions.

Local procurement also enhances supply chain resilience by reducing dependence on international suppliers and mitigating risks arising from global supply chain disruptions. A stronger local supplier base improves procurement flexibility, enables faster response to operational requirements, and facilitates compliance with local regulatory and business requirements.

Year	Proportion of Spending on Local Suppliers (%)
2024	66%
2025	76%
2026	75%

Procurement activities in the Group are managed by the procurement department and supported by a cross-functional approval process. Supplier selection considers quality, capability, reliability, and commercial competitiveness to support procurement decisions to be aligned with the Group’s operational requirements. Where appropriate, site assessments are conducted to evaluate prospective suppliers’ production capabilities, quality management practices, and operational capacity before engagement. This approach intends for local suppliers to be subjected to the same evaluation standards as international suppliers, maintaining consistency across HCIB’s supply chain.

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7.0 ENVIRONMENTAL

As global development and industrial activities continue to expand, increasing pressure is placed on the environment and the availability of natural resources. HCIB recognises that its operations form part of this broader environmental landscape and that operational improvements play an important role in supporting long-term environmental sustainability. Through continuous enhancement of operational practices, regular performance evaluations, and the integration of environmental considerations into decision-making processes, the Group continues to strengthen its environmental management approach across its operations.

Policy on Environmental Management

The Group's approach to environment management is guided by the Sustainability Policy, which emphasises the implementation of sustainable practices to minimise waste, conserve resources, and reduce its carbon footprint. The Group also strives to maintain an energy-efficient operating environment and adopt renewable energy where feasible. More information on the Group's Sustainability Policy can be obtained through HCIB's official website.

Effective environmental management remains important in supporting operational resilience, safeguarding surrounding communities, and preserving natural ecosystems. Resources such as energy, water, and raw materials are essential to HCIB's business activities, while ineffective environmental practices may contribute to pollution, resource depletion, regulatory non-compliance, operational disruptions, and increased costs. In view of these considerations, the Group continues to implement environmental management measures aimed at reducing adverse impacts, improving resource efficiency, and supporting sustainable operational performance.

To further strengthen environmental oversight, HCMT previously conducted a comprehensive environmental risk assessment to identify key environmental risks and opportunities across its operations. The assessment considered operational activities, regulatory requirements, environmental impacts, and potential improvement areas. Findings from the assessment continue to support the Group's environmental management strategies, including initiatives related to pollution prevention, energy and resource efficiency, waste management, and the adoption of improved operational practices and technologies.

Environmental Theme	Risks	Opportunities
Air Emissions	High ambient dust - Non-compliance with legislation - Complaints from local communities	Advancement of emissions monitoring technologies and air quality management systems
Energy	High energy usage Increased wastage	Improved energy efficiency and optimisation of finite resource utilisation
Water	Cooling requirements High water consumption and water footprint	- Reduced in domestic water usage - Implementation of water recycling system
Resource	Use of natural resources - Depletion of natural resources High coal usage - High greenhouse gas ("GHG") emissions	- Development of alternative fuel technologies and systems - Increased usage of alternative fuels and raw materials
Waste	Failure in scheduled waste management - Non-compliance notice/complaints/fines Potential spills - Pollution	- Recovery and reuse of waste through licensed contractors - Process redesign to reduce harmful substances and improve material efficiency
Biodiversity	Site erection/construction for new projects Habitat damage	Contribution to local economic development

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Environmental considerations are integrated into business planning, operational processes, and risk management practices to support responsible operations and long-term business sustainability. This approach enables the Group to manage environmental risks more effectively, improve operational efficiency, reduce potential impacts on surrounding communities and ecosystems, and strengthen overall operational resilience in an evolving regulatory and environmental landscape.



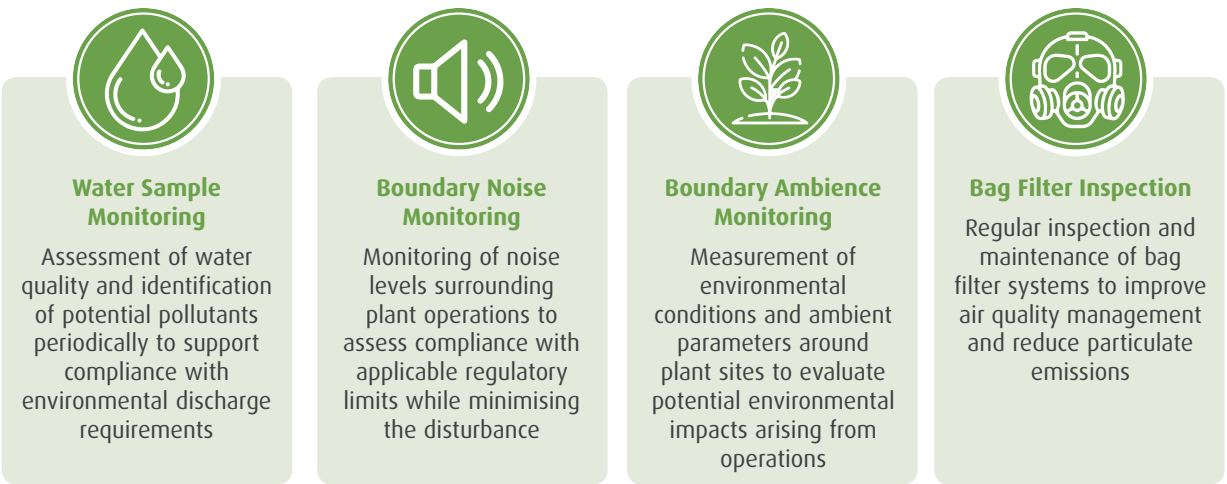
7.1 POLLUTION PREVENTION

Pollution prevention forms an integral part of Hume Cement Industries Berhad’s operational strategy, supporting the Group’s efforts to manage environmental risks, strengthen operational resilience, and enhance resource efficiency across its operations.

Effective pollution management remains important in minimising environmental impacts and maintaining compliance with applicable environmental requirements. Environmental risks are inherent within HCIB’s operational activities, with air emissions and waste management identified as key areas of focus. These risks include dust generation, and emissions released from stack systems during cement production, handling and disposal of industrial waste.

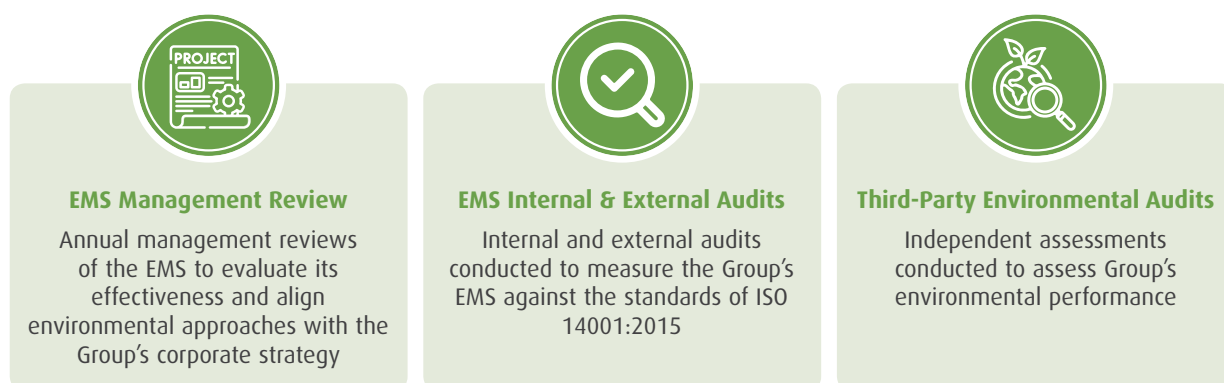
Chemicals such as grinding aids are used in the manufacturing process to enhance efficiency and product quality, although its usage is minimal. Chemicals are subjected to evaluation before being approved for use, in an assessment process which includes reviewing chemical properties, identifying handling and storage requirements, and evaluating potential environmental or health impacts. The Safety, Health and Environment (“SHE”) department is responsible for managing scheduled wastes generated from operations. This includes ensuring the storage, handling, transportation, and disposal of scheduled wastes are carried out in compliance with the Environmental Quality Act (“EQA”). Quality Control team conducts routine inspections and testing in accordance with established test plans to support product quality and consistency to meet the required specifications.

To strengthen pollution prevention and environmental oversight, HCIB has implemented environmental management systems (“EMS”) at selected operational sites. Following the divestment of HCCT, 100% of the Group’s continuing facilities have achieved ISO 14001:2015 certification, an internationally recognised environmental management standard that provides a systematic framework for identifying, monitoring, and managing environmental risks and impacts. The implementation of EMS supports continuous monitoring of environmental performance, facilitates the identification of improvement opportunities, and enhances operational accountability through structured environmental management processes.



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Pollution prevention approaches extend beyond HCIB's direct operations to include third-party contractors involved in waste management and related services. Contractors engaged by HCIB are expected to adhere to HCIB's environmental policies. Periodic audits are carried out to verify compliance and promote responsible waste management, thereby ensuring that HCIB's environmental standards are consistently applied across all operational activities.

By integrating chemical safety practices with broader environmental management efforts, HCIB strives to continue to strengthen its approach to pollution prevention. These practices support safer operations, improved environmental outcomes, and stronger alignment with evolving stakeholder expectations.

7.1.1 Air Pollution Management

HCIB maintains strict environmental quality standards, particularly in the management of air emissions. Compliance with the EQA and Clean Air Regulations is a primary operational priority.

HCIB appoints engineers to undergo specialized bag filter competency training, supporting compliance across operations with these regulatory requirements. These professionals register are trained and certified as Competent Persons through Department of Environment ("DOE"), Environment Institute of Malaysia ("EiMAS"), granting them the authorization to operate and supervise air pollution control systems, specifically bag filter dust collectors.

Certified Competent Persons and Training

The operators, supervisors, and engineers are trained by EiMAS which equips them with the necessary knowledge and skills.



Other Air Pollutants

HCIB prioritises rigorous environmental monitoring to manage air quality and reduce particulate levels within its plants and surrounding areas. This includes routine ambient air monitoring for Particulate Matter alongside targeted stack emission monitoring across key operational units. The Group tracks particulate matter and gaseous emissions from critical infrastructure components, including the Kiln, Cooler, and Coal Mill. Additionally, continuous tracking is maintained at Main Stack through Continuous Emission Monitoring Systems (CEMS). The approaches help HCIB to strengthen operational controls for air pollution and safeguard environmental compliance.

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Air Emission Monitoring	Unit	FY2026 Performance	Target
Ambient air monitoring (PM₁₀): To monitor surrounding dust level	µg/m ³	35	<100
Stack emission monitoring (Particulate Matter):			
Line 1 - Kiln	mg/m ³	20.4	<50
Line 1 - Cooler	mg/m ³	15.5	<50
Line 2 - Kiln	mg/m ³	37.8	<50
Line 2 - Cooler	mg/m ³	18.8	<50
Main Stack - Line 1 (CEMS)	mg/m ³	6	<50
Main Stack - Line 2 (CEMS)	mg/m ³	11	<50

The following data outlines the three-year performance trends for Nitrogen Oxides (NO_x), Sulfur Oxides (SO_x), and Volatile Organic Compounds (VOC) emissions, reflecting HCIB's operational oversight and regulatory alignment.

Three years of NO_x, SO_x & VOC emission for HCIB

Destination	FY2024	FY2025	FY2026
NO _x , Tonnes	863	807	1,086
SO _x , Tonnes	70	107	100
VOC, Kilograms	51,512	12,942	7,161

Note: NO_x, SO_x and VOC emissions arise from combustion processes at the Group's kilns. Following the divestment of HCCT, Gopeng is the Group's only operational site with kiln-based combustion emissions. Other Group sites (including the head office) do not have a comparable emissions profile. Accordingly, the figures disclosed represent the 100% of the Group's total NO_x, SO_x and VOC emissions..

7.1.2 Waste Management

HCIB prioritises the reduction of waste generation through proactive reuse, recycling, and repurposing initiatives across all operations.

Internal and external waste management practices

Internally generated waste materials are reused wherever feasible to minimize the need for new procurement. For instance, used lubricant and hydraulic oils are repurposed as lubricants for machinery, while contaminated drums are adapted for use as cleaning chutes reducing the need for new materials.

HCIB supports industrial symbiosis by utilising waste from external industries as alternative raw materials and fuels in the cement manufacturing process. This practice includes the incorporation of carbon granules, sage fuel, and other suitable industrial by-products.

HCIB tracks the volumes of operational waste to maintain regulatory alignment and evaluate the effectiveness of its resource-recovery practices. HCIB aspires to pursue continuous improvement and sustainable resource management.

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Types and quantities of waste generated and recycled in HCIB

Type of Waste	FY2024	FY2025	FY2026
Hazardous waste generation (Tonnes)	84	51	46
Non-recycled waste generation (Tonnes)	258	197	279
Waste recycled (Tonnes)	292,395	453,040	306,112



HCIB Coverage



Hazardous waste generated



Non-recycled waste generated



Recycled waste used

Target Setting Considerations

HCIB operates without formal, time-bound targets for waste reduction at this stage. However, the organisation prioritises the reduction of waste generation through reuse, recycling, and repurposing initiatives across all operations. Potential waste reduction targets remain under review as part of future strategic sustainability planning.

Regulatory Compliance and Governance

HCIB maintains compliance with local regulations, specifically the Environmental Quality Act 1974, regarding comprehensive waste management.

Licensing and Audits

HCMT secures necessary licenses for scheduled waste management activities within its plants, as well as for the transportation of scheduled waste from generators and to authorized disposal centers. Compliance is verified through frequent regulatory oversight, including annual audits and inspections conducted by the DOE at HCIB plants.

Government Inspections

The Group welcomed visits and inspections from various government agencies, namely DOE, Department of Minerals and Geoscience Malaysia ("JMG"), and the Land and Mines Office, in April 2026 for quarry and mineral handling activities. The inspections formed part of ongoing regulatory monitoring and compliance assurance initiatives.



DOE, JMG, and the Land and Mines Office conducted visits and inspections covering HCMT Gopeng quarry and mineral handling operations in April 2026.

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In August 2025, HCMT received a compound from the Department of Environment (DOE) for minor non-compliances related to the scheduled waste storage duration and labelling requirements during a regulatory inspection. HCIB promptly implemented corrective actions, updated relevant tracking records, and resolved the matter in accordance with regulatory standards. No other environment-related penalties were recorded. Overall, HCIB incurred total costs of RM3,000 for environmental fines in FY2026, stemming from the one penalty received.

Employee Training and Awareness

HCIB practices proper waste management through comprehensive employee training programs focused on appropriate handling procedures. Additionally, HCIB appoints a certified competent person specifically to manage scheduled waste, with the aim of maintaining continuous compliance with all regulatory mandates and advancing sustainable waste practices within the organisation.

7.1.3 Water Pollution Management

Water is utilised throughout the Group’s operation, primarily for the purpose of cooling manufacturing equipment. The likelihood of water pollution arising from the cooling activity is considered low. Despite this, HCIB remains vigilant in managing the water discharged into the environment to support compliance with applicable environmental regulations and water quality standards.

Water discharged is directed to retention ponds located within the Group’s operational premises. These retention ponds act as controlled environment and monitoring area, allowing for periodic testing of water quality. This process helps to mitigate the risk of contaminants such as oil traces, dust particles, and suspended solids generated during the operations entering the surrounding environment.

Water and Effluent Compliance

HCIB continues to maintain environmental compliance, particularly in relation to water and effluent management. The Group adhere to specific requirements under the Environmental Impact Assessment (“EIA”) process as mandated by Malaysian regulations.

To fulfil these requirements, HCIB conducts regular water quality assessments, with key monitoring activities include Biochemical Oxygen Demand (“BOD”), Chemical Oxygen Demand (“COD”), Total Suspended Solid (“TSS”) monitoring and COD load per tonne product reporting. The COD levels are assessed twice per year to determine the amount of organic and inorganic matter in the effluent.

During FY2026, the Group did not record any instances of non-compliance relating to water quality or water quantity permits, standards, or regulatory requirements.

Parameter, mg/L	FY2024	FY2025	FY2026	Environmental Quality (Industrial Effluent) Regulations 2009 Fifth Schedule, Standard B
Biochemical Oxygen Demand (BOD)	35	5	4	< 50 mg/L
Chemical Oxygen Demand (COD)	96	25	21	< 200 mg/L
Total Suspended Solid (TSS)	23	20	32	< 100 mg/L

Note: COD levels are measured biannually to assess the concentration of organic and inorganic substances in the HCMT’s effluent. The findings are submitted to the DOE as part of HCIB’s obligations under its EIA requirements.

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7.2 CLIMATE CHANGE

HCIB recognises that climate change is a global issue that has the potential to impact the Group's operational resilience, business sustainability and capacity to create long-term value for its stakeholders.

In FY2026, HCIB undertook a comprehensive Climate Risk Assessment ("CRA") and Value-at-Risk ("VAR") analysis to strengthen its understanding and management of the climate related risks and opportunities. These assessments were conducted to support the Group's alignment with the climate-related disclosure requirements of IFRS S2 and evolving sustainability reporting requirements.

Based on the assessment, HCIB considers its strategy and business model to be resilient, with risk severities anticipated to remain trivial to minor. HCIB identified potential climate-related impacts across the operations, value chain, and evaluated the associated financial implications of physical risks under the Intergovernmental Panel on Climate Change's ("IPCC") Shared Socioeconomic Pathway ("SSP2-4.5") scenario, and transition risks under the Network for Greening the Financial System ("NGFS") Net Zero 2050 scenario.

These scenarios were selected to assess the potential impacts of climate change across the short-term (<5 years, 2026-2030), medium-term (5-10 years, 2031-2035) and long-term (>10 years, 2036-2040 and beyond) time horizons. The findings from the assessments support HCIB's strategic planning and capital allocation by identifying appropriate mitigation measures to enhance climate resilience. A summary of the assessments with its key findings is presented in the table below.

Climate Risk	Risk Details			Mitigation Strategy
Physical Risks				
Increased precipitation and flooding	Risk Timeframe	:	M L	• Routine drainage maintenance and clearing. • Deepening retention ponds. • Structural upgrades (e.g., concrete slabs, raised ramps). • Maintaining raw material stockpile as a buffer for disruption periods. • Periodic insurance review for flood-prone assets.
	Risk Impact	:	Trivial	
	HCIB is resilient to floods, as historical impacts have resulted in damage less than 0.01% of the Group's total annual costs. While HCIB estimates that the likelihood of flood risks may increase in future timeframes, the impact on the Group's financial and operational performance is anticipated to remain negligible, supported by ongoing investments in flood-resilient infrastructure and continuous monitoring of flood-related risks.			
Extreme temperatures	Risk Timeframe	:	S M L	• Heat exposure work scheduling for cooler periods. • Thermal monitoring of high-risk areas. • Provision of shaded rest zones and hydration support. • Automation of manual tasks in high-heat areas. • Ventilation and AC systems for equipment stability and employee comfort.
	Risk Impact	:	Trivial	
	HCIB considers the risks of rising temperatures negligible, as ambient heat contributes only a minor increase in cooling requirements and a slight drop in productivity for outdoor staff. While the Group estimates the frequency of high-heat events will rise, the impact on overall financial performance is anticipated to remain negligible. HCIB implements work scheduling, thermal monitoring, cooling optimisation, and automation to mitigate the impacts of heat.			

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Climate Risk	Risk Details			Mitigation Strategy
Transition Risks				
Climate and energy policy shifts	Risk Timeframe	:	S M L	• R&D into green blended cement. • Reducing clinker ratio. • Increasing alternative fuel thermal substitution. • Scaling up Waste Heat Recovery (“WHR”) deployment. • Strengthening internal carbon tracking and reporting systems.
	Risk Impact	:	Minor	
	Policies influence energy costs and the direction of the national climate. Fluctuating energy tariffs have led to historical swings in rising or decreasing annual electricity costs between 0.1–5%. In addition, the Group is exposed to emerging carbon pricing mechanism, including the carbon tax, the National Carbon Market Policy and a domestic Emissions Trading Scheme. However, the applicable rates have yet to be announced. The Group is monitoring ongoing regulatory developments as legislative clarity and sectoral timelines emerge. In the future, regulatory standards and emissions expectations are expected to tighten as the nation approaches the Net Zero 2050 deadline.			
Increasing compliance and legal requirements	Risk Timeframe	:	S M L	• Strengthening internal ESG data management systems. • Training personnel on NSRF, IFRS S1, and IFRS S2 standards. • Enhancing supplier audit processes for emissions data. • Preparing data traceability for future assurance. • Maintaining environmental management systems.
	Risk Impact	:	Trivial	
	Near-term impacts are primarily administrative, centred on strengthening disclosure readiness and internal data collection. While compliance expectations are anticipated to become more stringent, involving Scope 3 disclosure and assurance, HCIB is building the necessary reporting capacity for compliance.			
Market shifts and reputation	Risk Timeframe	:	S M L	• Proactive customer education on green cement benefits. • Prioritising R&D for low-carbon blended cement products. • Digitalisation of GHG data for transparency and accuracy. • Aligning sustainability practices with lender expectations. • Alignment with Bursa Malaysia reporting requirements.
	Risk Impact	:	Minor	
	While product economics and supply reliability remain the primary operational drivers for HCIB's customer base, the Group recognises environmental performance as an increasingly important differentiator. The Group continues to develop sustainable product offerings to align with evolving market expectations as regional green procurement criteria mature. The Group views this risk as escalating over time as green building certifications (e.g., GreenRE, GBI) and low-carbon procurement become increasingly adopted in future time horizons.			

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Climate Risk	Risk Details			Mitigation Strategy
Transition Risks (cont'd)				
Transitioning to a low-carbon business	Risk Timeframe	:	S M L	- Completion of the WHR plant to capture and reuse heat to offset fossil-based energy consumption. - Adopting energy-efficient equipment and motors. - Utilising green industrial by-products as raw material substitutes. - Exploring Carbon Capture (“CCUS”) as technology matures. - Establishing verified decarbonisation pathways for logistics.
	Risk Impact	:	Trivial	
	HCIB recognises the need for continuous decarbonisation to align with global climate efforts and Malaysia’s Net Zero 2050 target. HCIB has implemented initiatives such as the WHR plant, which may support efforts to reduce reliance on fossil fuel by upcycling waste into energy, while continuously innovating on new alternative materials with lower carbon footprints as base materials for cement products.			

While HCIB has assessed the potential impacts of droughts or water scarcity periods on its operations, the Group has determined the risk to be negligible, as the Group's water consumption is cycled for cooling equipment and is not dependent on continuous consumption for its primary value creation processes.

Climate Opportunities	Opportunity Details		
Adoption of renewable energy solutions	Anticipated Timeframe for Capitalisation	:	S M L
	HCIB is prioritising its WHR project to capture and reuse industrial heat, reducing grid electricity reliance and insulating manufacturing margins from grid volatility. The Group remains open to exploring opportunities for solar farm participation as part of its long-term approach to diversifying its energy mix and managing potential future tariff fluctuations, thereby supporting operational and financial resilience.		
Purchase or sale of carbon credits	Anticipated Timeframe for Capitalisation	:	L
	Given the evolving landscape of regional carbon pricing and cap-and-trade frameworks, the Group strategically views carbon asset management as a progressive instrument within its broader climate mitigation strategy. While HCIB accelerates its core transition toward low-carbon operations, the structured optimisation of market-based carbon instruments will serve to manage residual emissions and support regulatory compliance during transitional regulatory phases.		
Integration of Circular Economy Principles	Anticipated Timeframe for Capitalisation	:	S M L
	HCIB capitalises on this opportunity by pivoting toward a waste-to-resource framework, utilising industrial by-products and alternative fuels to offset raw material depletion and traditional fossil-based energy sources. This process may also lead to new revenue streams from acting as a co-processing waste partner.		
Transition to low-carbon Logistics	Anticipated Timeframe for Capitalisation	:	L
	The Group views the integration of low-carbon logistics as a progressive evolution that will reach maturity over the long term. While immediate capital allocation remains focused on mitigating Scope 1 and 2 emissions, HCIB intends to systematically prioritise supply chain partners utilising low-emission transport infrastructure. This optimisation of the Group's Scope 3 footprint mitigates downstream transition risks while reinforcing HCIB's credentials with financial institutions.		

As part of HCIB's ongoing efforts to improve its climate disclosures, financial quantification was conducted on key identified risks and opportunities.

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Present and short-term risks are determined to have a negligible impact on the Group's overall financial performance. While HCIB foresees a potential escalation in risk likelihood over the medium and long term, risk severities are anticipated to remain within the negligible-to-low threshold. Financial quantification for the medium- and long-term horizons cannot be ascertained at this time due to the high uncertainty of future regulations and weather patterns.

HCIB will conduct periodic reviews for quantified risks to remain aligned in future timeframes.

Quantitative Climate Risks and Opportunities	Present (FY2026)	Short-term	Medium-term	Long-term
Risk: Carbon tax exposure on Scope 1 emissions (% of FY2026 Cost of Sales)	Nil	Approximately 5% to 13%	Note 2, 3	Note 2, 3
Risk: Operational cost impact from heat-induced productivity loss (% of FY2026 Cost of Sales)	Nil	<0.02% - 0.11%	Note 2	Note 2
Opportunity: Anticipated annual electricity consumption replacement through the development of the upcoming WHR plant	Nil	Approximately 20%	Note 2, 3	Note 2, 3
Opportunity: Anticipated annual GHG emissions avoided through the development of the upcoming WHR plant	Nil	Estimated 50,000 tCO ₂ e	Note 2, 3	Note 2, 3

Notes:

1. As these risks have been mitigated over the past 3 years, no material impacts on the Group's financial performance were identified during the reporting period.
2. Due to the high uncertainty of future climate trends, operating conditions, and shifting regulations, the Group cannot currently provide a reliable estimate or quantification of their long-term financial impacts. While climate scenarios establish baseline projections, progressive climate impacts and rapid regulatory changes present practical barriers to determining precise actual financial effects. Consequently, forward-looking financial quantification cannot be ascertained at this time. HCIB will regularly review these parameters to support ongoing disclosures to remain aligned with actual operating conditions.
3. While the WHR plant is anticipated to provide benefits in the short-term, additional considerations may be placed in the future regarding potential capacity expansion. Thus, the Group is unable to ascertain potential benefits in the medium- and long-term time horizons.

While the assessment is based on the best available information and recognised climate scenarios, it is subject to inherent uncertainties associated with future climate conditions, policy developments, technological advancements and market responses. Nevertheless, these findings support the enhancement of climate resilience for the Group's operations and business strategies, while facilitating informed decision-making as well as long term strategic planning.

7.3 CLIMATE CHANGE (ENERGY AND EMISSIONS MANAGEMENT)

HCIB acknowledges the importance of energy efficiency and emissions management in advancing the climate-related goals and supporting Malaysia's aspiration to achieve net-zero carbon emissions by 2050.

To formalise its commitment, the Group has established an Energy Policy that outlines its dedication to efficient energy management and environmental stewardship. The policy emphasises continuous improvement in energy performance, the use of energy-efficient and environmentally friendly equipment, and support for products and services that contribute to energy conservation. Further information is available in the HCIB Energy Policy and Objective on HCIB's website.

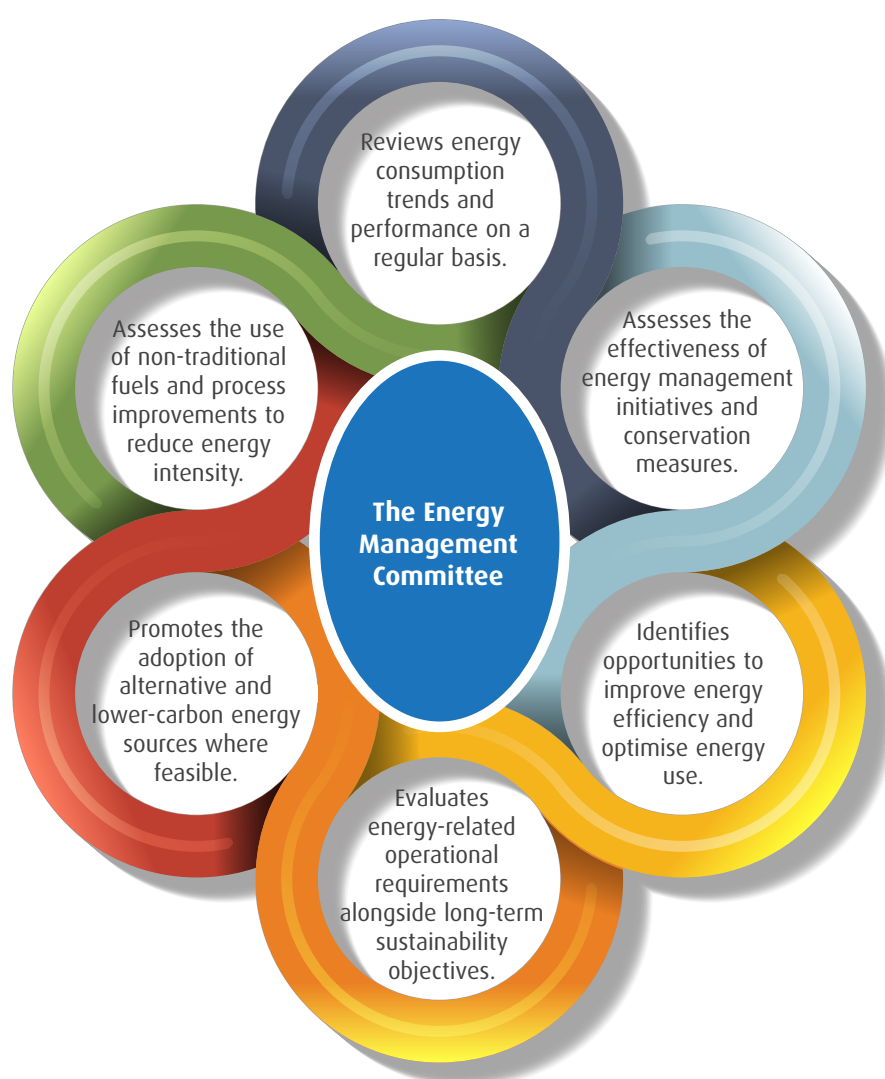
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As a cement manufacturer, HCIB operates within an energy-intensive industry, with key energy sources comprising coal, electricity, and alternative fuels. To reduce reliance on conventional fossil fuels and promote resource efficiency, the Group has increasingly incorporated alternative fuels into its energy mix, including carbon granules, SAGE fuel, and petcoke recovered from industrial waste streams. Electricity remains a significant operational requirement, particularly for processes such as crushing, milling, and material handling. As Malaysia's electricity grid continues to rely substantially on fossil fuel-based generation, electricity consumption contributes to the Group's indirect greenhouse gas emissions.

At the operational level, HCMT implements a structured energy management approach aimed at optimising energy consumption and minimising associated environmental and operational risks. This includes regular monitoring and analysis of energy usage data, process optimisation initiatives, and the identification of opportunities to enhance energy efficiency. HCMT's energy performance is also subject to periodic reviews by the Malaysian Energy Commission, providing independent oversight and ensuring alignment with national energy efficiency requirements and regulatory expectations. These assessments support the validation of internal performance metrics and reinforce a culture of continuous improvement.

The Energy Management Committee serves as the primary governance body overseeing HCMT's energy optimisation efforts. The following outlines the key roles and responsibilities of the Energy Management Committee:



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Chaired by the Head of Manufacturing and supported by representatives from operations, maintenance, and quality control functions, the Committee implements a systematic approach to energy management guided by the facility’s “10 Golden Rules” framework. This framework provides practical guidance for identifying inefficiencies and improving energy performance throughout the plant.

10 Golden Rules for Energy Reduction



HCMT also undertakes independent verification of its operational energy consumption data on a biannual basis in accordance with applicable energy efficiency regulations under the oversight of the Energy Commission, including the Energy Efficiency and Conservation Act 2024 (Act 852), which came into force on 1 January 2025.

HCIB continues to undertake verification of its Energy Management System (“EnMS”) performance as part of its commitment to energy efficiency, regulatory compliance, and continuous improvement. The most recent verification report available at the date of this Statement, covering the period from April to September 2024, recorded an 11.1% reduction in electricity consumption compared to the projected Business-As-Usual (“BAU”) scenario. The decrease of energy consumption is primarily driven by lower cement production at HCMT. Cement production in FY2026 is approximately 17% lower than in FY2024.

Energy Consumption ('000)	FY2024	FY2025	FY2026
Gigajoules, GJ	9,550	8,817	7,906
Megawatt hour (MWh)	2,653	2,449	2,196

	FY2026
Scope 1 Emissions ('000 tonnes CO ₂ e)	2,009
Scope 2 Emissions ('000 tonnes CO ₂ e)	175
Total Scope 1 and 2 Emissions ('000 tonnes CO ₂ e)	2,184

Note: Scope 1 and Scope 2 emissions are disclosed for FY2026 only. Comparative figures for prior years are not presented as the Group previously disclosed Scope 1 and Scope 2 emissions on an intensity basis. Scope 3 reporting is currently limited to Categories 6 and 7. Other Scope 3 categories, which are expected to be significant for a cement producer, have not been quantified. The combined figure above is therefore not a complete measure of the Group’s value chain emissions.

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	FY2026
Category 6: Business Travel (tonnes CO ₂ e)	91
Category 7: Employee commuting (tonnes CO ₂ e)	1,682
Scope 3 Emissions (tonnes CO ₂ e)	1,774
Total Scope 1 and 2 emissions and reported Scope 3 categories ('000 tonnes CO ₂ e)	2,186

Scope 3 emissions amounted to 1,043 tonnes CO₂e in FY2024 and 1,978 tonnes CO₂e in FY2025.

Totals may not equal the sum of the rounded values due to rounding.

7.4 WATER MANAGEMENT

Water is an essential resource across HCIB's operations. Given its importance to daily operations, the Group focuses on managing water resources efficiently to maintain operational reliability, minimise unnecessary consumption, and promote sustainable water use over the long term.

7.4.1 Water Management and Conservation

Water is utilised for cooling plant equipment, serving as a raw material in concrete batching, and supporting general use such as the pantries and restrooms. As of FY2026, none of HCIB's plants are located in water-stressed areas according to the World Resources Institute's Aqueduct Water Risk Atlas. The Group continues to emphasise responsible water management practices and efficient water use across the operations.

HCIB's Water Conservation Initiatives

Water Cooling System

HCIB utilises water from nearby ponds as a cooling medium for its plant equipment to optimise water use and reduce reliance on municipal water supplies. By leveraging this alternative water source, HCIB conserves potable water while maintaining efficient cooling operations. During the reporting period, this initiative enabled HCIB to save approximately 35.41 Mega Litres of potable water annually.

Water Monitoring through Flow Meters

HCMT has initiated the installation of flow meters at each water intake point to measure water usage, supporting improved water use monitoring and management.

Water Scarcity Awareness

HCIB PJ conducted a water scarcity awareness session during the Company's town hall to promote the importance of water conservation and sustainable water use practices among employees. An interactive quiz with prizes was also organised to encourage participation and reinforce awareness of responsible water management.

Site-Specific Water Management Plans

At HCIB, water management plan is continuously monitored and reviewed through monthly water consumption tracking. Findings and improvement initiatives are discussed at Sustainability Working Committee meetings and subsequently reported to the Sustainability Steering Committee on a quarterly basis. This structured governance approach enables the Group to promptly identify irregularities or unexpected increases in water consumption, implement corrective actions, and improve overall water management performance across operations. HCIB adopts a structured water management approach across its operations, focusing on water monitoring, conservation, and recycling initiatives at site level. The following provides an overview of the specific water management plan implemented at each site.

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HCMT Gopeng

Continuous monitoring efforts

- Successful detection and rectification of a previously unidentified water leakage issue.
- Improving overall water efficiency and reducing unnecessary water loss.

HCMT Gopeng

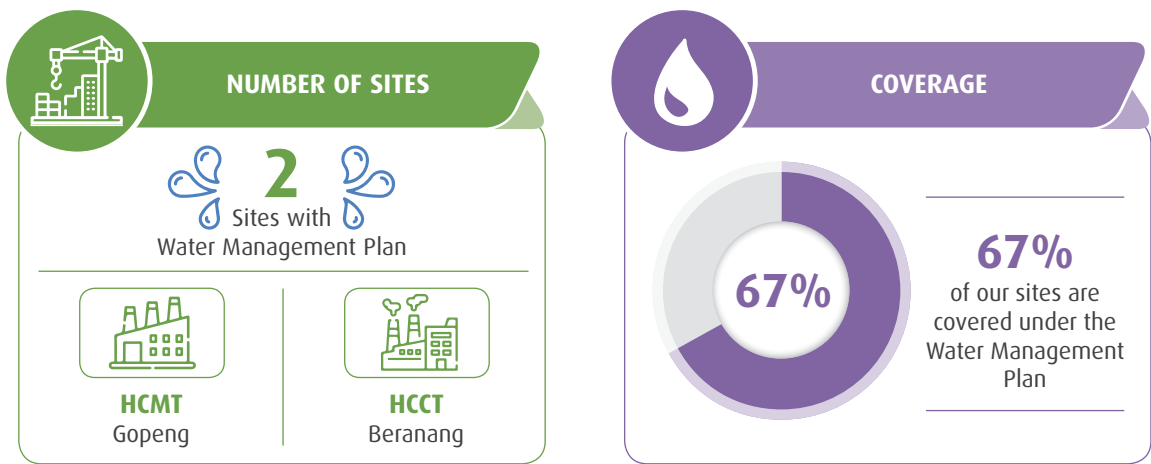
Alternative Water Sourcing

- Reducing its reliance on the municipal water supply.
- Promoting more sustainable water usage practices.

HCCT Beranang

Water Reuse and Conservation

- Recycled water recovered from slurry pits is reused for operational activities, including cleaning, supporting water conservation and more efficient use of water resources.



Water Discharge

Water discharge at HCCT primarily originates from the cleaning of batching equipment. This water is initially directed to a slurry pit, where it is stored before being reused for various production purposes, including additional cleaning processes.

While most of this water is recycled within the system, some is directed into an on-site retention pond. During heavy rainfall, overflow from the retention pond is discharged from the plant through the drainage system.

HCIB tracks three years of water-related performance data, including total water withdrawal by source, and cement production water intensity. A COD test is conducted every six months. These indicators support the monitoring of water consumption trends and operational water efficiency across the Group. Further information regarding water and effluent compliance, please refer to Water Pollution Management section.

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Three years of total water withdrawal data is disclosed by source

Water Withdrawal ('000 000 Litres)	FY2024	FY2025	FY2026
Municipal potable water	137	68	47
Surface water from rivers, lakes, natural ponds	0	0	0
Groundwater from wells, boreholes	0	0	0
Used quarry water collected in the quarry	0	0	0
External wastewater	0	0	0
Harvested rainwater	0	0	0
Sea water, water extracted from the sea or the ocean	0	0	0
Total Water Withdrawal	137	68	47

Note: The reported potable water consumption includes HCMT and HCCT.

Item	FY2024	FY2025	FY2026
Cement production water intensity, (m ³ /tonne cement produced)	0.020	0.010	0.011

Water Quality Monitoring Initiative at Hume Concrete

All HCCT sites, including Beranang, and Sabah, are equipped with settling ponds designed to collect and retain overflow water generated during operations. As part of our sustainability efforts, HCIB has implemented a water quality monitoring initiative to regularly monitor the pH levels of water in every slurry pit and discharge effluent at our plant.

Through continuous monitoring and evaluation of water quality, the Group seeks to strengthen environmental protection measures, minimise pollution risks, and support responsible water management practices across its operations.

Water Target

HCIB has established a Group-wide target to reduce the water withdrawal intensity by 2% by FY2030, using FY2025 as the baseline year. The target applies across the Group's operational sites and supports HCIB's commitment towards sustainable resource management, operational efficiency, and long-term environmental stewardship.

The Group will continue strengthening its water monitoring systems, leak detection initiatives, operational controls, and water conservation awareness programmes to support achievement of the target.

Reduced Water Usage for Sustainability

Applied Throughout the Company

Building on these site-specific initiatives, the Group continued to strengthen water stewardship across its operations. At Group level, HCIB recorded an estimated 31% reduction in total water withdrawal in FY2026 compared to FY2025. This reduction reflects principally the divestment of the concrete business during the year. On an intensity basis, cement production water intensity was 0.011 m³ per tonne of cement produced in FY2026, compared with 0.010 m³ per tonne in FY2025.

In FY2026, HCIB did not receive any reported incidents of non-compliance with water quality or quantity permits, standards, and regulations.

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Incidents of Non-Compliance

with Water Quality/Quantity Permits, Standards and Regulations



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7.5 BIODIVERSITY

HCIB acknowledges that cement manufacturing and quarrying activities may have significant impacts on surrounding ecosystems and biodiversity, particularly through the extraction of natural resources and land disturbance associated with mining operations. These activities may contribute to habitat disruption, vegetation loss, soil degradation, and changes to the surrounding ecological landscape if not appropriately managed. Considering these impacts, the Group continues to integrate biodiversity and environmental approaches into its operational and land management practices to reduce ecological disturbance and support environmental rehabilitation efforts.

Approach to address the biodiversity issue and to reduce the impacts

Biodiversity Risk Assessment for New Projects

HCIB assesses and manages potential environmental risks and biodiversity impacts associated with new developments. Where required by applicable regulations, new operations or projects undergo an Environmental Impact Assessment (EIA), which includes the evaluation of potential impacts on biodiversity and surrounding ecosystems. Findings from the EIA are considered during project planning to support responsible development and appropriate mitigation measures.

The Group acquired a land adjacent to the Gopeng plant. Before the operations can commence, the Group is in the midst of obtaining a Proprietary Mining Lease (“PML”). EIA approval and a Surat Kelulusan Skim Pengendalian Melombong (“SKSPM”) will be obtained before operations commence on this land. As of FY2026, no operational or development activity had commenced on this land. . Nonetheless, HCIB remains committed to carry out biodiversity risk assessments through the EIA process, where applicable, as part of its approach to responsible development and environmental protection.

Proactive Environmental Measures

Assessment of Biodiversity Risks for Existing Operations

HCIB conducts annual self-regulatory audits under the Self-Regulatory Auditing for Responsible and Sustainable Mining Industry. These audits aim for all mining activities to adhere to proper safeguards to minimize environmental and ecological damage. The audits also facilitate the identification of potential environmental risks and improvement opportunities, supporting more responsible resource extraction practices and reducing potential impacts on surrounding ecosystems and biodiversity.

7.5.1 Bird Sanctuary Initiatives as Biodiverse Habitats

Biodiverse Habitats Restored by Operations

Established in FY2023, the Bird Sanctuary at HCMT Gopeng continues to serve as an example of the Group’s biodiversity restoration efforts. Located within a former quarry site, the sanctuary demonstrates HCMT’s long-term objective to restore ecological integrity in areas impacted by industrial activity. By transforming a previously degraded landscape into a refuge for birds, the initiative demonstrates the Group’s ability to balance operational needs with environmental stewardship.

The Bird Sanctuary is managed with a clear focus on enhancing local biodiversity through site management and ecosystem rehabilitation. Native vegetation has been reintroduced to create a conducive habitat for birds, while designated no-disturbance zones supports minimal human interference. These initiatives encourage the return of bird species and contribute to improving the ecological condition of the surrounding landscape. A signboard at the site marks it as a protected zone, reinforcing its role as a dedicated conservation space.

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Participation in Biodiversity-related Certification Schemes

HCIB currently implements biodiversity conservation and ecological restoration initiatives as internal pilot project. The Bird Sanctuary initiative incorporates ecosystem restoration practices that are broadly consistent with recognised biodiversity restoration principles. While the initiative is not currently certified under any third-party biodiversity certification scheme, HCIB will continue to evaluate opportunities to align future restoration projects with recognised biodiversity-related standards where appropriate.

7.5.2 Tree Planting Initiative in FY2026

As part of its ongoing environmental management and habitat enhancement efforts, HCMT carried out a tree planting initiative during FY2026, with a total of 138 trees planted across its operational areas.

The trees planted comprised:

Codiaeum	-	2
Eugenia oleina	-	30
Foxtail Palm	-	6
Murraya paniculata	-	100



Tree planting in HCMT Gopeng

HCIB continues to strengthen biodiversity management through a combination of biodiversity risk assessments, regulatory compliance, environmental monitoring, rehabilitation initiatives, and ecosystem restoration programmes. These efforts support the responsible management of biodiversity impacts associated with the Group's operations while contributing to the protection and restoration of natural ecosystems surrounding its facilities.

7.6 RESOURCE CONSUMPTION

The Group acknowledges that efficient resource management is essential to improving productivity, cutting emissions, and supporting long-term business resilience.

The production of cement and concrete requires large amounts of natural resources, particularly limestone and clay. However, the Group acknowledges that the extraction of these resources may not always be environmentally friendly, especially for local ecosystems.

In addressing this challenge, the Group aims to balance cost considerations with environmental concerns by exploring alternative resources without creating excessive financial burden. Currently, HCIB has been looking into options such as integrating waste by-products from other industries into business operations. This would allow HCIB to adopt circular economy principles in its business model.

In line with this initiative, HCIB has already begun incorporating such by-products into its operations. For example, the Group has been using pulverised fly ash and granulated blast-furnace slag in the concrete and cement production process.

	FY2024	FY2025	FY2026
Recycled Input Materials (Tonnes)	292,395	453,040	306,112

Note: Recycled input materials refer to the use of recycled waste materials from external sources and the Group's operations.

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7.6.1 Resources Efficiency

Sustainability practices remain essential within HCIB to mitigate environmental impact and optimize resource use. The Group focuses on several core areas to integrate sustainability throughout its operations.

Efficient Material Use and Alternative Raw Materials

HCIB integrates alternative raw material such as Pulverized Fuel Ash (PFA) and Ground Granulated Blast Furnace Slag (GGBS) into the processing. These materials reduce reliance on conventional resources, lower CO₂ emissions by replacing clinker (in HCMT processing), and enhance the durability and strength of concrete products, thereby supporting sustainable construction practices.

Effective Waste Management and Recycling

Operational strategies emphasise the recycling and repurposing of waste materials. For example, used lubricant and hydraulic oils are repurposed for machinery lubrication, while contaminated drums are modified for use as cleaning chutes. Waste-to-energy initiatives, such as incinerating specific waste in kilns for energy recovery, further bolster these resource efficiency efforts.

Co-processing and Circular Economy

Utilizing by-products from other industries as raw materials, fuels, or cement additives minimizes waste generation and promotes a circular economy where materials are reused or repurposed instead of disposed.

Energy Efficiency and Emission Reduction

The Group prioritises the optimization of kiln operations, the adoption of alternative fuels, and the implementation of energy recovery systems to reduce carbon emissions.

Monitoring and Compliance

Advanced platforms, such as the DOE eSwis system, monitor scheduled waste inventory and movement, aiming to adhere to environmental regulations and enhancing traceability throughout waste management processes.

Continuous Improvement and Innovation

HCIB's practices are continuously improved through the monthly meetings of the Sustainability Working Committee and the quarterly meetings of the Sustainability Steering Committee. These meetings facilitate the adoption of best practices, execution of corrective actions, and the development of innovative solutions to further minimize environmental impact and enhance sustainability performance.

By incorporating these practices, HCIB aims to meet the regulatory requirements, market demand for quality construction materials while contributing to a sustainable future.

To support the sustainable use of natural resources, HCIB establishes clinker factor target for its cementitious products and regularly monitors actual clinker consumption against these targets. In FY2026, the actual clinker use is lower than the target, reflecting the Groups' effort to use less clinker while maintaining product quality and reducing carbon emissions. The optimisation of clinker content helps reduce the consumption of virgin mineral resources while maintaining product performance and compliance with applicable quality standards.

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7.7 PRODUCT INNOVATION

Innovation plays a key role in HCIB's strategy to develop products that support sustainable construction while aiming to meet evolving customer and market expectations.

The Group continues to enhance its product portfolio by integrating environmental considerations into product development, enabling customers to reduce the environmental footprint of their construction projects without compromising product quality and performance.

As part of its efforts to lower lifecycle impacts and catering to the growing market demand for sustainable infrastructure, HCIB continues to systematically diversify its product mix away from traditional, carbon-intensive Ordinary Portland Cement (OPC). HCIB's product innovation strategy emphasises the adoption of blended eco-efficient alternatives such as Portland Composite Cement (PCC), Portland Lime Cement (PLC), Masonry Cement (MC), and Ground Granulated Blast-Furnace Slag (GGBS), which yield significantly lower embodied carbon footprint levels during manufacturing.

A key milestone in FY2026 is the continued recognition of HCMT's environmentally preferred cement products. Panda Green and Panda Yellow cement products have been awarded the Singapore Green Label, demonstrating compliance with recognised environmental performance criteria for cement and concrete products. In addition, Panda Yellow and Panda Green is officially listed in the MyHIJAU Directory, Malaysia's official green product directory, further demonstrating HCMT's alignment with the country's green procurement and sustainable development agenda.



HCMT's Panda Green cement has attained the Singapore Green Label and is listed in the MyHIJAU directory.



HCMT's Panda Yellow cement has attained the Singapore Green Label and is listed in the MyHIJAU directory.

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These third-party certifications provide recognition that HCIB's products are aligned with recognised environmental standards, supporting customers in selecting materials that contribute green building practices. They also strengthen the Group's ability to respond to increasing market demand for lower-impact construction materials and enhance its competitiveness in sustainability-focused markets.

HCIB views product innovation as an important driver of long-term value creation. By developing products with recognised environmental credentials and supporting customers' sustainability objectives, the Group creates opportunities for market differentiation while contributing to the transition towards a more sustainable built environment.

8.0 SOCIAL

HCIB recognises that its employees and the communities in which it operates are fundamental to the Group's long-term success. As such, the Group is dedicated to fostering a safe, fair, and inclusive workplace while maintaining strong and meaningful relationships with the surrounding communities. By placing people at the centre of its operations, HCIB strives to create an environment where employees are empowered to develop, contribute, and thrive.

The Group nurtures a workplace culture built on respect, collaboration, and continuous learning. By investing in employees' professional and personal development, HCIB strengthens its organisational capabilities and prepares its workforce to meet evolving business needs. A diverse, engaged, and capable workforce also enables the Group to remain resilient, innovative, and aligned with its core values.

In addition, HCIB upholds fair labour practices, respects human rights, and prioritises the health, safety, and well-being of its employees. Through its effort to boost inclusion, empowerment, and responsible employment practices, the Group aims to create lasting positive value for both its workforce and the wider community. This people-centred approach supports sustainable growth while aiming to promote the sharing of the benefits of the Group's progress now and into the future.

8.1 HUMAN AND LABOUR RIGHTS

Respect for human and labour rights is embedded in HCIB's business values and serves as a cornerstone of its approach to responsible employment practices.

The Group believes that safeguarding the rights of its workforce is essential to creating a fair, safe, and inclusive workplace while fostering employee trust, engagement, and long-term organisational success.

HCIB is dedicated to maintaining a working environment where every employee is treated with dignity and respect. The Group aims to promote a workplace that is safe, healthy, and supportive, while aiming to provide protection against discrimination, harassment, exploitation, and any other form of unfair treatment.

This commitment is reflected in the integration of human rights principles throughout the Group's operations, management practices, and employee engagement processes. Through policies, transparent communication, and accessible grievance mechanisms, HCIB aims to safeguard employee interests and encourages a culture of accountability and mutual respect. These measures aspire for every individual working for or alongside the Group to be afforded equal opportunities and fair treatment.

The Group's approach to human and labour rights is guided by its Labour Standards Statement and the Hong Leong Manufacturing Group's Code of Conduct and Ethics. These documents apply to all employees and form an integral part of HCIB's overall ESG and corporate governance framework. Although the Group does not maintain a standalone Human Rights Policy, its Labour Standards Statement incorporates key human rights principles, including the prohibition of forced and child labour, the provision of safe and healthy working conditions, and the promotion of equal treatment and non-discrimination.

Sustainability Statement

(Cont'd)

HCIB's commitments are aligned with internationally recognised frameworks such as the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the Universal Declaration of Human Rights. The Group also upholds the principles of freedom of association, the right to collective bargaining, and the elimination of forced or compulsory labour, child labour, and all forms of workplace discrimination.

To strengthen implementation, HCIB conducts awareness and training programmes focusing on forced labour risks within the manufacturing sector. These initiatives enhance employees' understanding of ethical labour practices, supporting their ability to recognise, help prevent, and address potential labour rights issues while promoting a culture of compliance, responsibility, and ethical conduct.

Indicator	Actions Taken
Prevention of Child Labour	HCIB strictly enforces a minimum hiring age of 18 years old, in line with the Employment Act 1955. Age verification is conducted using official documents such as National Identity Cards, Birth Certificates, and Passports. In FY2026, no employees under the legal age were employed, and no suppliers were identified to be at risk of child labour practices.
Prevention of Forced Labour	HCIB does not engage in bonded or involuntary labour practices. All employees are free to terminate their employment in accordance with the applicable employment terms and requirements. Overtime work is voluntary and recorded through HCIB's Time Management System ("TMS"). The Group's Labour Standards Statement also clearly prohibits all forms of forced or exploitative labour. HCIB endeavours to adhere to the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446) in Malaysia, providing proper housing and amenities for foreign labourers.
Mechanisms to Allow Employee Representatives to Engage with Company Management	HCIB recognises employees' rights to form and join trade unions. Collective agreements remain in effect between the HCCT Union and the Non-Metallic Mineral Products Manufacturing Employees' Union, and between the HCMT Union and the Cement Industries Employees Union. For HCCT, the Collective Agreement remained in force until the completion of the disposal of HCCT. These agreements recognise the unions as the exclusive bargaining agents for their respective employees on matters affecting their interests.
Reduction of Excessive Working Hours	Employee working hours are managed through a centralised TMS system, which helps monitor attendance and prevent excessive overtime. This supports HCIB's goal of promoting a balanced workload and ensuring compliance with labour regulations.
Grievance Mechanisms	HCIB has established grievance procedures that enable employees and affected parties to report labour concerns. The Group is aiming to providing remedies where any adverse human rights impacts are identified. Further information on grievance mechanisms can be found in the following section.

To further strengthen its commitment to preventing child labour and forced labour, HCIB has established a Labour Standards Statement that outlines the Group's expectations and commitments on responsible labour practices. The statement is made available in both Bahasa Malaysia and English for accessibility and understanding across its diverse workforce. The effectiveness of these measures is reflected in the Group's strong compliance performance.

Indicator	FY2024	FY2025	FY2026
Incidents of non-compliance with labour standards	0	0	0

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(Cont'd)

No incidents of non-compliance with labour standards were reported to HCIB, which demonstrates HCIB's continued compliance with the Malaysian Employment Act 1955, supported by its internal labour policies and governance practices. The Human Resource ("HR") department continues to monitor adherence to these standards, supporting the Group's commitment to upholding ethical employment practices and maintaining a fair, safe, and lawful workplace.

Employee Grievance Mechanisms

HCIB maintains a respectful, safe, and professional workplace where every employee is treated fairly and with dignity. The Group does not condone any form of workplace bullying, harassment, violence, and any form of discrimination based on gender, race, ethnicity, age, religion, disability, sexual orientation, nationality, marital status, or employment arrangement. Employees are expected to uphold professional conduct and behaviour in accordance with Malaysian laws and workplace standards.

To support a fair and transparent work environment, HCIB has established grievance procedures and confidential reporting channels. Employees are encouraged to report concerns to their immediate supervisor or raise them through the appropriate escalation process when necessary. The Group seeks to address workplace issues promptly through constructive discussions and meetings. Where a resolution cannot be reached, cases may be referred to the Human Resource ("HR") department and, if required, escalated to the relevant authorities under the Employment Act 1955 or the Industrial Relations Act 1967.

HCIB also provides targeted training for managers aimed at strengthening their ability to prevent and address workplace misconduct. These programmes cover key topics such as workplace harassment, grievance management, and forced labour awareness, supporting managers in responding appropriately while reinforcing ethical labour practices.

By promoting open communication, grievance management, and continuous awareness, HCIB supports efforts to foster a workplace where employees feel safe, respected, and empowered to raise concerns without fear of retaliation. These initiatives aim to strengthen transparency, accountability, and mutual trust, supporting the Group's commitment to maintaining an inclusive, ethical, and responsible workplace.

Risk Assessments regarding labour issues

HCIB adopts a structured risk assessment process to identify, evaluate, and manage labour-related risks across both existing operations and potential new projects. As part of its due diligence approach, the Group assesses key labour and human rights indicators for ethical employment practices, regulatory compliance, and the protection of workers' rights throughout its operations. The assessment covers a range of critical risk indicators, including 'Abuse of cultural/religious beliefs', 'Restriction of movement', 'Isolation', 'Excessive overtime', and 'Abuse of working and living conditions'.

For new operations and projects, these indicators are evaluated during the planning stage to identify potential labour risks and implement appropriate mitigation measures before operations commence. For existing operations, regular assessments are carried out to monitor compliance, identify emerging risks, and support a workplace that remains safe, ethical, and free from exploitative labour practices.

Each identified risk is evaluated based on its potential consequences, likelihood of occurrence, and overall risk level, enabling HCIB to prioritise mitigation measures and strengthen its labour management practices. The Group also periodically reviews and updates its assessment methodology to reflect evolving regulatory requirements, operational changes, and emerging labour-related risks. This systematic approach supports continuous improvement while safeguarding employee welfare, protecting human rights, and maintaining the Group's reputation as a responsible employer.

8.2 TALENT MANAGEMENT

HCIB believes that investing in talent development and workforce engagement is fundamental to building a resilient organisation while supporting employees' professional growth and well-being.

The Group aspires to attract, retain, and develop talented individuals who embody its values and contribute to its long-term success. Recognising employees as key stakeholders, HCIB nurtures a future-ready workforce through continuous learning, leadership development, and equitable growth opportunities. Beyond meeting business needs, the Group views talent management as a shared responsibility to empower its people, unlock their potential, and enable them to achieve meaningful and rewarding career aspirations.

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A) Hiring and Attrition

HCIB fosters a fair, diverse, and inclusive workplace by upholding the principles of non-discrimination, equal opportunity, and merit-based employment. These principles are embedded within the Group's Labour Standards Statement and Code of Conduct and serve as the foundation for its recruitment, hiring, and employment practices across all levels of the organisation.

The Group aims to prioritise the recruitment of local talent, particularly for operational, production, and site-based roles. As part of its support for the communities in which it operates, HCIB aims to give preference to candidates residing within a 20-kilometre radius of its manufacturing plants. This approach not only enhances workforce stability and operational efficiency but also contributes to local economic development, employment creation, and community well-being.

Beyond local hiring, HCIB aims to broaden its social impact by supporting employment for individuals from disadvantaged backgrounds, including those from low-income households and marginalised communities. Through strategic outreach and collaborative initiatives, the Group promotes inclusive employment and seeks to enhance access to meaningful and sustainable livelihoods.

Where specialised technical expertise or critical operational capabilities are not readily available within the local workforce, HCIB may employ foreign workers or engage expatriates to address business requirements. At the same time, the Group aims to develop local talent through knowledge transfer, mentoring, and leadership development programmes. Supported by structured succession planning, HCIB progressively strengthens internal capabilities while advancing the long-term localisation of key roles.

Total Turnover by Employment Category (Number)	FY2024	FY2025	FY2026
Management	17	16	23
Executive	17	39	42
Non-Executive/Technical staff	23	58	99
General workers	5	63	66
Turnover Rate (%)	8.81	26.04	36.45

HCIB recorded a turnover rate of 36.45% in FY2026, largely attributable to the Group's divestment of HCCT's operations. The divestment formed part of the Group's broader strategic efforts to optimise its business portfolio and support the long-term sustainability of the Group.

B) Graduate Development Programme

As part of its efforts to build a resilient and future-ready workforce, HCIB continues to strengthen youth employment through the Group's Graduate Development Programme. The programme is designed to attract, develop, and retain young talent from diverse technical disciplines, including mechanical, chemical, and electrical engineering. It provides a structured pathway that bridges academic learning with practical industry experience, equipping graduates for successful careers within the Group. During FY2026, 7 participants joined the Group's Graduate Development Programme.

The programme is guided by the LEAP framework, which stands for Learn, Engage, Acquire, and Progress. Through this structured development journey, participants build technical competencies, deepen their business knowledge, and strengthen essential interpersonal skills required for long-term professional growth. In FY2026, a total of 23 LEAP sessions were conducted.

Participants are provided with a comprehensive development experience that combines formal training, on-the-job exposure, coaching, and mentorship. They are also given opportunities to engage with HCIB's leadership team to gain insights into the Group's business strategy, values, and future direction. By nurturing emerging talent and supporting their professional development, HCIB aims to strengthen its leadership pipeline while creating meaningful opportunities for the next generation to build rewarding and purpose-driven careers.

Sustainability Statement

(Cont'd)

C) Employee Rights and Welfare

HCIB recognises that protecting employee rights and promoting employee welfare are essential to maintaining a responsible and supportive workplace. The Group complies with Malaysian labour laws, including requirements relating to minimum wages, overtime, and statutory employment benefits. Although overtime may provide employees with additional earning opportunities, working hours are carefully managed to comply with legal requirements while safeguarding employee health, safety, and well-being.

Upholding equal opportunity and non-discrimination	Respecting workers' right to dignity at work	Supporting a harassment-free and violence-free workplace
Compliance with employment-related laws, including those governing working hours, overtime pay, and fair compensation (e.g., Minimum Wage Order 2022)	Prohibition and prevention of forced labour, debt bondage, human trafficking, and all forms of modern slavery	Recognition of children's rights and prohibition and prevention of child labour
Respecting employees' right to wellness, mental health, and work-life balance	Providing a minimum notice period for changes in terms of duties, work location, or other operational changes	Upholding the right to safe working conditions
Empowering collective bargaining at work	Respecting employees' right to participate in a trade union as per the Industrial Relations Act 1967 and Trade Unions Act 1959	Promoting a fair reward system and ensuring transparency in the hiring process

HCIB upholds employees' fundamental rights, including freedom of association, the right to collective bargaining, and the right to work in an environment free from discrimination. Employees are free to join trade unions of their choice in accordance with applicable national laws and union regulations. These rights are embedded within the Group's Labour Standards Statement and further reinforced through the Code of Conduct and Ethics.

As of FY2026, approximately 44% of employees at HCMT are covered under collective bargaining agreements following the signing of its first Collective Agreement in May 2023, representing an increase from the initially estimated 33% coverage.

By respecting these fundamental labour rights and maintaining constructive engagement with employee representatives, HCIB fosters an open, fair, and inclusive workplace. The Group continues to encourage transparent dialogue with trade unions while promoting mutual trust, respect, and collaboration to support the long-term well-being of its workforce.

8.2.1 Diversity and Inclusivity

HCIB believes that a diverse and inclusive workforce strengthens organisational performance by fostering a culture of respect, collaboration, and equal opportunity.

By embracing individuals from different backgrounds, identities, and experiences, the Group aims to create a workplace where every employee is valued, respected, and empowered to reach their potential. Diversity, equity, and inclusion are embedded within HCIB's people practices and organisational culture. The Group promotes fair and equitable employment by aiming to provide equal opportunities to all employees, regardless of gender, race, ethnicity, age, religion, disability, sexual orientation, nationality, marital status, or employment arrangement. Through these principles, HCIB aims to cultivate a workplace where diversity is embraced, individual contributions are recognised, and everyone can succeed in a safe, supportive, and respectful environment.

Sustainability Statement

(Cont'd)

As of FY2026, HCIB's workforce profile is presented below:

Overall Workforce	FY2024	FY2025	FY2026
Total Workforce	708	599	401
By Gender (%):			
Male Employees	85	85	84
Female Employees	15	15	16
By Nationality (%):			
Malaysian Employees	80	87	99.5
Foreign Nationals	20	13	0.5
By Employment Category (%):			
Managers	14	15	18
Executives	23	26	33
Non-Executives/Technical Staff	46	49	49
General Workers	18	10	0

Gender Breakdown by Employee Category		Percentage of Employees (%)		
		FY2024	FY2025	FY2026
Management	Male	78	77	79
	Female	22	23	21
Executive	Male	63	67	71
	Female	37	33	29
Non-Executive	Male	93	93	94
	Female	7	7	6
General Workers	Male	100	100	0
	Female	0	0	0

Age Breakdown by Employee Category		Percentage of Employees (%)		
		FY2024	FY2025	FY2026
Management	Under 30	0	0	0
	30 – 50	71	67	60
	Above 50	29	33	40
Executive	Under 30	16	17	17
	30 – 50	75	75	75
	Above 50	9	8	8
Non-Executive	Under 30	28	27	23
	30 – 50	60	62	70
	Above 50	12	11	7
General Workers	Under 30	31	32	0
	30 – 50	67	68	0
	Above 50	2	0	0

While the heavy industrial sector has traditionally experienced lower female representation, particularly in operational and plant-based roles, HCIB continues to promote gender diversity across its workforce. More balanced gender representation is evident in functions such as Administration and Sales & Marketing, reflecting the Group's ongoing efforts to foster a more inclusive workplace. HCIB also continues to strengthen female participation across all business units by promoting equal employment opportunities and creating an environment where individuals can contribute and advance based on merit and capability.

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Proportion of Contract Staff (%)	FY2024	FY2025	FY2026
Permanent staff	79	87	98
Contract staff	21	13	2

HCIB fosters a respectful and professional workplace where employees are treated with dignity. Inappropriate behaviours such as bullying, harassment, or violence are prohibited. This includes acts of discrimination towards gender, race, ethnicity, age, religion, disability, nationality, marital status, or employment arrangement. Employees are expected to act in line with Malaysian standards of conduct.

HCIB aims to continue advancing its diversity and inclusion agenda by implementing measures that foster equal opportunities and minimise discrimination across the workplace. Key initiatives include:

Indicator	Action Taken
Race	- The Group fosters a culturally inclusive environment by celebrating diverse cultural festivals such as Chinese New Year, Hari Raya Aidilfitri, and Deepavali, fostering mutual respect and understanding. - HCIB maintains merit-based recruitment, performance evaluation, and promotion practices to support a level playing field for all ethnic backgrounds.
Religion	- The Group respects and accommodates religious diversity by providing dedicated prayer spaces and facilities at operational sites including dedicated prayer spaces for Muslim employees and separate halal and non-halal facilities in food areas, promoting respect for diverse religious practices. - HCIB provides Muslim employees with facilities to perform their daily prayers during working hours without compromising their work responsibilities.
Gender	- HCIB provides employment, remuneration, training, and career advancement opportunities regardless of gender. The Group promotes female participation across all functions, including leadership and technical roles. As of FY2026, women make up 29% of executive roles and 21% of management positions. - HCIB promotes greater female representation in leadership while supporting the national target of 30% women in decision-making roles. International Women’s Day is also celebrated to recognise the contributions of women across the organisation.
Age	- HCIB builds a multi-generational workforce by valuing both the institutional knowledge of senior employees and the fresh perspectives of younger talent. About 40% of HCIB’s management are aged 50 and above. - The Group also Implements succession planning and mentorship programmes to facilitate knowledge transfer without age-related discrimination.
Disabilities	Aligned with the Hong Leong Group Recruitment Policy, HCIB promotes employment opportunities for persons with disabilities. Recruitment decisions are based on merit, qualifications, and potential, free from discrimination.
Nationalities	- The Group protects and respects the rights of both local and international workers, supoorting equitable treatment, minimum wages, and identical workplace safety protections. - HCIB’s senior roles are also held by foreign professionals, with equitable development opportunities extended across the board.
Education Background	- HCIB provides inclusive employment opportunities to individuals from diverse backgrounds, including those with limited formal education, based on their skills and potential. - As part of its efforts to support underprivileged communities, the Group hires individuals who may not have completed secondary school. For example, certain segments of HCIB’s support staff come from backgrounds with only primary school education.

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8.2.2 Human Capital Development

HCIB views continuous learning and capability development as essential to building a resilient, high-performing workforce.

By strengthening employees' technical knowledge, leadership capabilities, and professional competencies, the Group enhances organisational agility while preparing its people to meet evolving business and industry demands.

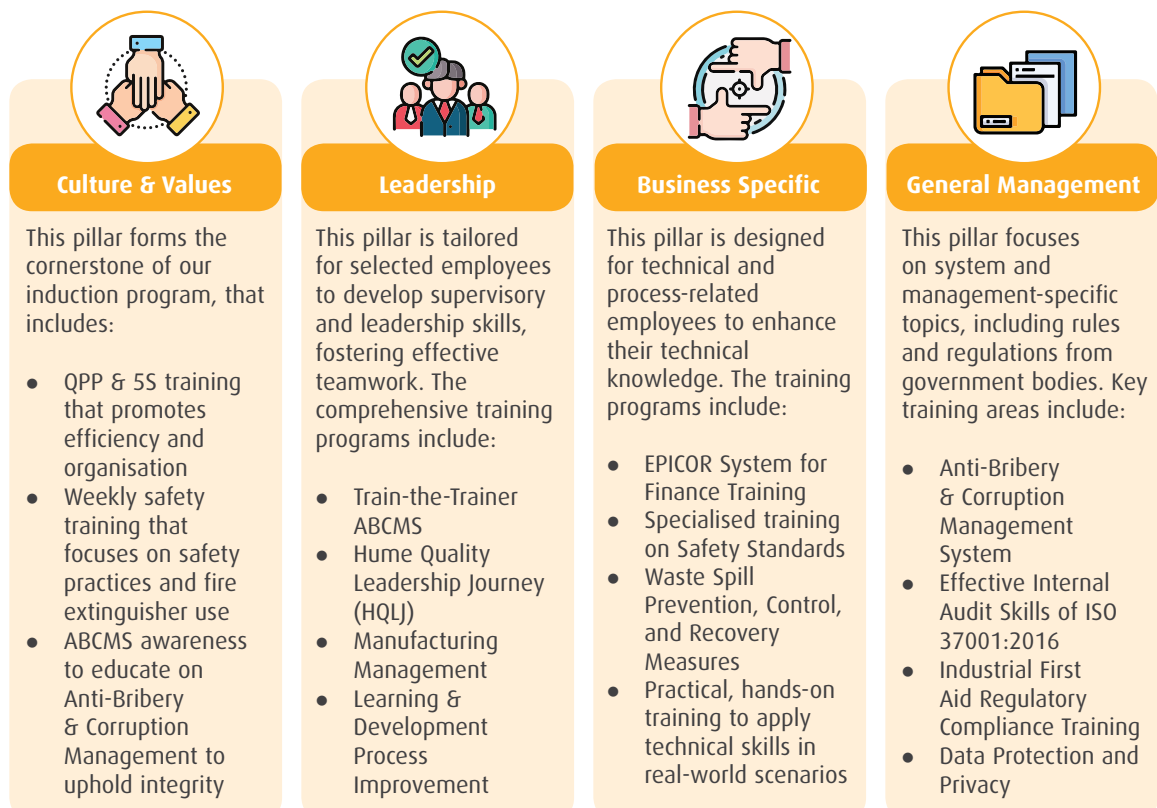
To foster a culture of lifelong learning, HCIB provides employees with ongoing development opportunities that support both individual career growth and organisational success. Learning initiatives are designed to strengthen core competencies, improve job performance, and equip employees with the skills needed to drive operational excellence across the Group.

Training priorities are determined through regular performance evaluations and competency assessments conducted by the Human Resource ("HR") department in collaboration with business units. This systematic approach enables the Group to identify development needs, address skills gaps, and deliver targeted training programmes that align with strategic business objectives.

The Group adopts a comprehensive learning and development framework comprising both in-house and external training programmes for employees at all levels. Training is structured around four key learning pillars including Culture and Values, Leadership, Business-Specific, and General Management, to provide a balanced and holistic learning experience that supports professional and personal development.

HCIB monitors key learning indicators, including employee participation and total training hours, for training programmes to deliver meaningful outcomes. These insights enable the Group to assess programme effectiveness, identify improvement opportunities, and continuously enhance its learning and development initiatives to meet future workforce needs.

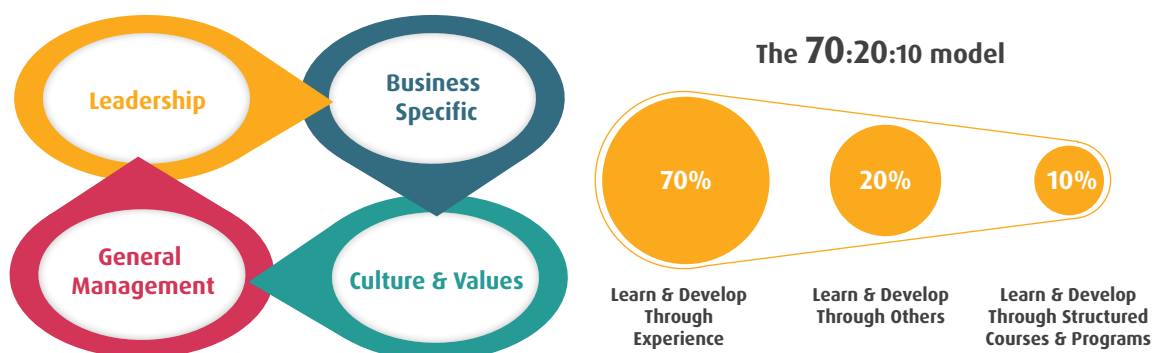
Group Training and Development



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Beyond formal training programmes, HCIB embraces the 70-20-10 learning model to provide a well-rounded employee development experience. The Group recognises that capability building is most effective when employees learn through practical experience, collaboration, and structured learning. Under this approach, approximately 70% of learning is acquired through on-the-job experiences, 20% through coaching, mentoring, and peer interactions, while the remaining 10% is delivered through formal classroom or virtual training. This balanced approach enables employees to apply knowledge in real workplace settings while continuously strengthening their skills and competencies.



HCIB develops its annual training programmes through a comprehensive Training Needs Analysis ("TNA") conducted in collaboration with department heads. This process identifies competency gaps, aligns learning priorities with business objectives, and aims for employees to receive targeted development opportunities that enhance their skills and support organisational growth. Key training focus areas include:



In FY2026, the Group's training performance is as follows:

	Target	FY2024	FY2025	FY2026
Total Training Hours of HCIB		15,787 hours	12,706 hours	8,806 hours
Average Training Hours per Employee	> 20 Hours	22.2 hours	21.2 hours	22.0 hours
Average Training Days per Employee	> 0.8 Days	0.9 days	0.9 Days	0.9 days

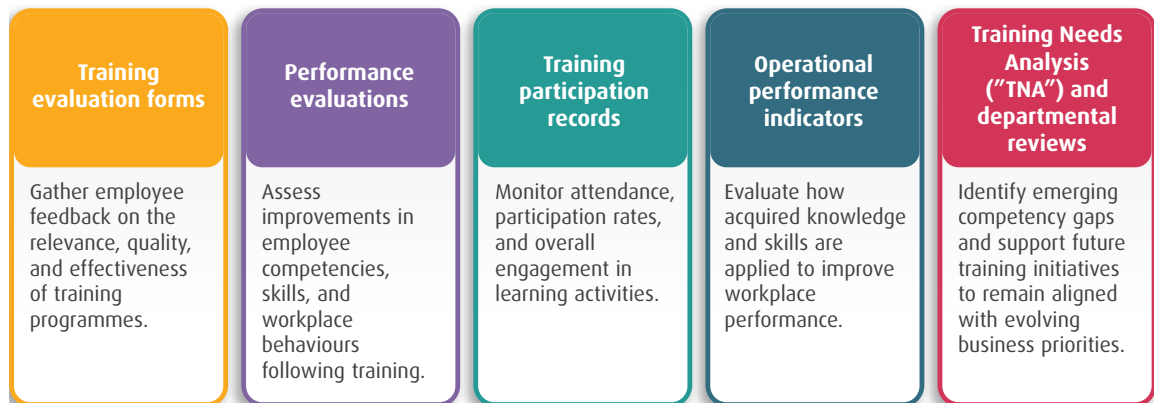
Employee Category	Total Training Hours		
	FY2024	FY2025	FY2026
Management	2,710	2,675	2,230
Executive	3,689	4,693	3,600
Non-Executive	6,208	4,320	2,976
General Workers	3,181	1,019	-

Note: No training hours were recorded for general workers in FY2026, as the general worker category was only present at HCCT, which was fully divested by the Group during the reporting period. All training data presented in this report include active employees only during the reporting period.

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To maximise the value of its learning and development initiatives, HCIB regularly evaluates the effectiveness of its training programmes using a structured assessment approach. This enables the Group to monitor learning outcomes, identify areas for improvement, and supportive of training to continue to support both employee development and business objectives. Evaluation methods including:



This systematic approach enables HCIB to continuously enhance its learning and development programmes, fostering a culture of continuous improvement while building a capable, adaptable, and future-ready workforce.

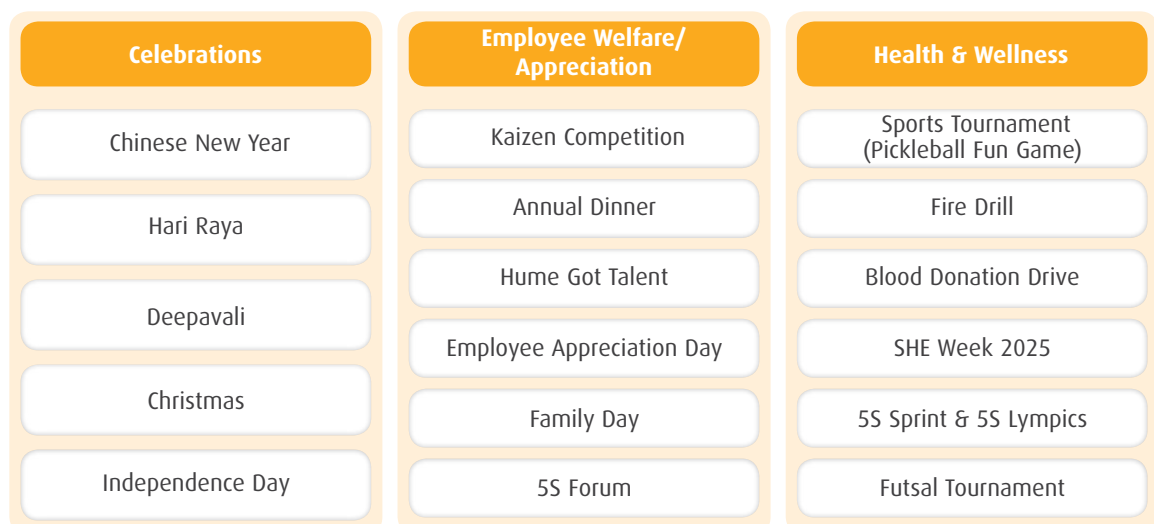
8.2.3 Employee Engagement

HCIB recognises that employee engagement plays a vital role in building a positive workplace culture and driving long-term organisational success.

By fostering open communication, recognising employee contributions, and promoting inclusive workplace practices, the Group aims to create an environment where employees feel valued, respected, and motivated to perform at their best.

The Group views employee engagement as a key driver of collaboration, innovation, productivity, and talent retention. Through meaningful engagement initiatives, HCIB strengthens employee morale, reinforces a sense of belonging, and encourages employees to contribute towards the Group's shared goals and long-term growth.

Throughout FY2026, HCIB organised a range of employee engagement initiatives, including:



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Annual Iftar Gathering



In March 2026, HCIB organised its Annual Iftar Gathering with HCMT Management during the holy month of Ramadan, bringing together employees, local communities, and representatives from government agencies. The gathering provided an opportunity to strengthen relationships, foster mutual respect, and celebrate the values of unity, inclusivity, and cultural appreciation.

Promoting Employee Well-being Through Sports Activities



As part of its efforts to promote employee health and well-being, HCIB organised a series of sports activities in conjunction with the HSE Week and Family Day celebrations. The programme included bowling and badminton tournaments, which attracted strong participation from employees across various departments and encouraged active lifestyles, teamwork, and healthy competition.

Beyond promoting physical fitness, these activities aim to strengthen workplace relationships, enhanced employee engagement, and fostered a culture of collaboration and mutual support. By creating opportunities for employees to connect beyond the workplace, HCIB continues to cultivate a positive, inclusive, and people-centred work environment that supports overall employee well-being.

8.3 HEALTH AND SAFETY

HCIB places occupational health and safety ("OHS") at the core of its operations, recognising that a safe and healthy workplace is fundamental to employee well-being, operational resilience, and sustainable business performance. The Group adopts a proactive approach to risk management by embedding safety considerations into everyday operations and fostering a culture where every employee shares responsibility for maintaining a safe working environment.

The Group's Safety, Health and Environment ("SHE") culture is supported by active oversight from the Board of Directors and reinforced through strong leadership, employee engagement and continuous improvement. The Board retains oversight of these matters, while GMD, as a member of the Board, chairs the SSC and leads the implementation of the Group's SHE-related initiatives. This approach aims to enhance workforce confidence, minimise operational risks and support long-term business continuity.

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HCIB's Occupational Health and Safety Management System ("OHSMS") provides the framework for identifying, assessing, and managing workplace hazards across all operating sites. Guided by the principle that all workplace injuries, illnesses, and fatalities are preventable, the Group implements safety procedures, regular risk assessments, and preventive measures to protect employees, contractors, and other stakeholders.

The Group continues to pursue its goal of reducing workplace incidents and accidents by investing in both financial and non-financial resources to strengthen its OHS programmes. These investments support ongoing improvements in safety performance, promote a positive safety culture, and contribute to operational excellence across the organisation.

HCIB aims to support the safety, health and well-being of its employees by fostering a strong and resilient Safety, Health and Environment (SHE) culture across the Group. This culture is supported by Board oversight. The Group Managing Director, William Tan Kok Siang, who is a member of the Board, provides strategic guidance on health and safety matters, strengthening governance and accountability. Together, this leadership focus supports employee morale, manages operational risks and strengthens overall business resilience.

8.3.1 Health and Safety Policy and Compliance

HCIB maintains an occupational safety framework by combining regulatory compliance with internal safety standards. The Group conducts regular internal and external audits to verify the effectiveness of its safety management systems, while its facilities are independently audited by SIRIM QAS International and routinely inspected by regulatory authorities, including the Department of Occupational Safety and Health ("DOSH"), the Department of Environment ("DOE"), the Fire and Rescue Department ("BOMBA"), and insurance assessors. These assessments help the Group to consistently meet applicable regulatory requirements.

The Group's Safety, Health and Environment ("SHE") Policy establishes the overarching framework for managing occupational health and safety across its operations. To address the distinct operational requirements of each business, both HCMT and HCCT have developed site-specific SHE policies that complement the Group's overall safety framework.

HCIB further strengthens its safety performance through Safety, Health and Environment ("SHE") Standard Operating Procedures ("SOPs"), which are aligned with ISO 45001:2018 and the Occupational Safety and Health Act 1994. These SOPs provide operational guidance, promote consistent safety practices, and support the Group's commitment to maintain standards in line with regulatory requirements and good practices.



HCIB's HCMT plant has received ISO 45001:2018 certification

All of HCIB's operational staff underwent health surveillance

Following the divestment of HCCT, the HCMT facility in Gopeng, Perak, represents 100% of HCIB's operating plants and is certified to ISO 45001:2018 for its cement manufacturing and quarrying operations.

It also holds IQNet certification issued through SIRIM QAS International, demonstrating the effectiveness of its Occupational Health and Safety Management System ("OHSMS") and its adherence to internationally recognised occupational health and safety standards.

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Through these initiatives, HCIB continues to strengthen its safety culture and promote a safe, healthy, and compliant workplace. By embracing international best practices and encouraging continuous improvement, the Group remains focused on protecting its most valuable asset—its people.

8.3.2 Health and Safety Management

Occupational safety and health performance is integrated into HCIB’s governance and operational review processes for continuous oversight and improvement. At the Group level, SHE performance is reviewed during Monthly Management Meetings, while individual operating plants conduct regular Plant Performance Meetings to monitor safety performance, address emerging risks, and identify opportunities for continuous improvement.

To promote employee participation and transparent communication, HCIB has established Occupational Safety, Health and Environment (“OSHE”) Committees at each operating plant. Comprising representatives from both management and employees, these committees provide a platform to discuss workplace safety matters, address site-specific concerns, and recommend improvements to strengthen safety performance.

Each operating facility is supported by a dedicated Health, Safety and Environment (“HSE”) Officer or Coordinator who oversees the implementation of safety programmes and compliance initiatives. By tailoring safety activities to the specific operational risks and requirements of each site, HCIB aspires for its occupational health and safety measures to remain practical, effective, and responsive to evolving workplace needs.

Strategic oversight of occupational health and safety is led by the GMD, who is responsible for Health & Safety and Sustainability & Climate Change. Supporting this governance structure is a cross-functional team comprising representatives from HCMT and HCCT, which conducts hazard identification and risk assessments using the Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) methodology. These assessments are performed at least annually, or whenever significant operational changes occur, to identify workplace hazards and implement appropriate control measures with the participation of both OSHE Committee members and employees.

To further strengthen its preventive approach, HCIB implements annual occupational safety and health programmes, including medical surveillance, audiometric testing, and workplace exposure monitoring. Risks and improvement opportunities identified through these activities are evaluated and addressed through targeted mitigation measures, supporting the Group’s safety management approach in remaining proactive, effective, and responsive to changing operational conditions.

Whistleblowing Form Provides stakeholders with a confidential channel to report any violations or breaches of the Group’s health and safety policies and procedures.	The 5S and Safety Penalty Online Platform Includes a reporting e-form that allows employees to lodge complaints or report incidents related to health and safety violations within HCMT. Upon completion of corresponding investigations, appropriate actions are taken against the offenders.	SHE Reporting System Allows employees to suggest improvement ideas (<i>Kaizen</i>) or report safety concerns specific to the plants. This system provides a means for employees to actively contribute to enhancing safety measures within the Group.
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8.3.3 Incident Reporting and OHS Performance

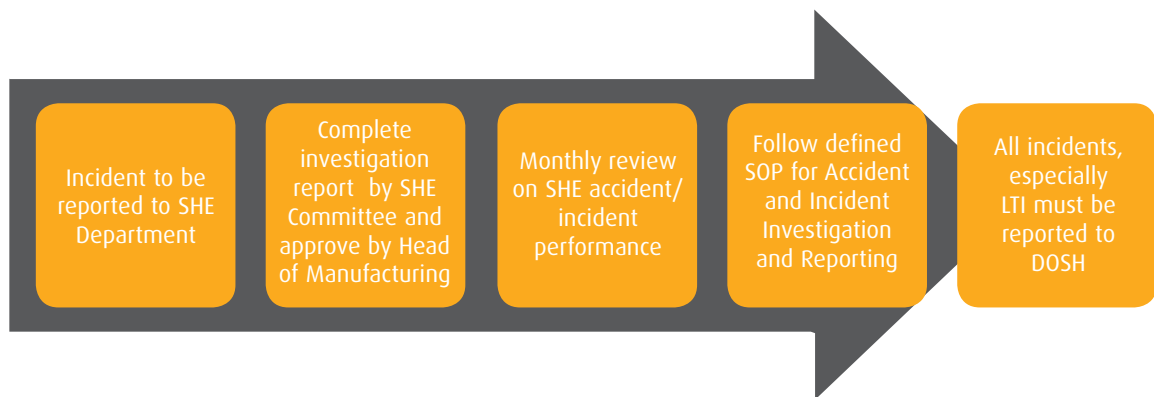
HCIB maintains a structured incident reporting and investigation process to manage workplace incidents. All accidents and Lost-Time Injury (“LTI”) cases are reported, investigated, and documented through SHE Accident Investigation Reports, with the Group also submitting statutory JKKP 6, JKKP 7, and JKKP 8 reports to the Department of Occupational Safety and Health (“DOSH”) in accordance with regulatory requirements.

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In line with DOSH guidelines, LTIs are defined as workplace incidents that result in more than four consecutive days of medical leave due to occupational injuries, poisoning, or diseases. Such incidents are treated as serious events and are subject to thorough investigation to identify root causes, implement corrective actions, and prevent recurrence, supporting HCIB's commitment to protecting employee health and safety.

To strengthen emergency preparedness, each operating facility is equipped with an Occupational Health Nurse and an on-site treatment room to provide immediate medical assistance. For more serious emergencies, ambulance services and established referral arrangements with nearby clinics and government hospitals helps employees receive timely medical treatment, reducing the risk of further injury and supporting employee well-being.



HCIB continuously monitors its occupational health and safety performance through a set of safety indicators and performance reviews. Safety data is collected, analysed, and evaluated to identify trends, guide preventive measures, and support the Group's long-term objective of reducing workplace accidents. Performance is monitored through internal assessments, online safety reporting, monthly incident reviews, and external audits conducted by SIRIM, the Department of Occupational Safety and Health ("DOSH"), the Department of Environment ("DOE"), the Fire and Rescue Department ("BOMBA"), and other relevant authorities. Findings from these activities are consolidated into the annual Management Review to support strategic oversight and continuous improvement.

To promote a proactive safety culture, HCIB implements several workplace monitoring initiatives, including Unsafe Act Unsafe Condition ("UAUC") audits to identify unsafe behaviours and workplace conditions before incidents occur. The Group also adopts the 5S workplace management programme across its operating plants, supported by both internal and external assessments. Regular benchmarking with other Hong Leong Manufacturing Group plants further promotes knowledge sharing, consistency, and the adoption of best safety practices.

These integrated initiatives support HCIB's preventive approach to occupational health and safety while promoting a workplace that is well-managed, safety-conscious, and prepared to respond to operational risks.

To measure safety performance consistently across the Group, HCIB tracks a series of standardised occupational safety indicators. The primary indicator is Lost Time Incidents ("LTI"), which include work-related injuries or fatalities resulting in an employee being unable to perform their scheduled work. Based on LTI data, the Group calculates the Lost Time Incident Rate ("LTIR") per 200,000 hours worked and the Lost Time Incident Frequency Rate ("LTIFR") per 1,000,000 hours worked. These indicators enable HCIB to monitor the safety performance of both employees and contractors, benchmark performance over time, and identify opportunities for further improvement.

Sustainability Statement

(Cont'd)

The Group's occupational health and safety performance for FY2026 is presented below. The Group's FY2026 target of no reported incidents and accidents was not met, with two lost-time injuries recorded during the year. The circumstances of each incident and the corrective actions taken are set out below.

HCIB Lost-time Incident Rate data for three years

Indicators	FY2024	FY2025	FY2026
LTI (number)	4	6	2
LTIR (number of LTI/200,000 hours worked)	0.36	0.55	0.26
LTIFR (number of LTI/1,000,000 hours worked)	1.81	2.77	1.28
Coverage for LTIR (%)	100	100	100
Coverage for LTIFR (%)	100	100	100
Number of contractors	293	337	284
Work-related contractor fatalities (number)	1	1	0
Work-related employee fatalities (number)	0	0	0

In FY2026, HCIB recorded a lost time injury arising from operational activities, specifically during routine cement loading operations. The incident involved an employee of an HCMT-appointed transporter who fell approximately 2.5 meters from the top of a cement tanker due to inadequate fall protection, resulting in a fractured right thigh. The investigation identified missing handrails on the tanker platform and non adherence to safe working at height requirements as key contributing factors.

In response, the Group strengthened its focus on working at height safety by tightening SOP requirements, enhancing inspections of incoming tankers, reinforcing accountability among transporters, and conducting refresher training for drivers.

The 2nd LTI occurred during a blockage-clearing task at a rotary valve, where a contract worker sustained a fingertip injury after being exposed to a pinch-point hazard. The incident was attributed to non-compliance with safe work procedures and inadequate supervision during the task. Following the incident, the Group strengthened its safety controls by revising the relevant SOP and HIRARC, introducing a Permit-to-Work requirement for blockage-clearing activities, reinforcing LOTO training and enhancing on-site supervision. Disciplinary action was also taken for non-compliance.

8.3.4 Health and Safety Training and Communication

Employee participation is a key element of HCIB's occupational health and safety framework. Through regular Occupational Safety, Health and Environment ("OSHE") Committee meetings, employees and management work together to discuss workplace safety issues, share feedback, and identify opportunities to strengthen the Group's Occupational Health and Safety Management System ("OHSMS"). This collaborative approach encourages shared accountability and employees to play an active role in improving workplace safety.

During FY2026, a total of 392 employees participated in general and specialised occupational safety and health training programmes covering emergency response, cardiopulmonary resuscitation ("CPR"), workplace safety regulations, and hazard identification and risk control. Weekly toolbox meetings were also conducted to reinforce safe work practices and address job-specific risks, while SHE Week activities and Occupational Safety and Health ("OSH") newsletters further enhanced safety awareness and promoted the sharing of lessons learnt across the organisation.

Safety awareness is also embedded into broader employee development initiatives through induction programmes and the implementation of the 5S workplace management programme, aiming to support a safety-first culture across all operations. HCIB's occupational health and safety policies and management systems apply to employees, contractors, and relevant external parties, supporting a consistent and inclusive approach to workplace safety throughout the Group.

Sustainability Statement

(Cont'd)

Health and Safety Training	FY2024	FY2025	FY2026
Number of Staff Trained	708	545	392
Total Training Hours	7,682	5,978	5,889

Throughout FY2026, HCIB strengthened its occupational safety and health (“OSH”) culture through a range of awareness, engagement, and training initiatives. Weekly toolbox meetings were conducted to support safe work practices, communicate job-specific hazards, and encourage employees to adopt preventive safety measures in their daily operations. The Group also organised SHE Week, featuring interactive activities, safety campaigns, and educational programmes to support safety awareness across the workforce.

Continuous training programmes were conducted to keep employees informed of workplace safety requirements, emergency response procedures, and hazard identification practices. HCIB also maintained its Occupational Safety and Health Management System (“OHSMS”) in accordance with ISO 45001:2018, supporting a systematic approach to managing workplace risks and continuous improvement. In addition, regular sharing of unsafe acts, unsafe conditions, and near-miss incidents promoted collective learning and contributed to a proactive safety culture. Together, these initiatives reflect HCIB’s ongoing efforts to promote a safety-first mindset across the organisation.

Strengthening Safety Awareness Through SHE Week

HCIB supported its safety-first culture through the organisation of SHE Awareness Week and Family Day 2025 on 25 October 2025. The event brought together employees, their families, senior management, and representatives from key regulatory and enforcement agencies, including DOSH Perak and IPD Kampar, reflecting the Group’s collaborative approach to promoting workplace safety.



The programme featured interactive exhibitions and educational activities conducted by the Department of Occupational Safety and Health (DOSH), the Fire and Rescue Department of Malaysia (BOMBA), the Social Security Organisation (SOCISO), the Ministry of Health Malaysia, the Department of Environment (DOE), the National Anti-Drugs Agency (AADK), the Royal Malaysia Police (PDRM), and the Malaysian Anti-Corruption Commission (MACC). These activities provided participants with practical knowledge on occupational safety and health, emergency preparedness, environmental protection, public health, drug prevention, crime prevention, and business ethics.

Through initiatives such as SHE Week, HCIB continues to support employee engagement, enhance safety awareness, and promote a proactive safety culture that aligns with the Group’s commitment to operational excellence and a safe, healthy workplace.

Annual Blood Donation Drive

As part of its efforts to promote employee health and well-being, HCIB organised its annual Blood Donation Drive in collaboration with Hospital Raja Permaisuri Bainun (“HRPB”) in October 2025. The initiative saw 47 employees from HCMT Gopeng voluntarily donate blood, supporting the hospital’s blood supply while encouraging employees to contribute to a life-saving cause.



Sustainability Statement

(Cont'd)

Beyond supporting the local healthcare system, the programme promotes a culture of care, volunteerism, and health awareness among employees. By partnering with healthcare institutions on preventive health initiatives, HCIB continues to foster a healthy workforce while contributing to the well-being of the wider community.

8.4 COMMUNITY INVESTMENT AND CORPORATE SOCIAL RESPONSIBILITIES

HCIB seeks to integrate Corporate Social Responsibility (“CSR”) into its business strategy with the aim of creating positive social value for the communities where it operates.

The Group believes that sustainable business growth goes hand in hand with supporting community development and encourages employees to play an active role in making a meaningful difference beyond the workplace.

Indicators	FY2024	FY2025	FY2026
Total volunteering hours	376	208	254
Total employees volunteered	76	35	57
Total beneficiaries	2,190	1,843	4,010
Total amount invested in the community (RM)	60,554.75	25,118.50	25,662.00

In addition to employee volunteerism, HCIB invested RM 25,662 in Corporate Social Responsibility (“CSR”) initiatives during FY2026, demonstrating the Group’s continued support for community development. These initiatives are overseen by the Sustainability Working Committee (“SWC”), which appoints dedicated representatives to coordinate community outreach and employee engagement activities.

Working closely with local stakeholders, these representatives organise and participate in community programmes, support local initiatives, and foster meaningful partnerships that aim to strengthen community relationships and support the Group’s presence within its operating areas.

Volunteer Recognition Initiative

As part of its employee volunteering programme, HCIB recognises employees who make meaningful contributions to community initiatives through a formal volunteer recognition programme. The Group presented CSR Certificates to employees who actively participated volunteer activities, acknowledging their time, commitment, and positive impact on the communities served.



The recognition programme reinforces HCIB’s efforts to foster a culture of volunteerism and social responsibility by encouraging employees to actively participate in community engagement initiatives. By celebrating volunteer contributions, the Group promotes sustained employee involvement, strengthens community partnerships, and recognises the important role employees play in creating long-term social value.

Sustainability Statement

(Cont'd)

HCIB's CSR Activities

HCIB seeks to align its CSR initiatives with its core business values and long-term ESG aspirations, with the aim of supporting value creation extends beyond financial performance. By integrating social responsibility into its operations and value chain, the Group seeks to address stakeholder needs, contribute to community well-being, and build a resilient and sustainable organisation for the future.

CSR Focus Areas	Activities	Output & Impact
Social Welfare	Community donation drive in Kampar	Supported 20 underprivileged families in Kampar by providing essential aid and promoting community well-being. This initiative helped to support vulnerable households, contributed to community resilience, and supported HCIB's engagement with the local community.
Community Development	Built a hub for community growth with Kelab Bell Belia Tamil	Donated 100 bags of Yellow Panda cement to support the construction of a community facility to enhance community infrastructure by providing a functional space for youth and community engagement, strengthening social cohesion and supporting long-term community development.
Education Development	Donated Yellow Panda cement bags to Sekolah Kebangsaan Sahom, Kampar	Donated 40 bags of Yellow Panda cement to support the construction of additional flooring at the school canteen. This activity improved the school's infrastructure, providing students with a safer and more comfortable environment while supporting their well-being and enhancing the overall learning experience.
	Supported SK Sentosa Kampar's gotong-royong programme	Sponsored a skylift to support tree maintenance and clean-up activities during the school's gotong-royong programme. This initiative aimed to enhance the safety and cleanliness of the school environment while supporting community collaboration and promoting the well-being of students, staff, and the local community.
	Donated mandarin oranges to SJK(C) Thung Hon, Tanjong Tualang	Donated 30 boxes of mandarin oranges to SJK(C) Thung Hon in conjunction with Chinese New Year to promote cultural inclusivity, strengthened relationships with the local school community, and enhanced community well-being through meaningful festive engagement.
Strengthening Stakeholder Relationships	Provided solar spotlights to Balai Polis Kota Baharu	Installed 10 solar-powered spotlights at Balai Polis Kota Baharu, Gopeng to enhance safety and security for police personnel and the surrounding community while supporting energy-efficient public infrastructure through the use of renewable energy.
	Contributed Yellow Panda cement bags to Balai Polis Malim Nawar, Kampar	Donated 40 bags of Yellow Panda cement to support repair and upgrading works at Balai Polis Malim Nawar which aimed to improve the safety and functionality of essential public infrastructure, support local law enforcement and contribute to community well-being.
	Supported Kelab Bomba Gopeng's charity film show	Purchased 10 tickets in support of Kelab Bomba Gopeng's charity fundraising event and contributed to local fundraising efforts, strengthened partnerships with community organisations, and supported initiatives that benefit the local community.

Note: Detailed information on the Group's CSR activities is available on HCIB's official website.

Sustainability Statement

(Cont'd)

Social Welfare

HCIB believes that supporting vulnerable communities requires collective action and strong partnerships. Through collaborative community outreach initiatives, the Group provides essential assistance to underprivileged families, aiming to support their well-being while fostering social inclusion and contributing to community resilience.



HCIB supported underprivileged families in Kampar through a Community Donation Drive.

Sustainability Statement

(Cont'd)

Community Development

HCIB values partnerships with local non-governmental organisations (“NGOs”) that are dedicated to community development. By supporting organisations such as Kelab Bell Belia Tamil Gopeng (“KBBT”), the Group contributes to strengthening local initiatives that promote youth development, social inclusion, and community well-being.



HCIB contributed Yellow Panda cement bags to support the development of KBBT's multi-purpose community facility.

Education Development

HCIB recognises that businesses have an important role in supporting children's rights by contributing to safe, inclusive, and nurturing environments where children can learn, develop, and thrive. In line with the Children's Rights and Business Principles (“CRBP”), the Group supports initiatives that enhance educational facilities, promote student well-being, and encourage holistic development. Through partnerships with local schools, HCIB seeks to create positive and lasting social value while strengthening relationships with the communities surrounding its operations.



HCIB sponsored a skylift for SK Sentosa Kampar's gotong-royong programme, supporting a safer and more conducive school environment.



HCIB donated Yellow Panda cement bags to SK Sahom, Kampar, supporting a safer and more spacious area for students.



HCIB donated mandarin orange boxes to SJK(C) Thung Hon, sharing the festive spirit of Chinese New Year with the school community.

Sustainability Statement

(Cont'd)

Strengthening Stakeholder Relationships

Collaboration with local stakeholders enables HCIB to support community initiatives. Through partnerships with public institutions and community organisations, the Group contributes to initiatives that aim to promote public safety, support essential infrastructure, and contribute to sustainable community development.



HCIB supported Kelab Bomba Gopeng’s charity film screening, contributing to its fundraising efforts while encouraging employee participation in a meaningful community cause.



HCIB sponsored solar-powered spotlights at Balai Polis Kota Baharu, Gopeng, enhancing security while promoting renewable energy use.




HCIB donated Yellow Panda cement bags to Balai Polis Malim Nawar, supporting facility repairs to support safety and functionality.

Sustainability Statement

(Cont'd)

APPENDICES

BURSA MALAYSIA PRESCRIBED TABLE

HUME CEMENT INDUSTRIES BERHAD IFRS S2

Date & Time: 2026-09-21_16:03:34
Main Market | Group 1 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	Not Applicable	2,008,979	-	No assurance	
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	Not Applicable	175,078	-	Internal	
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	223	91	-	No assurance	
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	1,755	1,682	-	No assurance	
GHG emissions	Total Scope 3	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	1,978	1,774	-	No assurance	Total may not equal the sum of the rounded values due to rounding.
Energy consumption	Total Energy Consumption	Megawatt Hour	2,449,104	2,196,100	-	No assurance	

Sustainability Statement

(Cont'd)

APPENDIX I

STATEMENT OF ASSURANCE

To strengthen the credibility of Hume Cement Industries Berhad’s **(HCIB)** FY2026 Sustainability Statement, the selected Sustainability Indicators below have been subjected to an internal review which has been approved by the Board Audit and Risk Management Committee, with no exceptions noted by the Group Internal Audit department.

The selected Sustainability Indicators are provided below:

No.	Sustainability Matters	Sustainability Indicators	Scope*
(a)	Anti-Corruption	(i) Percentage of employees who have received training on anti-corruption by employee category (ii) Percentage of operations assessed for corruption-related risks (iii) Confirmed incidents of corruption and action taken	HCIB Group’s ^{N1} operations in Malaysia
(b)	Diversity	(i) Percentage of employees by gender and age group, for each employee category (ii) Percentage of directors by gender and age group	
(c)	Health and Safety	(i) Number of work-related fatalities (ii) Lost time incident rate (iii) Number of employees trained on health and safety standards	
(d)	Labour Practices and Standards	(i) Total hours of training by employee category (ii) Percentage of employees that are contractors or temporary staff (iii) Total number of employee turnover by employee category (iv) Number of substantiated complaints concerning human rights violations	
(e)	Supply Chain Management	(i) Proportion of spending on local suppliers	
(f)	Data Privacy and Security	(i) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	
(g)	Climate Change	(i) Scope 2 greenhouse gas (GHG) emissions (Location-based)	

Notes:

- N1

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HCIB Group comprises:

 - HCIB;
 - Hume Cement Sdn Bhd;
 - Hume Concrete Sdn Bhd (July 2025 to February 2026 ^{N2}); and
 - Hume Concrete (EM) Sdn Bhd (July 2025 to February 2026 ^{N2}).
- N2

-

Hume Concrete Sdn Bhd and Hume Concrete (EM) Sdn Bhd were disposed of in March 2026.

Sustainability Statement

(Cont'd)

GLOBAL REPORTING INITIATIVES (GRI) INDEX

Statement of use	HCIB has reported the information cited in this GRI content index for the period 1 July 2025 until 30 June 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/REASONS FOR OMISSIONS
GRI 2: General Disclosures 2021	2-1 Organisational details	20
	2-2 Entities included in the organisation's sustainability reporting	21
	2-3 Reporting period, frequency and contact point	20-21
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Not applicable
	2-6 Activities, value chain and other business relationships	20
	2-7 Employees	63-64
	2-9 Governance structure and composition	23-24
	2-10 Nomination and selection of the highest governance body	Refer to the CG report
	2-11 Chair of the highest governance body	Refer to the CG report
	2-12 Role of the highest governance body in overseeing the management of impacts	23-25
	2-13 Delegation of responsibility for managing impacts	23-25
	2-14 Role of the highest governance body in sustainability reporting	23-25
	2-15 Conflicts of interest	Refer to the CG report
	2-16 Communication of critical concerns	29
	2-17 Collective knowledge of the highest governance body	Refer to the CG report
	2-18 Evaluation of the performance of the highest governance body	Refer to the CG report
	2-19 Remuneration policies	Refer to the CG report
	2-20 Process to determine remuneration	Refer to the CG report
	2-21 Annual total compensation ratio	Refer to the Financial Statement
	2-22 Statement on sustainable development strategy	23
	2-23 Policy commitments	26-27
	2-24 Embedding policy commitments	26-27
	2-25 Processes to remediate negative impacts	29
	2-26 Mechanisms for seeking advice and raising concerns	29
	2-27 Compliance with laws and regulations	29 and 43-44
	2-28 Membership associations	22
	2-29 Approach to stakeholder engagement	31-34

Sustainability Statement

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GRI STANDARD	DISCLOSURE		PAGE REFERENCE/REASONS FOR OMISSIONS
GRI 3: Material Topics 2021	3-1	Process to determine material topics	34-35
	3-2	List of material topics	35-36
	3-3	Management of material topics	35-36
ECONOMIC			
GRI 201: Economic Performance 2016	3-3	Management of material topics	37-38
	201-1	Direct economic value generated and distributed	37
GRI 203: Indirect Economic Impacts 2016	3-3	Management of material topics	74-78
	203-1	Infrastructure investments and services supported	74-78
	203-2	Significant indirect economic impacts	74-78
GRI 204: Procurement Practices 2016	3-3	Management of material topics	38
	204-1	Proportion of spending on local suppliers	38
GOVERNANCE			
GRI 205: Anti-corruption 2016	3-3	Management of material topics	27-28
	205-1	Operations assessed for risks related to corruption	27
	205-2	Communication and training about anti-corruption policies and procedures	27-28
	205-3	Confirmed incidents of corruption and actions taken	28
GRI 418: Customer Privacy 2016	3-3	Management of material topics	30
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	30
ENVIRONMENTAL			
GRI 301: Materials 2016	3-3	Management of material topics	55-56
	301-2	Recycled input materials used	55-56
GRI 302: Energy 2016	3-3	Management of material topics	48-50
	302-1	Energy consumption within the organisation	50
	302-4	Reduction of energy consumption	50
	302-5	Reductions in energy requirements of products and services	50
GRI 303: Water and Effluents 2018	3-3	Management of material topics	51-53
	303-1	Interactions with water as a shared resource	51-53
	303-2	Management of water discharge-related impacts	52-53
	303-3	Water withdrawal	52-53
	303-4	Water discharge	52-53
	303-5	Water consumption	51-52
GRI 304: Biodiversity 2016	3-3	Management of material topics	54-55
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	54-55
	304-2	Significant impacts of activities, products and services on biodiversity	54-55
	304-3	Habitats protected or restored	54-55

Sustainability Statement

(Cont'd)

GRI STANDARD	DISCLOSURE		PAGE REFERENCE/REASONS FOR OMISSIONS
GRI 305: Emissions 2016	3-3	Management of material topics	48-51
	305-1	Direct (Scope 1) GHG emissions	50
	305-2	Energy indirect (Scope 2) GHG emissions	50
GRI 306: Waste 2020	3-3	Management of material topics	42-43
	306-1	Waste generation and significant waste-related impacts	42-43
	306-2	Management of significant waste-related impacts	42-43
	306-3	Waste generated	42-43
	306-4	Waste diverted from disposal	42-43
	306-5	Waste directed to disposal	42-43
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	41 and embedded in "Supplier Code of Conduct and Ethics"
SOCIAL			
GRI 401: Employment 2016	3-3	Management of material topics	60-68
	401-1	New employee hires and employee turnover	61
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61-62
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	68-74
	403-1	Occupational health and safety management system	69-70
	403-2	Hazard identification, risk assessment, and incident investigation	70-72
	403-5	Worker training on occupational health and safety	72-74
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	72-74
	403-9	Work-related injuries	72
GRI 404: Training and Education 2016	3-3	Management of material topics	65-67
	404-1	Average hours of training per year per employee	66
	404-2	Programs for upgrading employee skills and transition assistance programs	65
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	62-64
	405-1	Diversity of governance bodies and employees	24 and 63
GRI 406: Non-discrimination 2016	3-3	Management of material topics	64
	406-1	Incidents of discrimination and corrective actions taken	64
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of material topics	59 and 62
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	59 and 62
GRI 408: Child Labor 2016	3-3	Management of material topics	58-59 and 62
	408-1	Operations and suppliers at significant risk for incidents of child labour	58-59 and 62

Sustainability Statement

(Cont'd)

GRI STANDARD	DISCLOSURE		PAGE REFERENCE/REASONS FOR OMISSIONS
GRI 409: Forced or Compulsory Labor 2016	3-3	Management of material topics	58-59 and 62
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	58-59 and 62
GRI 413: Local Communities 2016	3-3	Management of material topics	74-78
	413-1	Operations with local community engagement, impact assessments, and development programs	74-78
	413-2	Operations with significant actual and potential negative impacts on local communities	74-78
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	30 and embedded in "Supplier Code of Conduct and Ethics"

Note: The Statement of Use is included in Section 1.3 of this Report. The Group has reported the information referenced in this GRI Content Index for the period from 1 July 2025 to 30 June 2026 with reference to the GRI Standards.

Sustainability Statement

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IFRS S2 INDEX

IFRS S2 Index		
Recommended Disclosures		IFRS S2 & TCFD Location/Explanation
GOVERNANCE	a) Board Oversight	- The Board of Directors holds overall oversight of sustainability-related risks and opportunities, including climate change, environmental, and safety and health matters (page 23-24). - The Group Managing Director (GMD) chairs the Sustainability Steering Committee (SSC) and provides strategic oversight, while the Board Audit and Risk Management Committee (BARMC) assesses major business risks, including sustainability and climate-related risks, quarterly (page 24-25).
	b) Management's Role	
STRATEGY	a) Risks and Opportunities	CRA identified sustainability and climate-related physical and transition risk and opportunities. Details are outlined on pages 45-47.
	b) Financial Position	- Economic performance table (Revenue, Group Profit After Tax, Net Cash from Operations, FY2024-FY2026). Details are outlined on page 37. - Quantitative climate risks and opportunities table present/short-term financial impact quantified as % of Cost of Sales; medium/long-term impacts not yet quantifiable due to regulatory and climate uncertainty. Details are outlined on page 48.
RISK MANAGEMENT	a) Risk ID and Assessment Processes	CRA/VAR methodology applies a risk-rating scale (timeframe × impact) to categorise physical and transition climate risks. Details are outlined on pages 45-47.
	b) Risk Management Processes	
METRICS & TARGETS	a) Metrics Used	Refer to pages 50-51 for the metrics used: - Scope 1, 2 and 3 GHG emissions – tonnes CO₂e - Energy consumption – GJ and MWh

Profile of Board of Directors

YBHG DATUK KWEK LENG SAN		
Chairman; Non-Executive/Non-Independent		
Age 71	Gender Male	Nationality Singaporean

Datuk Kwek Leng San graduated from University of London with a Bachelor of Science (Engineering). He also holds a Master of Science (Finance) from City University London. He has extensive business experience in various business sectors, including financial services and manufacturing.

Datuk Kwek was appointed to the Board of Directors (“Board”) of Hume Cement Industries Berhad (“HCIB”) on 1 July 2001 and assumed the position of Managing Director on 1 March 2003. He was appointed as Chairman of HCIB on 21 February 2012. He does not sit on any Board committee of HCIB.

He is the Chairman of Malaysian Pacific Industries Berhad and Hong Leong Industries Berhad, companies listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). He is also a Director of Hong Leong Company (Malaysia) Berhad, a public company.

MR WILLIAM TAN KOK SIANG		
Group Managing Director/Non-Independent		
Age 39	Gender Male	Nationality Malaysian

Mr William Tan Kok Siang graduated from the National University of Malaysia with a Bachelor of Science (Honours) Degree in Material Science.

Mr William Tan brings over 16 years of extensive experience in the cement industry, having built his career from the ground up. He began as a Management Trainee with Lafarge Malayan Cement Berhad (now known as Malayan Cement Berhad), where he gained hands-on exposure across sales, operations, supply chain, and marketing. This strong foundation allowed him to develop a deep end-to-end understanding of the cement business, from production, logistics to customer engagement and market development.

In 2012, he joined Hume Cement Sdn Bhd (“HCMT”) and progressively took on expanded leadership roles across Marketing, Sales, Logistics, Export and Plant Operations. His track record includes driving sales growth, strengthening customer relationships, and improving operational efficiency. In 2019, he was appointed General Manager – Sales & Logistics, and subsequently entrusted with wider responsibilities covering the Sales, Marketing, Logistics, and Packing Plant divisions.

On 1 October 2023, Mr William Tan was appointed as the Managing Director of HCMT. His career progression reflects not only his technical expertise but also his strategic leadership in delivering results and navigating in a competitive market environment.

Mr William Tan’s journey underscores HCMT’s strong leadership succession and the presence of a seasoned industry professional who combines operational know-how with market foresight. His ability to bridge plant operations with commercial strategy positions HCMT for sustainable growth, customer trust, and long-term value creation.

Mr William Tan was promoted as Group Managing Director of HCIB on 1 January 2026. He does not sit on any Board committee of HCIB.

Profile of Board of Directors

(Cont'd)

MS TAI SOOK YEE

Non-Executive Director/Independent

Age

62

Gender

Female

Nationality

Malaysian

Ms Tai Sook Yee is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Ms Tai has more than 30 years of experience spanning the profession, governance, corporate, investments, strategies and, for most parts of her career, leading businesses with wide geographical operations. Ms Tai is culturally attuned as she has worked for family businesses and multi-nationals with bases in Malaysia and abroad. She has also served on the board of companies listed on the Australian Stock Exchange. During that time, she was a member of their sub-committees, including as Chairman of their Remuneration and Nomination Committee.

She has nearly 20 years of experience leading large businesses, including industrial, lifestyle and investment groups. She was the Group Managing Director of an integrated maritime and supply chain solutions provider, with operations spanning 16 countries and employing approximately 10,000 employees. Before this, Ms Tai also headed the Malaysian operation of a global heavy building materials supplier. Currently, she dedicates most of her time in mentoring business leaders on sustainable and new social economic business models.

Ms Tai was appointed to the Board of HCIB on 23 January 2018. She is the Chairman of the Board Audit & Risk Management Committee and a member of the Nominating Committee of HCIB.

She is a Director of Hengyuan Refining Company Berhad, a company listed on the Main Market of Bursa Securities. She is also a Director of Hong Leong Investment Bank Berhad, a public company.

YBHG DATUK IR. AHMAD 'ASRI BIN ABDUL HAMID

Non-Executive Director/Independent

Age

64

Gender

Male

Nationality

Malaysian

Datuk Ir. Ahmad 'Asri Bin Abdul Hamid graduated from University of Adelaide, Australia with a Bachelor in Mechanical Engineering (First Class Honours) and also holds a Master of Business Administration from Open University, the United Kingdom. He is a Professional Engineer with practising certificate registered with the Board of Engineers Malaysia.

He is a Fellow of the Institution of Engineers, Malaysia, an Honorary Member of Association of Consulting Engineers Malaysia and an Honorary Fellow of ASEAN Federation of Engineering Organisations.

Datuk Ir. Ahmad 'Asri has extensive experience in the construction industry being involved for almost 37 years through his services in the public sector. He served the Construction Industry Development Board Malaysia ("CIDB") for the last 21 years, moving up from Senior Manager to General Manager and then to Senior General Manager before assuming the position of Chief Executive on 1 March 2016, a position he held until his retirement on 31 August 2023. Prior to joining CIDB, he was a mechanical engineer at Public Works Department (JKR) for 13 years and was later appointed as President of Professional Services Development Corporation Sdn Bhd for 3 years.

Datuk Ir. Ahmad 'Asri was appointed to the Board of HCIB on 1 September 2023. He is a member of the Board Audit & Risk Management Committee and Nominating Committee of HCIB.

He is a Director of IJM Corporation Berhad, a company listed on the Main Market of Bursa Securities.

He is also a Member of the Board of Trustees of Yayasan Food Bank Malaysia (YFBM) and a Member of Institut Integriti Malaysia (IIM).

Profile of Board of Directors

(Cont'd)

YBHG DATO' MOHAMAD KAMARUDIN BIN HASSAN

Non-Executive Director/Independent

Age
71

Gender
Male

Nationality
Malaysian

Dato' Mohamad Kamarudin Bin Hassan graduated from University of Malaya with a Bachelor of Economics (Honours) (Majoring in Business Administration) and also holds a Master of Business Administration (Majoring in Finance) from Oklahoma City University, United States of America ("USA").

Dato' Mohamad Kamarudin began his career with the Administrative and Diplomatic Service in 1979 with his first posting to the Macro-economic Division of the Economic Planning Unit in the Prime Minister's Department. In 1988, he was placed in the Ministry of International Trade and Industry (MITI) where he had served in various divisions of the Ministry. From 1992 to 1994, he was posted to the Malaysian Embassy in Washington DC, USA, as an Economic Counselor. Subsequently, in January 2006, Dato' Mohamad Kamarudin was seconded to Malaysia External Trade Development Corporation (MATRADE) as Deputy Chief Executive Officer, a post he held until his retirement on 31 August 2013.

Dato' Mohamad Kamarudin was appointed to the Board of HCIB on 2 April 2024. He is the Chairman of the Nominating Committee and a member of the Board Audit & Risk Management Committee of HCIB.

Notes:

- 1. Family Relationship with Director and/or Major Shareholder**
YBhg Datuk Kwek Leng San is a brother of YBhg Tan Sri Quek Leng Chan, a major shareholder of HCIB. Save as disclosed herein, none of the Directors has any family relationship with any other Director and/or major shareholder of HCIB.
- 2. Conflict of Interest or Potential Conflict of Interest**
None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with HCIB or its subsidiaries.
- 3. Conviction of Offences**
None of the Directors has been convicted of any offences (excluding traffic offences) within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2026.
- 4. Attendance of Directors**
Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement, Risk Management and Internal Control in the Annual Report.

Profile of Key Senior Management

MR CHEAH KEH MING

*Chief Financial Officer,
Hume Cement Industries Berhad*

Age 38

Male

Malaysian

Mr Cheah Keh Ming graduated from HELP University College with a Bachelor of Business (Honours) in Accounting. He is a Fellow of the Association of Chartered Certified Accountants.

Mr Cheah has over 4 years of auditing experience with Crowe Horwath (now known as Crowe Malaysia PLT) before joining Hume Cement Sdn Bhd in 2015 as a Senior Accountant. He has since advanced through various finance roles, taking on increasing responsibilities and was promoted as Financial Controller in October 2022.

Mr Cheah was appointed as Chief Financial Officer of HCIB on 1 March 2025.

Notes:

- 1. Family Relationship with Director and/or Major Shareholder**
None of the Key Senior Management has any family relationship with any Director and/or major shareholder of HCIB.
- 2. Conflict of Interest or Potential Conflict of Interest**
None of the Key Senior Management has any conflict of interest or potential conflict of interest, including interest in any competing business with HCIB or its subsidiaries.
- 3. Conviction of Offences**
None of the Key Senior Management has been convicted of any offences (excluding traffic offences) within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2026.

Corporate Governance Overview Statement, Risk Management and Internal Control

"Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholder value, whilst taking into account the interest of other stakeholders."

~ Finance Committee on Corporate Governance

The Board of Directors of Hume Cement Industries Berhad ("Company") ["Board"] is pleased to present this statement with an overview of the corporate governance ("CG") practices of the Group which supports the three (3) key principles of the Malaysian Code on Corporate Governance ("MCCG"), namely Board leadership and effectiveness, effective audit and risk management, and integrity in corporate reporting and meaningful relationship with stakeholders.

The Corporate Governance Report 2026 of the Company in relation to this statement is published on the Company's website at www.humecementind.com ("Website").

BOARD LEADERSHIP AND EFFECTIVENESS

A. Roles And Responsibilities Of The Board

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference ("TOR") to assist in the discharge of this responsibility.

In discharging its responsibilities, the Board has established functions which are reserved for the Board and those which are delegated to management. The key roles and responsibilities of the Board are set out in the Board Charter, which is reviewed annually by the Board and published on the Website. The key roles and responsibilities of the Board broadly cover reviewing and approving corporate policies and broad strategies, overseeing and evaluating the conduct of the Group's businesses, identifying principal risks and ensuring the implementation of appropriate systems to manage those risks, and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure.

The day-to-day business of the Group is managed by the Group Managing Director ("GMD") who is assisted by the management team. The GMD and his management team are accountable to the Board for the performance of the Group. In addition, the Board delegates certain of its responsibilities to Board Committees, which operate within clearly defined TOR primarily to support the Board in the performance of its duties and responsibilities.

To discharge its oversight roles and responsibilities more effectively, the Board has delegated the independent oversight over, inter alia, internal and external audit functions, internal controls and risk management to the Board Audit & Risk Management Committee ("BARMC"). The Nominating Committee ("NC") is delegated the authority to, inter alia, assess and review Board, Board Committees and Chief Executive appointments and/or re-elections, and assess and evaluate the performance of the Board, Board Committees and Chief Financial Officer ("CFO"). Although the Board has granted such authority to Board Committees, the ultimate responsibility and the final decision rest with the Board. The Chairmen of Board Committees report to the Board on matters dealt with at their respective Board Committee meetings. Minutes of Board Committee meetings are also tabled at Board meetings.

There is a clear division of responsibilities between the Chairman of the Board and the GMD. This division of responsibilities between the Chairman and the GMD ensures an appropriate balance of roles, responsibilities and accountability.

The Chairman leads the Board and ensures its smooth and effective functioning.

The GMD is responsible for formulating the vision and recommending policies and the strategic direction of the Group for approval by the Board, implementing the decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholder wealth, providing management of the day-to-day operations of the Group and tracking compliance and business progress.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

A. Roles And Responsibilities Of The Board (cont'd)

Independent Non-Executive Directors ("ID" or "IDs") are responsible for providing insights, unbiased and independent views, advice and judgment to the Board and bring impartiality to Board deliberations and decision-making. They also ensure effective checks and balances on the Board. There are no relationships or circumstances that could interfere with or are likely to affect the exercise of IDs' independent judgment or their ability to act in the best interest of the Company and its shareholders.

The Group continues to operate in a sustainable manner and seeks to contribute positively to the well-being of stakeholders. The Group takes a progressive approach in integrating sustainability into its businesses as set out in the Sustainability Statement which forms part of the Annual Report.

The Board observes the Company's Code of Ethics for Company Directors ("Director Code"), as adopted by the Board. The Director Code is published on the Website.

B. Board Composition

The Board currently comprises five (5) Directors, three (3) of whom are IDs. The profiles of the members of the Board are set out in the Annual Report.

The Company is guided by the Policy on Board Composition adopted by the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa") ["MMLR"] in determining its Board composition. The policy includes the following:

- The Board shall determine the appropriate size of the Board to enable an efficient and effective conduct of Board deliberation.
- The Board shall have a balance of skills and experience to commensurate with the complexity, size, scope and operations of the Company and shall have an appropriate balance of IDs comprising at least two (2) independent directors or one-third (1/3) of the Board, whichever is higher.
- The Board shall comprise at least one (1) woman Director.
- Board members should have the ability to commit time and effort to carry out their duties and responsibilities effectively.

The Company has in place a Board Diversity Policy. The Board recognises the merits of Board diversity in adding value to collective skills, perspectives and strengths to the Board. The Board will consider appropriate targets in Board diversity including gender, ethnicity and age balance on the Board and will take the necessary measures to meet these targets from time to time as appropriate. Currently, there is one (1) woman Director, representing 20% women participation, on the Board. The Board will work towards meeting the target of 30% women participation on Board.

Based on the review of the Board composition in August 2026, the Board is of the view that the current size and composition of the Board are appropriate and effective for the control and direction of the Group's strategy and business. The composition of the Board also fairly reflects the investment of shareholders in the Company.

C. Board Committees

Board Committees have been established by the Board to assist in the discharge of its duties.

- BARMC

The composition of the BARMC and a summary of its activities in the discharge of its functions and duties for the financial year ("FY") ended 30 June 2026 ("FY 2026") are set out in the Board Audit & Risk Management Committee Report in the Annual Report.

The TOR of the BARMC are published on the Website.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

C. Board Committees (cont'd)

- NC

The NC was established on 29 April 2013 and its TOR are published on the Website.

The composition of the NC is as follows:

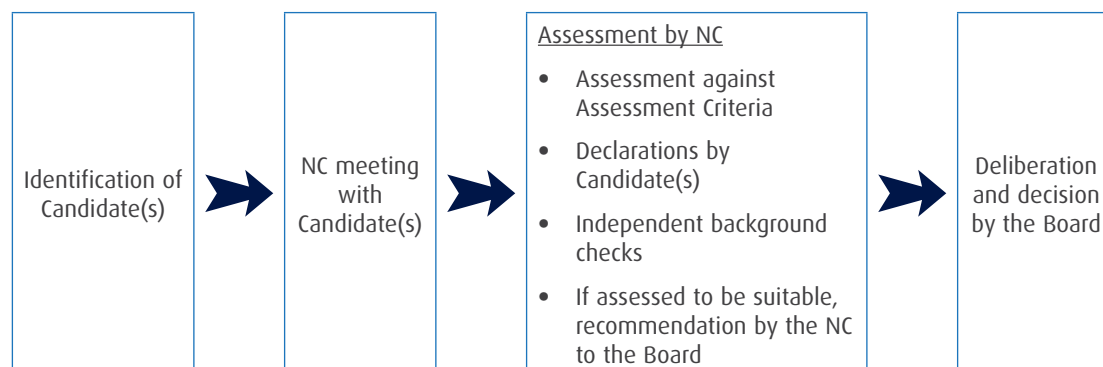
YBhg Dato' Mohamad Kamarudin Bin Hassan
Chairman, Independent Non-Executive Director

Ms Tai Sook Yee
Independent Non-Executive Director

YBhg Datuk Ir. Ahmad 'Asri Bin Abdul Hamid
Independent Non-Executive Director

(i) New Appointments

The nomination, assessment and approval process for new appointment of Directors, in accordance with the Directors' Fit and Proper Policy, shall be as follows:



All candidates to the Board are assessed by the NC prior to their appointments, taking into account the assessment criteria, inter alia, the candidates' character and integrity, the strategic and effective fit of the candidates for the Board, the overall desired Board composition, including Board diversity and the required mix of skills, expertise, knowledge and experience in the industry, market and segment to enhance the Board's overall effectiveness and having regard to the candidates' attributes, qualifications, management, leadership, business experience, independence, conflict of interest or potential conflict of interest and time commitment, before they are recommended to the Board for approval. The Company maintains a pool of potential Board candidates from internal and external introductions, recommendations and independent sources with Director databases in its search for suitable Board candidates.

In evaluating any new appointment of senior management ("SM"), the Company is guided by the Hong Leong Group Recruitment Policy where all potential candidates are given equal opportunity regardless of gender, race, and religion and/or whether or not one has disability. SM positions are awarded based on qualifications, experience and potential.

In the case of Chief Executive, the NC will take into account the candidate's knowledge and experience in the industry, market and segment.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

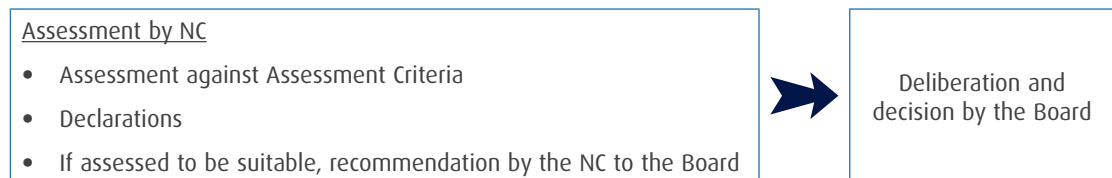
BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

C. Board Committees (cont'd)

• NC (cont'd)

(ii) Re-elections

The assessment and approval process for re-election of Directors as set out in the Directors' Fit and Proper Policy are as follows:



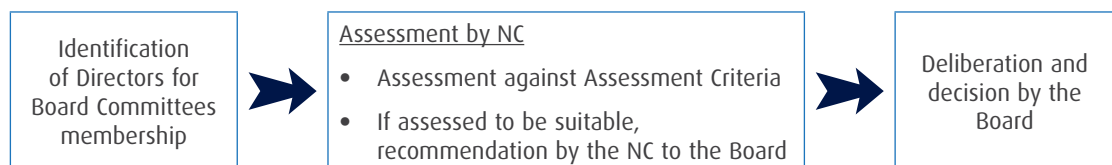
The Directors will be evaluated on the effectiveness of their performance in the discharge of duties and responsibilities, including, inter alia, contribution to Board deliberations, time commitment as well as the Annual Board Assessment (as defined below) results, fit and proper declaration and assessment in respect of their probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity, contributions during the term of office, attendance at Board meetings, and for IDs, their continued independence.

(iii) Removal

For removal of Directors, the Company shall carry out such removal in accordance with the provisions of the Companies Act 2016 ("Act") and any other relevant regulatory requirements. The NC may recommend to the Board the removal of a Director who is ineligible, disqualified, incapacitated or who has failed in the discharge of fiduciary duties.

(iv) Board Committee Appointments

The nomination, assessment and approval process for appointments to Board Committees ("Board Committee Appointments") is as follows:



In line with the Directors' Fit and Proper Policy, the assessment for Board Committee Appointments will be based on the Directors' potential contributions and value-add to the Board Committees with regard to Board Committees' roles and responsibilities.

In addition, a formal evaluation process has been put in place to assess the effectiveness of the Board as a whole, Board Committees as a whole and the contribution and performance of each individual Director, Board Committee member, Chief Executive and CFO on an annual basis ("Annual Board Assessment"). For newly appointed Chairman, Directors, Chief Executive and CFO, the Annual Board Assessment will be conducted at the next annual assessment exercise following the completion of one (1) year of service.

For management succession planning, it has been embedded in the Group's process over the years to continuously identify, groom and develop key talents from within the Group. The Group also has a talent development programme to identify, retain and develop young high potential talents.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

C. Board Committees (cont'd)

- NC (cont'd)

The NC meets at least once in each FY and additional meetings may be called at any time as and when necessary. Recommendations and decisions may also be taken by way of Circular Resolutions.

During FY 2026, two (2) NC meetings were held and the attendance of the NC members was as follows:

Members	Attendance
YBhg Dato' Mohamad Kamarudin Bin Hassan	2/2
Ms Tai Sook Yee	2/2
YBhg Datuk Ir. Ahmad 'Asri Bin Abdul Hamid	2/2

The NC discharged its duties in accordance with its TOR during FY 2026. The NC considered and reviewed the following:

- Nominating Committee Charter;
- Policies on Independence of Directors, Board Diversity, Directors' Training and Directors' Fit and Proper, and revised policy on Board Composition;
- Nominating Committee Report for inclusion in the Company's Annual Report;
- performance of the Board, Board Committees, each individual Director and each Board Committee member;
- composition of the Board and Board Committees;
- mix of skills, professional qualifications, experience and other qualities of Directors including gender, ethnicity and age balance;
- independence of IDs and their tenure;
- training undertaken by Directors and recommendation of training programmes for Directors;
- re-election of a Director; and
- appointment of Mr William Tan Kok Siang as GMD of the Company.

Subsequent to FY 2026, the NC has evaluated the performance of the Board, Board Committees, each individual Director, each Board Committee member and the CFO, benchmarking their respective TOR and assessment criteria, through the annual assessment conducted for FY 2026. The NC was satisfied that they have continued to operate effectively in discharging their duties and responsibilities. They have also fulfilled their responsibilities and are suitably qualified to hold their positions. Having reviewed the Board composition, the NC was satisfied that the current Board comprises a good mix of skills and that the current size and composition of the Board are appropriate and effective in discharging its functions. The NC took cognisance of the merits of Board diversity, including gender, ethnicity and age balance on the Board and will take the necessary measures to enhance Board diversity from time to time as appropriate.

- Remuneration Committee ("RC")

The Company does not have a RC. The Board is of the view that it is not necessary for the Company to establish a RC for the time being given the current size of the Board. The Board as a whole functions as the RC.

D. Remuneration

The Group's remuneration scheme for Executive Directors ("EDs") and SM is linked to performance, service seniority, experience and scope of responsibility and is periodically benchmarked to market/industry surveys conducted by human resource consultants. Performance is measured against profits and targets set in the Group's annual plan and budget.

The level of remuneration of Non-Executive Directors reflects the scope of responsibilities and commitment undertaken by them, industry benchmark as well as complexity of the Group's businesses.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

D. Remuneration (cont'd)

The remuneration packages of EDs and key SM ("Key SM") are reviewed by the entire Board. EDs and Key SM shall not participate in the deliberations and shall vacate the meeting room during deliberations of their remuneration packages. The Board, in assessing and reviewing the remuneration packages of EDs and Key SM, ensures that a strong link is maintained between their rewards and individual performance, based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices.

The fees of Directors are recommended and endorsed by the Board for approval by the shareholders of the Company at its Annual General Meeting ("AGM").

The detailed remuneration of each Director is set out in the Corporate Governance Report which is published on the Website.

Hong Leong Manufacturing Group adopts Hong Leong Group's total compensation philosophy which promotes high performing culture, alignment of corporate values and vertical and horizontal equity. The rewards strategy focuses on providing a competitive remuneration and benefits package, as well as ample career progression opportunities for employees.

The rewards framework focuses on a balanced and right pay mix to achieve the desired long term business performance. The framework includes base pay, cash allowances, performance-based variable pay, long term incentives, benefits and other employees' programmes.

The rewards framework ensures that employees are paid competitively against the industry and talent market the company is operating in, delivered via a combination of cash and non-cash elements such as shares or share-linked instruments.

Key performance indicators and key results areas of employees are measured and tracked diligently to ensure strong alignment of employee output to the overall business strategy and direction of the company.

E. Independence

The Board takes cognisance of the provisions of the MCGG, which states that the tenure of an ID should not exceed a cumulative term of nine (9) years and upon completion of the nine (9) years, an ID may continue to serve on the Board subject to the Director's re-designation as a Non-ID. It further states that in the event the Board wishes to retain an ID who has served a cumulative term of nine (9) years and above, shareholders' approval shall be annually sought with justification through a two-tier voting process.

The Company has in place an Independence of Directors Policy ("ID Policy") which sets out the criteria for assessing the independence of IDs. The Board will apply these criteria upon admission, annually and when any new interest or relationship develops. The ID Policy states that the tenure of an ID shall not exceed a cumulative term of nine (9) years from the date of his or her first appointment in the Company.

The IDs have declared their independence, and the NC and the Board have determined, at the annual assessment carried out, that the IDs have continued to bring independent and objective judgment to Board deliberations and decision making.

The tenure of all the IDs on the Board does not exceed nine (9) years.

F. Commitment

The Directors are aware of their responsibilities and devote sufficient time to carry out such responsibilities. In line with the MMLR, Directors are required to comply with the restrictions on the number of directorships in public listed companies. Board meetings are scheduled ahead in order to enable full attendance at Board meetings. The Board meets quarterly with timely notices of issues to be discussed. Additional meetings may be convened on an ad-hoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions. Directors are required to attend at least 50% of Board meetings held in each FY pursuant to the MMLR.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

F. Commitment (cont'd)

All Board members are supplied with information in a timely manner. The Company has moved towards electronic Board reports. Board reports are circulated electronically prior to Board and Board Committee meetings and the reports provide, among others, financial and corporate information, significant operational, financial and corporate issues, updates on the performance of the Company and of the Group and management's proposals which require the approval of the Board.

All Directors have access to the advice and services of qualified and competent Company Secretaries to facilitate the discharge of their duties effectively. The Company Secretaries are qualified to act under Section 235 of the Act. They are Associate Members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and hold practising certificates issued by the Companies Commission of Malaysia. The Company Secretaries support the effective functioning of the Board, provide advice and guidance to the Board on policies and procedures, relevant rules, regulations and laws in relation to corporate secretarial and governance functions and facilitate effective information flow among the Board, Board Committees and SM. The Company Secretaries attend programmes and seminars to keep themselves abreast with, inter alia, regulatory requirements, company law and CG.

All Directors also have access to the advice and services of the internal auditors and in addition, to independent professional advice, where necessary, at the Company's expense, in consultation with the Chairman of the Company.

At Board meetings, active deliberations of issues by Board members are encouraged and such deliberations, decisions and conclusions are recorded by the Company Secretaries accordingly. Any Director who has an interest in the subject matter to be deliberated shall abstain from deliberating and voting on the same during the meetings.

The Board met five (5) times during FY 2026 with timely notices of issues to be discussed. Details of attendance of each Director were as follows:

Directors	Attendance
YBhg Datuk Kwek Leng San	5/5
Mr William Tan Kok Siang (<i>appointed with effect from 1 January 2026</i>)	2/2*
Ms Tai Sook Yee	5/5
YBhg Datuk Ir. Ahmad 'Asri Bin Abdul Hamid	5/5
YBhg Dato' Mohamad Kamarudin Bin Hassan	5/5

* reflects the attendance and the number of meetings held during the period the Director held office

The Company recognises the importance of continuous professional development and training for its Directors.

The Company is guided by a Directors' Training Policy, which covers an Induction Programme and Continuing Professional Development ("CPD") for Directors of the Company. The Induction Programme which may include visits to the Group's business operations, is organised for newly appointed Directors to assist them to familiarise and to get acquainted with the Group's businesses. The CPD encompasses areas related to, among others, the industry or business of the Group, environmental, social and governance ("ESG"), risk management, accounting, laws and regulations through a combination of courses, conferences and workshops. A training budget is allocated for Directors' training programmes.

All Directors of the Company have completed the Mandatory Accreditation Programme ("MAP") Part I and MAP Part II.

The Company organises in-house programmes, briefings and updates by its in-house professionals. The Directors are also encouraged to attend seminars and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge. Directors are kept informed of available training programmes on a regular basis.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

F. Commitment (cont'd)

In assessing the training needs of Directors, upon recommendation by the NC, the Board has determined that appropriate training programmes covering matters on CG, finance/accounting, risk management, information technology, cyber security, anti-bribery and corruption, ESG, artificial intelligence, industry-related and/or statutory/regulatory compliance, be recommended and arranged for the Directors to enhance their contributions to the Board.

During FY 2026, the Directors received regular briefings and updates on the Group's businesses, strategies, operations, risk management and compliance, internal controls, CG, finance/accounting, anti-bribery and corruption management, ESG and any changes to relevant legislation, rules and regulations from in-house professionals. In-house programmes/briefings were also organised for the Directors and SM of the Company.

The Directors of the Company have also attended various programmes and forums facilitated by external professionals in accordance with their respective needs in discharging their duties as Directors.

During FY 2026, the Directors of the Company, collectively or on their own, attended various training programmes, seminars, briefings and/or workshops including:

- Agentic Artificial Intelligence ("AI") in Risk Management
- Awareness Session on the ISO 37001 Anti-Bribery Management System (ABMS)
- BINA: Modular ASIA Forum 2025
- Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership
- Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness
- Briefing on Board of Engineers Strategic Plan 2026-2030
- Budget 2026 Talk
- Emerging Trends in Sustainability
- Engagement Session on the Construction of Nuclear Plant
- Facility Management Engagement Day 2025
- Financial Institutions Directors' Education (FIDE) Programme
- From Curiosity to Control: Board Intelligence in the Age of AI
- HKEX ESG Academy seminar - Risk Management and Internal Controls: From Awareness to Action
- IFRS Sustainability Disclosure Standards and e-Invoicing
- IFRS Sustainability Disclosure Standards Awareness – Gearing Up the Board of Directors
- Mandatory Accreditation Programme
- Mandatory Accreditation Programme Part II: Leading for Impact
- Program Bual Bicara Integriti
- Section 17A of Malaysian Anti-Corruption Commission Act (Corporate Liability Provision) and Guidelines on Adequate Procedures
- Seminar on Facility Management – Sarawak Leads Borneo: The Future of Sustainable Facility Management
- Sharing Session on Scope 2 Decarbonisation Pathway
- Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level
- The KPMG Board Leadership Forum I
- The KPMG Board Leadership Forum II
- The KPMG Board Leadership Forum III
- The Revised Corporate Governance Code (Hong Kong) - Risk Management and Internal Controls
- The SORMIC Guide 2025 – What's New?
- Training on Driving Board Excellence Through Governance, Risk and Strategic Leadership

G. Strengthening CG Culture

• Code of Conduct and Ethics

The Group is committed to good business ethics and integrity as set out in the Hong Leong Manufacturing Group Code of Conduct and Ethics ("HLMG Code"). To this, the Group commits to a high standard of professionalism, ethics and integrity in the conduct of business and professional activities.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

G. Strengthening CG Culture (cont'd)

- **Code of Conduct and Ethics (cont'd)**

The HLMG Code is applicable to:

- all employees who work in the Group across the jurisdictions in which the Group operates – including but not limited to permanent, part-time and temporary employees; and
- any other persons permitted to perform duties or functions within the Group – including but not limited to vendors, service providers, contractors, secondees, interns, industrial attachment and agency staff.

- **Conflict of Interest Policy**

The Group has established a Conflict of Interest Policy to assist Directors and Key SM in identifying, disclosing and managing any actual or potential conflict of interest.

- **Anti-Bribery and Corruption Policy**

The Group adopts ISO 37001:2025 as its Anti-Bribery and Corruption Management System to provide a strong framework to prevent its employees, Directors or persons who perform services for or on behalf of the Group from undertaking corrupt practices in relation to its business activities. The Anti-Bribery and Corruption Policy, published on the Website, outlines the Group's commitment to conducting business ethically in compliance with all applicable anti-bribery and corruption laws of every country in which the Group operates.

Reports of any concern or suspicion may be made to the Head of Internal Audit or the Chief Human Resource Officer.

- **Whistleblowing Policy**

The Company has a Whistleblowing Policy and it provides a structured channel for all employees of the Group to report any concern on any improper conduct or wrongful act committed within the Group. The Whistleblowing Policy is published on the Website.

The Board has identified the Chairman of the BARMC to whom reports of any such concerns may be conveyed.

EFFECTIVE AUDIT AND RISK MANAGEMENT

Accountability And Audit

The financial reporting and internal control system of the Group is overseen by the BARMC which comprises all IDs. The primary responsibilities of the BARMC are set out in the Board Audit & Risk Management Committee Report.

The BARMC is supported by the Group Internal Audit Department ("GIAD") whose principal responsibilities are to conduct risk-based audits to ensure that adequate and effective controls are in place to mitigate risks, operational audits to identify opportunities for operational improvement, and also ensure compliance with standard operating procedures of the Group.

Investigation or special review will be carried out at the request of the BARMC and SM on specific areas of concern when necessary. Significant breaches and deficiencies identified are discussed at the BARMC meetings where appropriate actions will be taken.

I. Financial Reporting

The Board has a fiduciary responsibility to ensure the proper maintenance of accounting records of the Group. The Board receives the recommendation to adopt the financial statements from the BARMC, which assesses the integrity of financial statements with the assistance of the external auditors.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

Accountability And Audit (cont'd)

II. Directors' Responsibility in Financial Reporting

The MMLR require the Directors to prepare a statement explaining the Board of Directors' responsibility for preparing the annual audited financial statements and the Act requires the Directors to make a statement stating whether in their opinion, the audited financial statements are drawn up, in accordance with the applicable accounting standards, to give a true and fair view of the financial position and of the financial performance of the Group and of the Company for the FY.

The Directors of the Company are satisfied that the financial statements of the Group and of the Company for FY 2026 have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Act in Malaysia and that the Group and the Company have adopted appropriate accounting policies and have applied them consistently.

III. Risk Management and Internal Control

The Statement on Risk Management and Internal Control ("SORMIC") provides an overview of the system of internal controls and risk management framework of the Group.

- Responsibility of the Board

The Board recognises its overall responsibility for the adequacy and effectiveness of the Group's system of internal controls and risk management framework to safeguard shareholders' investments and the Group's assets. The Board adopts ISO 31000:2018 as its risk management framework.

Accordingly, the Board has entrusted the BARMC to provide oversight of the system of internal controls and risk management framework, which covers the business, operations and ESG. The BARMC is assisted by the GIAD in this role.

- Risk Management Framework

For FY 2026, management has structured the risk management framework using ISO 31000:2018 to identify, evaluate, manage, monitor and report risk that may impede the achievement of the Group's objectives. Based on the framework, management has carried out the following:

- establish the context of risk pertaining to the business, operations and ESG in relation to the Group's risk appetite, i.e. how risks are perceived and the levels at which they are acceptable or otherwise;
- identify risks in relation to the objectives of every business function of the Group's operating companies;
- identify emerging risks that may affect the Group's business and operations;
- assess the likelihood and impact of such risks identified, using qualitative and also quantitative measures where applicable, to determine the risk level, i.e. "Severe", "Major", "Significant", "Minor" or "Trivial";
- evaluate the severity of the risks and their treatment options to set priority of management's attention and devise appropriate actions to avoid, share, retain or mitigate risks within reasonable timeframes; and
- record the details of risks and treatment plans in the risk registers and present to the BARMC quarterly to review the adequacy and effectiveness of the risk management measures.

For bribery and corruption risks, the Group has adopted the Anti-Bribery Management System ("ABMS") under ISO 37001:2025 and the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 to prevent, detect and respond to bribery and corruption risks. The Company and its core subsidiary have been certified with ISO 37001:2025 (ABMS) by SIRIM QAS International Sdn Bhd.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

Accountability And Audit (cont'd)

III. Risk Management and Internal Control (cont'd)

- Risk Management Framework (cont'd)

Further, on an ongoing basis, each operating company's chief executive and authorised risk owners have clear accountabilities to:

- monitor its existing risks, identify emerging risks and update the enterprise-wide risk registers;
- maintain the adequacy, effectiveness and relevance of action plans and control systems to manage risks; and
- prepare risk management report on a quarterly basis for reporting to the BARMC.

- System of Internal Controls

The key elements of the Group's system of internal controls are described below:

- A management structure exists with clearly defined delegation of responsibilities to the management of the Group's operating companies, including authorisation levels for the business and operations. The management of the Group's operating companies owns and manages risks and is responsible for implementing controls to mitigate risks pertaining to the business, operations and ESG.
- Documented corporate policies and procedures cover various aspects of the business and operations of the Group.
- Promotion of a strong risk assessment and internal control culture through the Group's values, code of conduct and ethics, and the "tone at the top".
- Diligent review of the quarterly financial results and reports in identifying the reasons for any unusual variances.
- Internal control assurance activities, such as self-audits and completion of internal control questionnaires, are undertaken by the management of the operating companies. These activities are part of the Group's risk and control assurance framework, providing the breadth in risk and control assurance, and demonstrating management's commitment to effective risk management.
- Risk-based internal audits carried out by the GIAD focusing on key risk areas which are selected from the Group's audit universe. GIAD, which is adequately resourced, maintains independence from management and reports directly to the BARMC, preventing conflicts of interest.
- The auditable key risk areas are documented in the annual audit plan, which is approved by the BARMC. The risk-based internal audits conducted in FY 2026 included repair and maintenance management, allowance management, application security, production and quality management, cement packing plant operations, energy management, and the review of selected Sustainability Indicators disclosed in the Sustainability Statement. The reviews identified areas for strengthening the internal control processes, which have been, or are being addressed by the management. The issues noted did not materially impact the business or operation of the Group and were not deemed significant.
- Quarterly reporting to the BARMC on the results of internal control assurance and audit activities, and the management of risks throughout the Group.

- Management and Decision-Making Processes

The internal control and risk management processes of the Group are reviewed quarterly by the BARMC, up to the date of SORMIC approval for inclusion in the Annual Report, they are in place for FY 2026. The BARMC reviews the principal risks, significant audit observations and/or areas for improvement and ascertains that appropriate remedial actions or improvements are taken by the management of the Group's operating companies. These processes are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. Accordingly, they can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

Corporate Governance Overview Statement, Risk Management and Internal Control (Cont'd)

EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

Accountability And Audit (cont'd)

III. Risk Management and Internal Control (cont'd)

- Management and Decision-Making Processes (cont'd)

The Board has received assurance from the GMD and CFO that the Group's system of internal controls and risk management framework are operating adequately and effectively, in all material aspects, based on the internal control system and risk management framework of the Group.

- Review of the SORMIC by External Auditors

Pursuant to Paragraph 15.23 of the MMLR, the external auditors have reviewed the SORMIC pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the SORMIC is not prepared, in all material aspects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Companies, nor is the SORMIC factually inaccurate. AAPG 3 does not require the external auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

- Board's Opinion

The Board, through the BARMC, is of the view that the Group's risk management framework and system of internal controls are adequate and effective in safeguarding the shareholders' investments and the Group's assets.

IV. Relationship with Auditors

The Board, through the BARMC, maintains a formal and transparent professional relationship with the external auditors, KPMG PLT. The appointment of external auditors and their fees are recommended by the BARMC. The BARMC reviews the performance, suitability, independence and objectivity of the external auditors annually. The BARMC also reviews the nature and fees of non-audit and non-assurance services provided by the external auditors and/or its affiliates in assessing the independence of the external auditors. In accordance with the MIA's By-Laws, KPMG PLT rotates its Engagement Partner and Engagement Quality Control Review Partner once every seven (7) years to ensure objectivity, independence and integrity of the audit opinions.

The external auditors meet with the BARMC to:

- present the audit plan for the financial audit of the Group before the commencement of the audit; and
- review the results of the audit, including key audit matter(s) and other significant audit matters, after the conclusion of the audit.

At least twice a year, the BARMC will have a separate session with the external auditors without the presence of SM.

For FY 2026, the BARMC undertook an annual assessment on the performance, suitability, independence and objectivity of the external auditors. No major concerns were noted from the results of the assessment. The external auditors also gave their assurance confirming their independence and objectivity throughout the conduct of the audit engagement and the internal processes undertaken by them to determine their independence.

Corporate Governance Overview Statement, Risk Management and Internal Control

(Cont'd)

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

A. Disclosure

The Company has complied with the disclosure requirements set out in the MMLR. All timely disclosure and material information documents will be posted on the Website after release to Bursa.

B. Shareholders

I. Dialogue between Companies and Investors

The Board acknowledges the importance of regular communication with shareholders and investors via the annual reports, corporate governance reports, circulars to shareholders, quarterly financial reports and the various announcements made during the year, through which shareholders and investors can have an overview of the Group's performance and operation.

Notices of general meetings and the accompanying explanatory notes are provided within the prescribed notice period on the Website, Bursa's website, in the media and by post or electronic means to shareholders. This allows shareholders to make the necessary arrangements to attend and participate in general meetings either in person, by corporate representative, by proxy or by attorney.

Shareholders can access the Company's information at the Website which includes the Board Charter, TORs of Board Committees, corporate information, announcements/press releases/briefings, financial information, products information and investor relations. Minutes of AGM and a summary of the key pertinent matters discussed at the AGM are also published on the Website.

In addition, shareholders and investors can have a channel of communication with the Company Secretary to direct queries and provide feedback to the Group.

Queries may be conveyed to the following person:

Name : Ms Wong Wei Fong
Tel : 03-2080 9200
Fax : 03-2080 9238
Email : IRelations@humecementind.com

II. AGM

The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance. Pursuant to the Company's Constitution, each member shall be entitled to be present and to vote at the AGM either personally or by proxy or if the member is a corporation by its duly authorised representative. Shareholders are encouraged to attend and vote on all resolutions. Directors, CFO, SM and the external auditors are also available to respond to shareholders' queries during the AGM. All Directors of the Company attended the AGM held on 6 November 2025. Minutes of AGM and a summary of the key pertinent matters discussed at the said AGM are published on the Website.

Pursuant to Paragraph 8.29A(1) of the MMLR, all resolutions tabled at general meetings will be put to a vote by way of a poll and the voting results will be announced at the meetings and through Bursa.

The Company has adopted electronic voting for the conduct of poll on all resolutions at the AGM.

This Corporate Governance Overview Statement, Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors.

Board Audit & Risk Management Committee Report

CONSTITUTION

The Board Audit & Risk Management Committee (“the Committee”) of Hume Cement Industries Berhad (“HCIB” or “the Company”) was established since 20 October 1997.

COMPOSITION

The composition of the Committee is as follows:

Ms Tai Sook Yee

Chairman, Independent Non-Executive Director

YBhg Datuk Ir. Ahmad 'Asri Bin Abdul Hamid

Independent Non-Executive Director

YBhg Dato' Mohamad Kamarudin Bin Hassan

Independent Non-Executive Director

SECRETARY

The Secretary(ies) to the Committee shall be the Company Secretary(ies) of HCIB.

TERMS OF REFERENCE

The Committee's terms of reference (“TOR”) are published on the Company's website at www.humecementind.com.

AUTHORITY

The Committee is authorised by the Board of Directors (“Board”) to review any activity of the Group within its TOR. The Committee is authorised to seek any information it requires from any Director or member of management and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain independent legal or other professional advice if it considers necessary.

MEETINGS

The Committee meets at least four (4) times in each financial year (“FY”) and additional meetings may be called at any time as and when necessary. Recommendations and decisions may also be taken by way of Circular Resolutions. All meetings to review the quarterly reports and annual financial statements are held prior to such quarterly reports and annual financial statements being presented to the Board for approval.

The head of finance, head of internal audit, risk manager, Group Managing Director and senior management may attend Committee meetings, at the invitation of the Committee, to provide information and clarification required on items on the agenda. Representatives of the external auditors are also invited to attend the Committee meetings to present their audit scope and plan, audit report and findings together with management's response thereto, and to brief the Committee members on significant audit and accounting areas which they noted in the course of their audit.

Issues raised, discussions, deliberations, decisions and conclusions made at the Committee meetings are recorded in the minutes of the Committee meetings. Where the Committee is considering a matter in which a Committee member has an interest, such member abstains from reviewing and deliberating on the subject matter.

Two (2) members of the Committee shall constitute a quorum and the majority of members present must be independent Directors.

Board Audit & Risk Management Committee Report

(Cont'd)

MEETINGS (cont'd)

After each Committee meeting, the Chairman of the Committee shall report and update the Board on significant issues and concerns discussed during the Committee meetings and where appropriate, make the necessary recommendations to the Board.

ACTIVITIES

During FY ended 30 June 2026 ("FY 2026"), four (4) Committee meetings were held and the attendance of the Committee members was as follows:

Members	Attendance
Ms Tai Sook Yee	4/4
YBhg Datuk Ir. Ahmad 'Asri Bin Abdul Hamid	4/4
YBhg Dato' Mohamad Kamarudin Bin Hassan	4/4

The Committee carried out the following activities during FY 2026 in accordance with its TOR:

Financial Reporting

The Committee reviewed and recommended to the Board for approval:

- the annual financial statements of the Group and of the Company, prepared in accordance with the relevant accounting standards, laws and regulations to provide a true and fair view of their financial positions; and
- the quarterly reports, focusing on changes in accounting policies and practices, significant audit adjustments and going concern assumptions to ensure compliance with relevant accounting standards, laws and regulations.

The Committee also reviewed the Group's financial performance, including financial obligations, banking facilities and covenants.

Related Party Transactions

The Company has put in place the Policy and Procedures of Recurrent Related Party Transactions ("Procedures"). The Committee reviewed the Procedures on an annual basis and as and when required, to ensure that the Procedures are adequate to monitor, track and identify recurrent related party transactions ("RPT") in a timely and orderly manner, and are sufficient to ensure that the recurrent RPT are conducted on commercial terms consistent with the Group's usual business practices and policies and on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not, in the Company's opinion, detrimental to the minority shareholders.

The Committee conducted a review of the recurrent RPT on a quarterly basis, and the proposed mandate for recurrent RPT of the Group with various related parties prior to the Board's recommendation for shareholders' approval.

Conflict of Interest

There were no situations of conflict of interest or potential conflict of interest reported to the Committee.

External Audit

The Committee discussed and reviewed with the external auditors, KPMG PLT:

- the audit plan for the financial audit of the Group, including the scope of audit, audit methodology and timing, pertinent issues which had significant impact on the results of the Group, applicable accounting and auditing standards, and significant changes in accounting and auditing issues, where relevant; and
- the report and audit findings for the financial audit of the Group, including key audit matter(s) and other significant audit matters.

Board Audit & Risk Management Committee Report

(Cont'd)

ACTIVITIES (cont'd)

External Audit (cont'd)

The Committee held two (2) separate sessions with the external auditors, without the presence of senior management to discuss all major issues, including co-operation of the Group's officers rendered to the external auditors. During the separate sessions, no critical issues were raised.

The Committee reviewed and recommended to the Board for approval, the audit fees and non-audit fees payable to the external auditors in respect of services provided to the Group. Additionally, the Committee reviewed the provision of non-audit and non-assurance services by the external auditors and/or its affiliates to ascertain that such services would not impair the independence or objectivity of the external auditors. Details of the audit and non-audit fees incurred by the Group and the Company for FY 2026 are stated in the notes to the annual financial statements.

The Committee reviewed and recommended to the Board for approval the revised non-assurance services policy.

The Committee also assessed the performance, suitability, independence and objectivity of the external auditors, taking into consideration factors such as quality of service, adequacy of experience and resources of the firm and the professional staff assigned to the audit, and communication and interaction, prior to recommending the re-appointment of the external auditors to the Board for shareholders' approval.

Internal Audit

The Committee reviewed and approved the annual internal audit scope and plan. The Committee also reviewed the internal audit findings, investigation reports, and recommendations, including management's responses, progress updates and status of management's action plans related to the audit findings and recommendations thereto.

The Committee held two (2) separate sessions with the internal auditors without the presence of senior management. During the separate sessions, no significant issues were highlighted.

In addition, the Committee reviewed and approved the revised Internal Audit Charter. The Committee also assessed the performance of the internal audit function, as well as the adequacy of the scope, competency and resources of the internal audit function to carry out its work.

Risk Management and Internal Control

The Committee reviewed the adequacy and integrity of internal control systems, including risk management covering areas on strategic, compliance, operational, financial and environmental, social and governance (ESG), as well as the relevant management information system, including the processes in place to identify, evaluate and manage significant risks encountered by the Group.

The Committee also reviewed the Statement on Risk Management and Internal Control ("SORMIC") of the Group and received the report of the external auditors in respect of their review on the SORMIC prior to the Board's approval for inclusion in the Company's Annual Report.

The Committee recommended to the Board for approval the appointment of a new risk manager.

Anti-Bribery and Corruption Management System

The Committee, acts as Governing Body of Anti-Bribery and Corruption Management System ("ABCMS"), reviewed the Governing Body Report on a quarterly basis, which included ABCMS activities, progress updates on the Group's Anti-Bribery Management System, including the transition from ISO 37001:2016 to ISO 37001:2025, surveillance audit, bribery and corruption risk assessment and ABCMS internal audit report.

The Committee reviewed and recommended to the Board for approval the Anti-Bribery and Corruption Policy and the revised Group Anti-Bribery and Corruption Management System Manual.

Board Audit & Risk Management Committee Report

(Cont'd)

ACTIVITIES (cont'd)

Whistleblowing

The Committee reviewed and recommended to the Board for approval the Whistleblowing Policy and the Whistleblowing Communications Plan and Investigation Procedures. The Committee received and deliberated on the whistleblowing reports, including the status of related investigations and further steps to be taken.

Others

The Committee also reviewed and recommended to the Board for approval the Board Audit & Risk Management Committee Charter and the Board Audit & Risk Management Committee Report for inclusion in the Company's Annual Report.

INTERNAL AUDIT ("IA")

The IA function is carried out in-house by the Group IA Department ("GIAD") of HLMG Management Co Sdn Bhd, a wholly owned subsidiary of Hong Leong Manufacturing Group Sdn Bhd ("HLMG"). The provision of the IA services is part of the shared services of companies within the HLMG Group. As at 30 June 2026, there were eleven (11) staff in the GIAD and the total cost incurred by the GIAD for FY 2026 amounted to RM3,822,624.

The purpose, authority, scope, independence and responsibilities of IA function are provided in the Internal Audit Charter, which is approved by the Committee.

The GIAD, led by the Head of IA, reports to the Committee which has the authority to decide, among others, the appointment and removal; scope of work; and performance evaluation of the IA function. Dr Teh Boon Ang has been appointed as Head of IA since 1 July 2017.

Dr Teh is a Professional Member of the Institute of Internal Auditors Malaysia and holds the qualifications of Doctor of Business Administration, Master of Criminal Justice, Certified Internal Auditor and Certified Fraud Examiner. The Committee is satisfied that the Head of IA has the relevant experience and sufficient standing and authority to discharge his duties as Head of IA.

The GIAD supports the Committee in the effective discharge of its responsibilities in respect of governance, internal controls and the risk management framework of the Group. The GIAD also challenges and adds value to the efficiency, effectiveness and economy of operating companies' operations; usage of assets and resources; and the integrity of management information systems. In doing so, the IA function is performed with impartiality, proficiency and due professional care. The GIAD has received co-operation in the performance of their work and do not have any disagreement that may have adverse impact on the audit process or findings.

All the IA personnel had declared to the Committee that they are free from any relationships or conflicts of interest which would impair their impartiality or objectivity. The Committee had undertaken an assessment on the performance of the GIAD for FY 2026 whereby it is satisfied with the performance of the GIAD. The Committee had also reviewed the GIAD's resources, in particular the qualifications, experience and designations of all the IA personnel. As their continuous professional development, the IA personnel had kept abreast with developments in the profession, industry and regulations by attending internal and external training courses. The Committee is hence satisfied with the competency of the GIAD and that it has adequate resources to carry out its functions.

The annual audit plan prepared by the GIAD is submitted to the Committee for review and approval. Internal audits are carried out as per the approved annual audit plan. IA reports are discussed and issued to management for their feedback and to formulate action plans with target implementation dates for improvements. Any resulting salient control concerns are reviewed by the Committee, and the implementation status of audit recommendations are monitored and reported to the Committee on a quarterly basis. The areas of IA's review during FY 2026 are described in the SORMIC.

The GIAD also facilitates the maintenance of the risk management framework of the Group on an ongoing basis.

The GIAD applies appropriate auditing standards in assessing the integrity and effectiveness of internal controls and compliance with the established policies and procedures; and is committed to continuously monitoring and improving the IA function.

The Board Audit & Risk Management Committee Report is made in accordance with the resolution of the Board of Directors.

FINANCIAL STATEMENTS

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Directors' Report

For the financial year ended 30 June 2026

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding whilst the principal activities of the significant subsidiaries consist of manufacturing and sale of cement and cement related products as disclosed in Note 4 to the financial statements.

There has been no significant change in the nature of these activities during the financial year, except for the disposal of subsidiaries as stated in Note 30 to the financial statements.

ULTIMATE HOLDING COMPANY

The Company is a subsidiary of Hong Leong Company (Malaysia) Berhad, a company incorporated in Malaysia and regarded by the Directors as the Company's ultimate holding company during the financial year until the date of this report.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 4 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to owners of the Company	430,559	261,110

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in Note 15 to the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid:

- (i) a first interim single tier dividend of 6 sen per ordinary share amounting to RM43.5 million in respect of the financial year ended 30 June 2026 on 17 December 2025; and
- (ii) a second interim single tier dividend of 7 sen per ordinary share amounting to RM50.8 million in respect of the financial year ended 30 June 2026 on 12 June 2026.

The Directors do not recommend a final dividend for the financial year ended 30 June 2026.

Directors' Report

For the financial year ended 30 June 2026

(Cont'd)

DIRECTORS

Directors who served during the financial year until the date of this report are:

Company

YBhg Datuk Kwek Leng San*, Chairman
 Mr William Tan Kok Siang*, Group Managing Director (Appointed on 1 January 2026)
 Ms Tai Sook Yee
 YBhg Datuk Ir. Ahmad 'Asri Bin Abdul Hamid
 YBhg Dato' Mohamad Kamarudin Bin Hassan

Subsidiaries

Mr Lee Siong Seng (Resigned on 1 April 2026)
 Mr Cheah Keh Ming (Appointed on 10 February 2026)
 Mr Tong Woei Luen
 Ms Khor Sau Mooi
 Mr Lau Ping Ong #

* These Directors are also Directors of subsidiaries.

Director of a company which was dissolved during the financial year following member's voluntary liquidation.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year who have beneficial interests in the ordinary shares of the Company and/or its related corporations during the financial year ended 30 June 2026 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016, are as follows:

	At 1.7.2025	Number of ordinary shares/ ordinary shares received or to be received arising from vesting of share grant*		At 30.6.2026
		Acquired	Sold	
<i>Shareholdings in which the Directors have direct interests</i>				
Interests of YBhg Datuk Kwek Leng San in:				
Hong Leong Company (Malaysia) Berhad	160,895	-	-	160,895
Hong Leong Industries Berhad	2,632,500	-	-	2,632,500
Malaysian Pacific Industries Berhad	1,232,500	-	(100,000)	1,132,500
Hume Cement Industries Berhad	2,944,000	-	-	2,944,000
Hong Leong Bank Berhad	536,000	-	-	536,000
Hong Leong Financial Group Berhad	654,000	-	-	654,000
Interests of William Tan Kok Siang in:				
Hume Cement Industries Berhad	271,533	62,933 ⁽¹⁾	-	334,466
	1,832,467*	140,100*	(62,933) ^{*(1)}	1,909,634*

Directors' Report

For the financial year ended 30 June 2026
(Cont'd)

DIRECTORS' INTERESTS (cont'd)

	At 1.7.2025	Number of ordinary shares/ ordinary shares received or to be received arising from vesting of share grant*		At 30.6.2026
		Acquired	Sold	
<i>Shareholdings in which the Director has indirect interests</i>				
Interests of William Tan Kok Siang in:				
Hume Cement Industries Berhad	382,500 ⁽²⁾	-	-	382,500 ⁽²⁾

Legend:

⁽¹⁾ Vesting of shares.

⁽²⁾ Interest pursuant to Section 59(11)(c) of the Companies Act 2016 in shares held by a family member.

DIRECTORS' BENEFITS

No Director of the Company has since the end of the previous financial year received or become entitled to receive any benefit (other than fees, remunerations, other benefits and benefit-in-kind included in the aggregate amount of remuneration received or due and receivable by Directors as shown below or the fixed salary of full-time employees of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefit paid to or receivable by Directors in respect of the financial year ended 30 June 2026 are as follows:

	Group RM'000	Company RM'000
Directors of the Company:		
Fees	448	448
Remuneration and other benefits	1,070	-

There were no arrangements during and at the end of the financial year which has the object 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.

ISSUE OF SHARES AND DEBENTURES

There were no issue of shares and debentures of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report

For the financial year ended 30 June 2026

(Cont'd)

INDEMNITY AND INSURANCE COSTS

During the financial year, Directors and Officers of Hong Leong Manufacturing Group Sdn Bhd, together with its subsidiaries (the "Group" which includes Hume Cement Industries Berhad and its subsidiaries and where applicable, associated companies) are covered under the Directors and Officers Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total amount of Directors and Officers Liability Insurance effected for the Directors and Officers of the Group was RM10 million. The total amount of premium paid for the Directors and Officers Liability Insurance by the Group was RM61,570 and the apportioned amount of the said premium paid by the Company was RM15,508.

OTHER STATUTORY INFORMATION

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts; and
- ii) any current assets which were unlikely to be realised 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:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; or
- ii) that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- iii) 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; or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the gain on disposal of subsidiaries as disclosed in Note 30 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 30 June 2026 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

For the financial year ended 30 June 2026

(Cont'd)

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the financial year are RM181,000 and RM45,000 respectively.

On behalf of the Board,

William Tan Kok Siang

Tai Sook Yee

18 August 2026

Statements of Financial Position

As at 30 June 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Assets					
Property, plant and equipment	5	605,567	650,488	2	3
Right-of-use assets	6	48,513	36,720	-	-
Investment property	7	5,169	5,424	-	-
Investments in subsidiaries	8	-	-	494,269	509,914
Tax credit receivables	9	54,532	116,338	-	-
Total non-current assets		713,781	808,970	494,271	509,917
Inventories	10	67,656	96,392	-	-
Trade and other receivables, including derivatives	11	88,635	80,358	76	74
Short-term deposits	12	450,180	149,100	343,880	126,800
Cash and cash equivalents	13	79,531	84,905	457	30,722
Total current assets		686,002	410,755	344,413	157,596
Total assets		1,399,783	1,219,725	838,684	667,513
Equity					
Share capital	14	651,567	651,567	651,567	651,567
Reserves	15	418,647	76,347	181,267	14,470
Total equity attributable to owners of the Company		1,070,214	727,914	832,834	666,037

Statements of Financial Position

As at 30 June 2026

(Cont'd)

	Note	Group		Company	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Liabilities					
Loans and borrowings	16	-	113,857	-	-
Lease liabilities		1,738	2,488	-	-
Deferred tax liabilities	17	101,484	117,019	-	-
Deferred income	18	56,748	63,906	-	-
Employee benefits	19	-	97	-	-
Other payable	20	710	710	-	-
Total non-current liabilities		160,680	298,077	-	-
Loans and borrowings	16	-	30,852	-	-
Lease liabilities		965	1,016	-	-
Deferred income	18	7,158	7,158	-	-
Trade and other payables, including derivatives	20	143,704	147,393	5,174	628
Contract liabilities		-	2,702	-	-
Tax payable		17,062	4,613	676	848
Total current liabilities		168,889	193,734	5,850	1,476
Total liabilities		329,569	491,811	5,850	1,476
Total equity and liabilities		1,399,783	1,219,725	838,684	667,513

The notes on pages 122 to 161 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue	21	1,056,175	1,114,601	143,295	83,843
Cost of sales		(557,385)	(669,719)	-	-
Gross profit		498,790	444,882	143,295	83,843
Distribution expenses		(153,875)	(139,440)	-	-
Administrative expenses		(40,335)	(36,288)	(6,525)	(2,343)
Other operating expenses		(716)	(13,452)	-	-
Other operating income		202,361	45,766	122,770	-
Results from operations		506,225	301,468	259,540	81,500
Interest income		8,827	5,892	6,535	7,195
Finance costs		(3,651)	(12,281)	-	-
Profit before taxation	22	511,401	295,079	266,075	88,695
Taxation	23	(80,842)	(71,908)	(4,965)	(1,690)
Profit for the year		430,559	223,171	261,110	87,005
Other comprehensive income/(expense), net of tax					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Cash flow hedge		2,544	(963)	-	-
Total other comprehensive income/(expense) for the year		2,544	(963)	-	-
Total comprehensive income for the year attributable to owners of the Company		433,103	222,208	261,110	87,005
Basic earnings per ordinary share (sen)	24	59.67	30.84		
Diluted earnings per ordinary share (sen)	24	59.67	30.84		

The notes on pages 122 to 161 are an integral part of these financial statements.

Statements of Changes in Equity

For the year ended 30 June 2026

		Attributable to owners of the Company					
		Non-distributable		Distributable			
		Hedging reserve	Reserve for own share	Executive Share Scheme reserve	(Accumulated losses)/ Retained earnings	Total equity	
		RM'000	RM'000	RM'000	RM'000	RM'000	
Group							
At 1 July 2024		651,567	32	(708)	586	(66,614)	584,863
Profit for the year		-	-	-	-	223,171	223,171
Other comprehensive income/(expense)		-	(963)	-	-	(963)	(963)
- Cash flow hedge		-	(963)	-	-	(963)	(963)
Total comprehensive (expense)/income for the year		-	(963)	-	-	223,171	222,208
<i>Contribution by and distribution to owners of the Company:</i>							
<i>Company:</i>							
- Share-based payments		-	-	3,182	-	3,182	3,182
- Own share acquired		-	(10,082)	-	-	(10,082)	(10,082)
- Shares vested under ESS		-	45	(48)	3	-	-
- Dividends (Note 25)		-	-	-	(72,257)	(72,257)	(72,257)
Total transactions with owners of the Company		-	(10,037)	3,134	(72,254)	(79,157)	(79,157)
At 30 June 2025		651,567	(931)	(10,745)	3,720	84,303	727,914

Statements of Changes in Equity

For the year ended 30 June 2026

(Cont'd)

	Attributable to owners of the Company					
	Non-distributable			Distributable		
	Share capital	Hedging reserve	Reserve for own share	Executive Share Scheme reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
At 1 July 2025	651,567	(931)	(10,745)	3,720	84,303	727,914
Profit for the year	-	-	-	-	430,559	430,559
Other comprehensive income						
- Cash flow hedge	-	2,544	-	-	-	2,544
Total comprehensive income for the year	-	2,544	-	-	430,559	433,103
Contribution by and distribution to owners of the Company:						
- Share-based payments	-	-	-	3,422	-	3,422
- Own share acquired	-	-	(422)	-	-	(422)
- Shares vested under ESS	-	-	185	(212)	27	-
- Dividends (Note 25)	-	-	-	-	(93,803)	(93,803)
Total transactions with owners of the Company	-	-	(237)	3,210	(93,776)	(90,803)
At 30 June 2026	651,567	1,613	(10,982)	6,930	421,086	1,070,214

Statements of Changes in Equity

For the year ended 30 June 2026

(Cont'd)

	← Attributable to owners of the Company →		
	Non-distributable	Distributable	Total equity
	Share capital RM'000	Retained earnings RM'000	RM'000
Company			
At 1 July 2024	651,567	13	651,580
Profit and total comprehensive income for the year	-	87,005	87,005
<i>Contribution by and distribution to owners of the Company:</i>			
- Dividends (Note 25)	-	(72,548)	(72,548)
Total transactions with owners of the Company	-	(72,548)	(72,548)
At 30 June 2025/1 July 2025	651,567	14,470	666,037
Profit and total comprehensive income for the year	-	261,110	261,110
<i>Contribution by and distribution to owners of the Company:</i>			
- Dividends (Note 25)	-	(94,313)	(94,313)
Total transactions with owners of the Company	-	(94,313)	(94,313)
At 30 June 2026	651,567	181,267	832,834

The notes on pages 122 to 161 are an integral part of these financial statements.

Statements of Cash Flows

For the year ended 30 June 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash flows from operating activities					
Profit before taxation		511,401	295,079	266,075	88,695
<i>Adjustments for:</i>					
Amortisation of deferred income		(7,158)	(7,158)	-	-
Depreciation of investment property		255	255	-	-
Depreciation of property, plant and equipment		72,925	70,221	1	3
Depreciation of right-of-use assets		2,831	2,343	-	-
Dividend income from subsidiaries		-	-	(143,295)	(83,843)
Finance costs		3,651	12,281	-	-
Gain on disposal of property, plant and equipment		(367)	(134)	-	-
Gain on disposal of subsidiaries (pre-tax)	30	(191,235)	-	(122,770)	-
Gain on disposal of asset held for sale (pre-tax)		-	(34,868)	-	-
Gain on lease termination		(57)	-	-	-
Interest income		(8,827)	(5,892)	(6,535)	(7,195)
Property, plant and equipment written off		5,232	4,119	-	-
(Reversal)/Provision for slow moving inventories		(777)	3,938	-	-
Reversal for retirement benefits		-	(146)	-	-
Share-based payments		3,422	3,182	-	-
Unrealised loss/(gain) on foreign exchange		97	(137)	-	-
Impairment loss of property, plant and equipment		101	1,985	-	-
Operating profit/(loss) before changes in working capital		391,494	345,068	(6,524)	(2,340)
Inventories		25,595	26,323	-	-
Trade and other receivables		(7,782)	14,649	(2)	382
Trade and other payables		(3,020)	(16,747)	4,546	184
Cash generated from/(used in) operations		406,287	369,293	(1,980)	(1,774)
Tax paid		(18,088)	(7,352)	(1,687)	(1,493)
Interest income received		8,827	5,900	6,535	7,195
Finance costs paid		(2,984)	(11,522)	-	-
Dividend received from subsidiaries		-	-	143,295	83,843
Retirement benefits paid		(25)	(21)	-	-
Net cash generated from operating activities		394,017	356,298	146,163	87,771

Statements of Cash Flows

For the year ended 30 June 2026

(Cont'd)

		Group		Company	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		984	656	-	5
Proceeds from disposal of asset held for sale		-	39,800	-	-
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed, other expenses and capital gain tax	30	199,798	-	209,965	-
Acquisition of property, plant and equipment		(36,738)	(26,698)	-	-
Acquisition of right-of-use assets		(21,364)	-	-	-
Addition of investment in a subsidiary company		-	-	(75,000)	-
Placement in short-term deposits		(301,080)	(149,100)	(217,080)	(126,800)
Proceeds from redemption of RCULS from a subsidiary		-	-	-	75,000
Tax paid on gain on disposal		-	(2,644)	-	-
Net cash used in investing activities		(158,400)	(137,986)	(82,115)	(51,795)
Cash flows from financing activities					
Payment of lease liabilities	(i)	(1,390)	(1,398)	-	-
Interest paid in relation to lease liabilities	(i)	(149)	(184)	-	-
Drawdown of borrowings	(ii)	-	135,016	-	-
Repayment of borrowings	(ii)	(145,227)	(292,807)	-	-
Dividends paid to owners of the Company		(93,803)	(72,257)	(94,313)	(72,548)
Purchase of trust shares		(422)	(10,082)	-	-
Net cash used in financing activities		(240,991)	(241,712)	(94,313)	(72,548)
Net decrease in cash and cash equivalents		(5,374)	(23,400)	(30,265)	(36,572)
Cash and cash equivalents at 1 July 2025/2024		84,905	108,305	30,722	67,294
Cash and cash equivalents at 30 June		79,531	84,905	457	30,722

Statements of Cash Flows

For the year ended 30 June 2026

(i) **Cash outflows for leases as a lessee**

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Included in net cash from operating activities				
Payment relating to short-term leases and leases of low-value assets	9,711	11,766	-	-
Payment relating to variable lease payments not included in the measurement of lease liabilities	15,990	16,557	-	-
Included in net cash from financing activities				
Payment of lease liabilities	1,390	1,398	-	-
Interest paid in relation to lease liabilities	149	184	-	-
Total cash outflows for leases	27,240	29,905	-	-

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 July 2024	Drawdown	Repayment	Interest accrued	Acquisition of new lease	Others	At 30 June 2025/ 1 July 2025	Drawdown	Repayment	Interest accrued	Acquisition of new lease	Others	At 30 June 2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group													
Term loans	223,899	-	(110,626)	584	-	-	113,857	-	(114,375)	518	-	-	-
Revolving credits	40,000	25,000	(45,000)	-	-	-	20,000	-	(20,000)	-	-	-	-
Trade financing	38,017	110,016	(137,181)	-	-	-	10,852	-	(10,852)	-	-	-	-
Total loans and borrowings	301,916	135,016	(292,807)	584	-	-	144,709	-	(145,227)	518	-	-	-
Lease liabilities	4,170	-	(1,398)	-	42	690	3,504	-	(1,390)	-	1,752	(1,163)	2,703
Total liabilities	306,086	135,016	(294,205)	584	42	690	148,213	-	(146,617)	518	1,752	(1,163)	2,703

The notes on pages 122 to 161 are an integral part of these financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

Hume Cement Industries Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

Registered office

Level 31, Menara Hong Leong,
No. 6, Jalan Damanela,
Bukit Damansara,
50490 Kuala Lumpur.

Principal place of business

Level 5, Wisma Hume, Block D,
15A, Jalan 51A/219,
46100 Petaling Jaya,
Selangor Darul Ehsan.

The immediate and ultimate holding companies of the Company are Hong Leong Manufacturing Group Sdn. Bhd. and Hong Leong Company (Malaysia) Berhad ("HLCM") respectively, both incorporated in Malaysia.

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as "the Group"). The financial statements of the Company as at and for the financial year ended 30 June 2026 do not include other entities.

The Company is an investment holding company whilst the principal activities of the subsidiaries are as disclosed in Note 4 to the financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 18 August 2026.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest thousand ("RM'000"), unless otherwise stated.

These financial statements have been prepared on the historical cost basis except for the following item, which is measured based on the measurement basis stated below:

Item	Measurement basis
Derivative financial instruments	Fair value

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Notes to the Financial Statements

(Cont'd)

2. BASIS OF PREPARATION (cont'd)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- (i) Note 8 – Impairment assessment on investment in the subsidiaries.
- (ii) Note 9 – Measurement of tax credit receivables.
- (iii) Note 10 – Measurement for obsolescence and net realisable value for inventories.
- (iv) Note 28.3.1 – Measurement of expected credit losses (“ECL”).

Standards and interpretations issued but not yet effective

The following are amendments of the MFRS Accounting Standards but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2029

- MFRS 20, *Regulatory Assets and Regulatory Liabilities*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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*

The Group and the Company plan to apply the abovementioned amendments, where applicable, when they become effective in their respective financial periods.

The initial application of the amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICIES

(a) Global minimum tax

The ultimate holding company ("UHC") and its subsidiaries (the "UHC Group") of which the Group and the Company is a part of, is 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 when the blended effective tax rate in each of those jurisdictions is lower than the minimum effective tax rate of 15%.

There was no material top-up tax exposure to the Group for the financial year ended 30 June 2026.

The Group has applied the temporary mandatory exception from accounting for deferred taxes arising from any top-up tax due to the Pillar Two model rules.

(b) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:-

Buildings	Over period of land lease or 50 years, whichever is shorter
Plant and machinery	4 - 45 years
Office equipment, fittings, software, spare parts and motor vehicles	5 - 20 years

(c) Right-of-use assets and leases

(i) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(ii) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICIES (cont'd)

(c) Right-of-use assets and leases (cont'd)

(iii) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(d) Investment property

Investment property carried at cost

Investment property carried at cost is stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 3(b).

(e) Investment in subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

(f) Taxation

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

The Group regards the unutilised investment tax allowances and unutilised reinvestment allowances as investment tax credits ("ITCs") and these ITCs are recognised using accounting treatment similar to that of a government grant. Unutilised investment tax allowances and unutilised reinvestment allowances to the extent that it is probable that the future taxable profit will be available against the unutilised investment tax allowances and unutilised reinvestment allowances can be utilised are recognised as a tax credit receivable and correspondingly deferred income.

The tax credit receivable will be charged out to the profit or loss based on the utilisation of investment tax allowances and utilisation of reinvestment allowances in each financial period. Deferred income, on the other hand, will be amortised over the estimated remaining useful lives of the assets concerned to the profit or loss or other income.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

(h) Employee benefits

Share-based payments

The Group operates equity-settled, share based compensation plans for the employees of the Group under Hume Cement Industries Berhad's Executive Share Scheme ("ESS").

Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICIES (cont'd)

(h) Employee benefits (cont'd)

Share-based payments (cont'd)

In connection with the ESS, trusts have been set up and are administered by an appointed trustee ("ESS Trust"). The trustee will be entitled from time to time, to accept advances from the Group, upon such terms and conditions as the Group and the trustee may agree to purchase the ordinary shares of the Company from the open market for the ESS Trust ("Trust Shares").

The ESS Trust Shares is amalgamated in the financial statements of the Company for the portion related to the Company and consolidated into the Group's consolidated financial statements as a deduction from equity and classified as reserves for own shares. Dividends received by the ESS Trust are eliminated against the Company's dividend payment.

(i) Financial instruments

Regular way purchase or sale of financial asset

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting or settlement date in the current year.

Generally, the Group or the Company applied settlement date accounting unless otherwise stated for the specific class of asset.

(j) Hedge accounting - Cash flow hedge

In a cash flow hedge, the Group recognises the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge in other comprehensive income and accumulated in equity while the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") is separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Notes to the Financial Statements

(Cont'd)

3. MATERIAL ACCOUNTING POLICIES (cont'd)

(j) Hedge accounting - Cash flow hedge (cont'd)

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

4. COMPANIES IN THE GROUP

The principal activities of the companies in the Group, their country of incorporation and the effective interest of Hume Cement Industries Berhad are shown below:

Name of company	Country of incorporation	Effective interest		Principal activities
		2026	2025	
		%	%	
Subsidiaries				
Hume Cement Sdn Bhd	Malaysia	100	100	Manufacture and sale of cement and cement related products.
Hume Concrete Sdn Bhd*	Malaysia	-	100	Manufacture, marketing and sale of concrete and concrete related products and investment holding.
● Hume Concrete (EM) Sdn Bhd*	Malaysia	-	100	Manufacture and sale of concrete and concrete related products.
● Forestwood Sdn Bhd	Malaysia	-	100	Dissolved.
Hume RMX Sdn Bhd	Malaysia	100	100	Dormant.
Hume RMC Sdn Bhd	Malaysia	100	100	Investment holding.

Notes:

• Sub-subsidiary companies

* Disposed during the financial year

Notes to the Financial Statements

(Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings RM'000	Plant and machinery RM'000	Office equipment, fittings, software, spare parts and motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Cost					
At 1 July 2024	66,203	1,211,020	63,294	6,324	1,346,841
Additions	92	15,212	6,695	4,699	26,698
Disposal	(839)	(5,568)	(352)	-	(6,759)
Written off	-	(144)	(6,092)	-	(6,236)
Reclassification	-	6,190	68	(6,258)	-
At 30 June 2025/1 July 2025	65,456	1,226,710	63,613	4,765	1,360,544
Additions	84	6,790	4,295	25,569	36,738
Disposal	-	(756)	(1,065)	-	(1,821)
Written off	-	(34)	(8,408)	-	(8,442)
Reclassification	-	4,630	-	(4,630)	-
Disposal of subsidiaries (Note 30)	(18,136)	(61,664)	(6,392)	-	(86,192)
At 30 June 2026	47,404	1,175,676	52,043	25,704	1,300,827

Notes to the Financial Statements

(Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Buildings RM'000	Plant and machinery RM'000	Office equipment, fittings, software, spare parts and motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Accumulated depreciation and impairment loss					
At 1 July 2024					
Accumulated depreciation	25,342	579,859	40,042	-	645,243
Accumulated impairment loss	813	118	30	-	961
	26,155	579,977	40,072	-	646,204
Charge for the year	1,167	61,998	7,056	-	70,221
Impairment loss for the year	267	1,681	37	-	1,985
Disposal	(671)	(5,227)	(339)	-	(6,237)
Written off	-	(144)	(1,973)	-	(2,117)
At 30 June 2025/1 July 2025					
Accumulated depreciation	25,838	636,486	44,786	-	707,110
Accumulated impairment loss	1,080	1,799	67	-	2,946
	26,918	638,285	44,853	-	710,056
Charge for the year	1,050	65,414	6,461	-	72,925
Impairment loss for the year	-	-	101	-	101
Disposal	-	(756)	(448)	-	(1,204)
Written off	-	(14)	(3,196)	-	(3,210)
Disposal of subsidiaries - Accumulated depreciation (Note 30)	(16,293)	(60,750)	(3,318)	-	(80,361)
Disposal of subsidiaries - Accumulated impairment loss (Note 30)	(1,080)	(1,799)	(168)	-	(3,047)
At 30 June 2026					
Accumulated depreciation	10,595	640,380	44,285	-	695,260
	10,595	640,380	44,285	-	695,260
Carrying amounts					
At 1 July 2024	40,048	631,043	23,222	6,324	700,637
At 30 June 2025/1 July 2025	38,538	588,425	18,760	4,765	650,488
At 30 June 2026	36,809	535,296	7,758	25,704	605,567

Notes to the Financial Statements

(Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Office equipment RM'000
Cost	
At 1 July 2024	68
Disposal	(27)
At 30 June 2025/1 July 2025/30 June 2026	41
Accumulated depreciation	
At 1 July 2024	57
Charge for the year	3
Disposal	(22)
At 30 June 2025/1 July 2025	38
Charge for the year	1
At 30 June 2026	39
Carrying amounts	
At 1 July 2024	11
At 30 June 2025/1 July 2025	3
At 30 June 2026	2

6. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Premises RM'000	Office equipment RM'000	Total RM'000
Group				
At 1 July 2024	34,240	4,031	60	38,331
Addition	-	-	42	42
Lease modification	-	690	-	690
Depreciation	(880)	(1,427)	(36)	(2,343)
At 30 June 2025/1 July 2025	33,360	3,294	66	36,720
Addition	21,364	1,738	14	23,116
Lease modification	-	(113)	-	(113)
Termination	-	(993)	-	(993)
Depreciation	(1,408)	(1,384)	(39)	(2,831)
Disposal of subsidiaries (Note 30)	(7,386)	-	-	(7,386)
At 30 June 2026	45,930	2,542	41	48,513

The Group leases a number of land and office premises with an option to renew the lease after that date.

Notes to the Financial Statements

(Cont'd)

6. RIGHT-OF-USE ASSETS (cont'd)

6.1 Extension options

Some leases of office premises contain extension options exercisable by the Group up to three years before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

6.2 Variable lease payments based on production

The quarry related machineries contain variable lease payments that are based on production that the Group makes. Fixed and variable payments for the period ended are as follows:

	Fixed payments RM'000	Variable payments RM'000	Total payments RM'000	Estimated annual impact on lease payments of a 1% increase in production RM'000
Group				
2026				
Leases with lease payments based on production	-	15,990	15,990	160
2025				
Leases with lease payments based on production	-	16,557	16,557	166

The Group expects the nature and level of the variable lease payments to remain broadly consistent in future years.

6.3 Restriction imposed by lease contracts

The lease contracts for buildings restrict the Group's ability to sublease the leased assets in the respective contracts.

Notes to the Financial Statements

(Cont'd)

7. INVESTMENT PROPERTY

	Group RM'000
Cost	
At 1 July 2024/30 June 2025/1 July 2025/30 June 2026	12,131
Accumulated depreciation	
At 1 July 2024	6,452
Charge for the year	255
At 30 June 2025/1 July 2025	6,707
Charge for the year	255
At 30 June 2026	6,962
Carrying amounts	
At 1 July 2024	5,679
At 30 June 2025/1 July 2025	5,424
At 30 June 2026	5,169

Investment property comprises a commercial property that is leased to third party. The lease contains an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee and on average renewal periods are 3 years. No contingent rents are charged.

The following are recognised in profit or loss in respect of investment property:

	Group 2026 RM'000	2025 RM'000
Lease income	2,842	2,798
Direct operating expenses:		
- income generating investment property	590	684

7.1 Operating lease payments receivable

The operating lease payments to be received are as follows:

	Group 2026 RM'000	2025 RM'000
Less than 1 year	2,842	2,842
1 - 2 years	237	3,079
Total undiscounted lease payments	3,079	5,921

Notes to the Financial Statements

(Cont'd)

7. INVESTMENT PROPERTY (cont'd)

7.2 Fair value information

Fair value of investment property is categorised as Level 3 as follows:

	2026 RM'000	2025 RM'000
Land and building	18,840	22,449

The Level 3 fair value of land and building has been determined using the discounted cash flow method ("DCF"), due to the absence of reliable external market data. The significant unobservable input used in the DCF method is the discount rate, which was set at 6.45% (2025: 5.08%). The estimated fair value would increase if the discount rate is lower, and decrease if the discount rate is higher.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2026 RM'000	2025 RM'000
At cost		
Unquoted shares	451,265	499,410
Redeemable Convertible Unsecured Loan Stock	75,000	42,500
Less: Accumulated impairment loss	(31,996)	(31,996)
	494,269	509,914

Impairment losses are recognised based on the excess of carrying amount over recoverable amount, which is determined based on either the fair value of the net assets of the subsidiaries or the recoverable amount of the cash-generating unit based on value in use and the fair value less costs of disposal whichever is higher.

The subsidiaries and their principal activities are disclosed in Note 4 to the financial statements.

9. TAX CREDIT RECEIVABLES

	Group	
	2026 RM'000	2025 RM'000
Unutilised investment tax allowance	40,675	40,474
Unutilised reinvestment allowance	13,857	75,864
	54,532	116,338

Notes to the Financial Statements

(Cont'd)

9. TAX CREDIT RECEIVABLES (cont'd)

The Group considered that it is probable that future taxable profits will be available against which the tax benefit can be utilised. The management has applied the following key assumptions in arriving at the projected future taxable profits:

- (a) The management has projected cash flows for 5 years (2025: 5 years); and
- (b) The annual growth rate for selling prices and sales volume used in the cash flows projection ranges from 1% to 3% (2025: 0% to 1%) and 0% to 5% (2025: 0% to 4%) respectively, taking into consideration past business performance and management's expectation on the current and future market conditions.

The estimation of future taxable profits requires management to make judgements, estimates and assumptions about future events that are inherently uncertain. Accordingly, the tax credit receivables recognised are subject to estimation uncertainty and may be adjusted in subsequent periods as a result of changes in the accounting estimates.

In accordance with current tax legislation, the unused reinvestment allowances will expire in YA 2038, 7 years after the qualifying period of 15 years. Investment tax allowances do not expire under current tax legislation. In view of the substantial period before reinvestment allowances expires in YA 2038, the Group considered that it is probable that future taxable profits will be available against which the tax benefit can be utilised.

10. INVENTORIES

	Group	
	2026	2025
	RM'000	RM'000
Raw materials, consumables and engineering spares	41,601	66,639
Work-in-progress	-	75
Finished goods	26,055	29,678
	67,656	96,392
Recognised in profit or loss:		
Inventories recognised as cost of sales	375,917	478,934
(Reversal)/Provision for slow moving inventories	(777)	3,938

Notes to the Financial Statements

(Cont'd)

11. TRADE AND OTHER RECEIVABLES, INCLUDING DERIVATIVES

Note	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade				
Trade receivables from contracts with customers				
- Third parties	77,268	70,911	-	-
- Related companies	2,458	2,906	-	-
	79,726	73,817	-	-
Less: Allowance for impairment losses	(90)	(389)	-	-
	79,636	73,428	-	-
Non-trade				
Other receivables	434	1,705	30	30
Deposits	1,835	2,870	2	2
Prepayments	5,117	2,355	44	42
Derivative used for hedging				
- forward exchange contract	11.1 1,613	-	-	-
	8,999	6,930	76	74
	88,635	80,358	76	74

Note 11.1

The total notional amount of the forward exchange contracts as at 30 June 2026 was USD21,894,000 (RM87,405,000).

12. SHORT-TERM DEPOSITS

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deposits with licensed banks	450,180	149,100	343,880	126,800

Deposits with licensed banks have tenures of more than three months but less than one year.

Included in the short-term deposits are the following balances placed with related companies arising from normal business transactions:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deposits with licensed banks	319,050	-	318,000	-

Notes to the Financial Statements

(Cont'd)

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	32,350	43,079	450	30,650
Cash and bank balances	47,181	41,826	7	72
	79,531	84,905	457	30,722

Included in the cash and cash equivalents are the following balances placed with related companies arising from normal business transactions:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	2,500	31,084	-	30,000
Cash and bank balances	46,503	41,657	7	70
	49,003	72,741	7	30,070

14. SHARE CAPITAL

	Group and Company			
	Number of shares	Amount	Number of shares	Amount
	2026	2026	2025	2025
	'000	RM'000	'000	RM'000
Issued and fully paid shares with no par value:				
Ordinary shares:				
At 1 July/30 June	725,485	651,567	725,485	651,567

Notes to the Financial Statements

(Cont'd)

15. RESERVES

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Executive share scheme reserve	15.1	6,930	3,720	-	-
Hedging reserve	15.2	1,613	(931)	-	-
Reserve for own shares	15.3	(10,982)	(10,745)	-	-
Retained earnings		421,086	84,303	181,267	14,470
		418,647	76,347	181,267	14,470

Note 15.1

Executive share scheme reserve represents the corresponding share-based payments expense related to the Group's Executive Share Scheme as stated in Note 3(h).

Note 15.2

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedge related to hedged translations that have not yet occurred.

Note 15.3

Reserve for own shares represents Trust Shares purchased by the ESS Trust as disclosed in Note 3(h). As at 30 June 2026, the total number ordinary shares of the Company ("HCIB Shares") held by the ESS Trust at the Group level was 3,959,634 (2025: 3,882,467) HCIB Shares.

At the Group level, during the financial year:

- a total of 140,100 (2025: 3,575,700) HCIB Shares were purchased by the ESS Trust; and
- 62,933 of the (2025: 16,233) existing ordinary shares in the Company held in the ESS Trust were transferred to the eligible executive arising from the vesting of free HCIB shares.

16. LOANS AND BORROWINGS

		Group	
	Note	2026	2025
		RM'000	RM'000
Non-current (Unsecured)			
Term loans	16.1	-	113,857
Current (Unsecured)			
Revolving credits		-	20,000
Trade financing		-	10,852
		-	30,852
		-	144,709

Note 16.1

In the previous financial year, the term loans contained a financial covenant requiring the subsidiary to ensure that its net gearing ratio (net of cash) does not exceed 1.75x throughout the tenure of the facilities.

Notes to the Financial Statements

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17. DEFERRED TAX LIABILITIES

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2026	2025	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment	-	-	(115,948)	(130,106)	(115,948)	(130,106)
Right-of-use assets	-	-	(620)	(561)	(620)	(561)
Lease liabilities	649	583	-	-	649	583
Other deductible temporary differences	14,493	13,648	-	-	14,493	13,648
Other items	-	-	(58)	(583)	(58)	(583)
Tax assets/(liabilities)	15,142	14,231	(116,626)	(131,250)	(101,484)	(117,019)
Set-off of tax	(15,142)	(14,231)	15,142	14,231	-	-
Net tax assets/(liabilities)	-	-	(101,484)	(117,019)	(101,484)	(117,019)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2026	2025
	RM'000	RM'000
Tax losses carry-forwards	14,933	117,301
Unutilised reinvestment allowance	1,556	3,840
Unabsorbed capital allowance	-	16,074
Other deductible temporary differences	953	5,736
	17,442	142,951

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits.

Notes to the Financial Statements

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17. DEFERRED TAX LIABILITIES (cont'd)

Unrecognised deferred tax assets (cont'd)

The tax losses carry-forwards will expire in the following year of assessment:

	Group	
	2026	2025
	RM'000	RM'000
Year of assessment:		
2028	14,095	69,286
2029	838	7,750
2030	-	16,091
2031	-	8,478
2032	-	8,878
2033	-	3,483
2034	-	3,335
	14,933	117,301

Unutilised reinvestment allowance can be carried forward for seven years after the qualifying period of fifteen years under current tax legislation.

Movement in temporary differences during the year

	At 1.7.2024	Recognised in profit or loss (Note 23)	At 30.6.2025/ 1.7.2025	Recognised in profit or loss (Note 23)	Disposal of subsidiaries (Note 30)	At 30.6.2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment	(143,296)	13,190	(130,106)	13,738	420	(115,948)
Right-of-use assets	(2,103)	1,542	(561)	(59)	-	(620)
Lease liabilities	1,001	(418)	583	66	-	649
Unabsorbed capital allowance	36,794	(36,794)	-	-	-	-
Other deductible temporary differences	11,866	1,782	13,648	845	-	14,493
Tax losses carry-forwards	8,877	(8,877)	-	-	-	-
Other items	2,674	(3,257)	(583)	703	(178)	(58)
	(84,187)	(32,832)	(117,019)	15,293	242	(101,484)

Notes to the Financial Statements

(Cont'd)

18. DEFERRED INCOME

	Group	
	2026	2025
	RM'000	RM'000
Non-current		
Investment tax allowance	20,355	23,749
Reinvestment allowance	36,393	40,157
	56,748	63,906
Current		
Investment tax allowance	3,394	3,394
Reinvestment allowance	3,764	3,764
	7,158	7,158
	63,906	71,064

The tax benefits arising from investment tax allowance and reinvestment allowance are being amortised over the estimated useful lives of the underlying plant and equipment for which investment tax allowance and reinvestment allowance were claimed. During the financial year, a total of RM7,158,000 (2025: RM7,158,000) has been amortised and recognised as other operating income in profit or loss of the Group.

19. EMPLOYEE BENEFITS

Executive Share Scheme ("ESS")

The Company had, on 8 November 2022, implemented an ESS which comprises an executive share option scheme ("ESOS") and an executive share grant scheme ("ESGS") of up to 10% of the Company's total number of issued ordinary shares (excluding treasury shares) for eligible executives and/or directors of the Company and its subsidiaries ("ESS 2022"). The ESS 2022 will be in force for a period of 10 years from 8 November 2022.

The main features of the ESS are, inter alia, as follows:

1. Eligible executives are those executives of the Group who have been confirmed in service on the date of offer or directors of the Group. The Board may from time to time at its discretion select and identify suitable eligible executives to be offered options or grants.
2. The aggregate number of shares comprised in:
 - (i) exercised options;
 - (ii) unexercised options;
 - (iii) unexpired option offers and unexpired grant offers pending acceptances by the eligible executives;
 - (iv) outstanding grants;
 - (v) completed grants; and
 - (vi) exercised options, unexercised options, outstanding grants, completed grants and unexpired offers pending acceptances, under any other executive share schemes established by the Company which are still subsisting,

shall not exceed 10% of the total number of issued ordinary shares (excluding treasury shares) of the Company at any one time ("Maximum Aggregate").

Notes to the Financial Statements

(Cont'd)

19. EMPLOYEE BENEFITS (cont'd)

Executive Share Scheme ("ESS") (cont'd)

The main features of the ESS are, inter alia, as follows: (cont'd)

3. The option price shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company.
4. The exercise of the options or vesting of shares may, at the absolute discretion of the Board, be satisfied by way of issuance of new ordinary shares in the Company (unless otherwise adjusted); transfer of existing shares, or a combination of both new shares and existing shares.
5. At any point in time during the existence of the ESS, the allocation to an eligible executive who, either singly or collectively through persons connected with the eligible executive, holds 20% or more of the total number of issued ordinary shares (excluding treasury shares) of the Company, must not exceed 10% of the Maximum Aggregate.
6. The option offered to an option holder under the ESOS is exercisable by the option holder or the shares to be vested to a grant holder under the ESGS will be vested to the grant holder only during his employment or directorship with the Group and within the option exercise period of the ESOS, subject to any maximum limit as may be determined by the Board under the By-Laws of the ESS.

ESOS

During the financial year ended 30 June 2026 and since the commencement of the ESS 2022, there was no grant or vesting of conditional incentive share options ("Options") over HCIB Shares to eligible executives of the Group.

ESGS

The details of the share movement during the financial year ended 30 June 2026 of an eligible director of the Company and of eligible senior management of the Group, are as follows:

(i) Director of the Company

Grant Date	Outstanding		During FY2026	
	At 1.7.2025 '000	At 30.6.2026 '000	Granted '000	Vested '000
22.04.2024	-	1,800 ^{*^}	-	-
23.01.2025	-	16 [*]	-	16 [*]
20.01.2026	-	93	140	47
Total	-	1,909	140	63
% of total units since commencement			3.39%	79.49%

Notes to the Financial Statements

(Cont'd)

19. EMPLOYEE BENEFITS (cont'd)

Executive Share Scheme ("ESS") (cont'd)

ESGS (cont'd)

(ii) Senior management of the Group

Grant Date	Outstanding		During FY2026	
	At 1.7.2025 '000	At 30.6.2026 '000	Granted '000	Vested '000
22.04.2024	3,850 [^]	2,050 ^{*^}	-	-
23.01.2025	33	-	-	-
Total	3,883	2,050	-	-
% of total units since commencement			-	-

* A member of Senior Management was appointed as a Director of the Company during FY2026

[^] The grant of free HCIB Shares were subjected to the achievement of certain performance criteria over a performance period

During the financial year ended 30 June 2026, a total of 140,100 free HCIB Shares were granted to a Director of the Company. A total of 62,933 HCIB Shares to a Director has been vested during the financial year.

Since the commencement of the ESS 2022, an aggregate of 4,134,544 free HCIB Shares have been granted to eligible executives, out of which 79,166 free HCIB Shares have vested and 95,744 free HCIB Shares have lapsed. Based on the Maximum Aggregate as at financial year ended 2026, the actual percentage of the total free HCIB Shares granted to Directors (including a past Director) and senior management of the Group was 0.19% during the financial year and 5.70% since the commencement of the ESS 2022.

The aggregate allocation of options and HCIB Shares granted to Directors and senior management of the Group pursuant to the ESS 2022 is at the discretion of the Board provided that such allocation does not exceed the Maximum Aggregate.

(iii) Value of employee services received for HCIB Shares grant

	Group	
	2026 RM'000	2025 RM'000
HCIB Shares Grant	(6,930)	(3,720)

(iv) HCIB Shares grant - Weighted average fair value and assumptions

	Group	
	2026	2025
Fair value at grant date	RM2.57	RM2.54

Notes to the Financial Statements

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20. TRADE AND OTHER PAYABLES, INCLUDING DERIVATIVES

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Non-current					
Other payable	20.1	710	710	-	-
Current					
<u>Trade</u>					
Trade payables					
- Third parties		114,109	116,059	-	-
- Related companies		15	380	-	-
		114,124	116,439	-	-
<u>Non-trade</u>					
Amount due to related companies	20.2	1,024	20	-	-
Amount due to a subsidiary	20.2	-	-	453	-
Other payables		2,188	2,144	-	-
Accrued expenses		26,368	27,859	4,721	628
Derivative used for hedging					
- Forward exchange contract	20.3	-	931	-	-
		29,580	30,954	5,174	628
		143,704	147,393	5,174	628
		144,414	148,103	5,174	628

Note 20.1

The other payable relates to deposit received from a tenant.

Note 20.2

The non-trade amounts due to related companies and a subsidiary are unsecured, interest free and repayable on demand.

Note 20.3

The total notional amount of the forward exchange contracts in the previous financial year was USD14,680,000 (RM62,752,000).

Notes to the Financial Statements

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21. REVENUE

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers	1,053,333	1,111,803	-	-
Other revenue				
- Rental income	2,842	2,798	-	-
- Dividend income	-	-	143,295	83,843
Total revenue	1,056,175	1,114,601	143,295	83,843

21.1 Disaggregation of revenue

	Construction materials		Total	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Major products				
Cement	1,032,432	1,048,492	1,032,432	1,048,492
Concrete	20,901	63,311	20,901	63,311
	1,053,333	1,111,803	1,053,333	1,111,803
Timing and recognition				
At a point in time	1,053,333	1,111,803	1,053,333	1,111,803

21.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds
Cement	Revenue is recognised at a point in time when the control is transferred to customer based on respective sales terms	Credit period of 30 - 90 days from invoice date	Prompt payment discount and volume incentive	Returns allowed only for damaged goods
Concrete	Revenue is recognised at a point in time when the control is transferred to customer based on respective sales terms	Credit period of 30 - 90 days from invoice date	Prompt payment discount and volume incentive	Returns allowed only for damaged goods

Notes to the Financial Statements

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22. PROFIT BEFORE TAXATION

Note	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Other than those disclosed elsewhere in the financial statements, profit before taxation is arrived at after charging/(crediting):				
Auditors' remuneration				
Audit fees:				
- KPMG PLT	181	273	45	45
Non-audit fees:				
- KPMG PLT	4	4	4	4
- Local affiliates of KPMG PLT	-	85	-	-
Material (income)/expenses				
Dividend income from subsidiaries	-	-	(143,295)	(83,843)
Loss/(Gain) on foreign exchange				
- Realised	162	520	-	-
- Unrealised	97	(137)	-	-
Personnel expenses (including Directors of the Company):				
- Wages, salaries and others	47,421	49,222	-	-
- Contribution to Employees Provident Fund	4,853	4,896	-	-
- Share-based payment	3,422	3,182	-	-
(Reversal)/Provision for slow moving inventories	(777)	3,938	-	-
Property, plant and equipment				
- Written off	5,232	4,119	-	-
- Gain on disposal	(367)	(134)	-	-
- Impairment loss	101	1,985	-	-
Gain on disposal of subsidiaries (pre-tax)	30	(191,235)	(122,770)	-
Gain on disposal of asset held for sale (pre-tax)	-	(34,868)	-	-
Expenses arising from leases				
Expenses relating to short-term leases and leases of low-value assets	a	9,711	11,766	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities		15,990	-	-

Notes to the Financial Statements

(Cont'd)

22. PROFIT BEFORE TAXATION (cont'd)

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Other than those disclosed elsewhere in the financial statements, profit before taxation is arrived at after charging/(crediting): (cont'd)				
Net gain on impairment of financial instruments				
Financial assets at amortised cost	(80)	(80)	-	-
Finance costs				
Interest expense on lease liabilities	149	184	-	-
Other finance costs	3,502	12,097	-	-
	3,651	12,281	-	-

Note a

The Group leases mobile equipment and photocopier with contract terms less than 1 year. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

23. TAXATION

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current year	30,821	8,147	1,510	1,690
- Prior years	58	(80)	5	-
- Real property gains tax	-	2,644	-	-
- Capital gain tax	3,450	-	3,450	-
	34,329	10,711	4,965	1,690
Deferred taxation				
- Current year	(15,317)	35,842	-	-
- Prior years	24	(3,010)	-	-
	(15,293)	32,832	-	-
Tax credit receivables				
- Current year	62,007	28,365	-	-
- Prior years	(201)	-	-	-
	61,806	28,365	-	-
	80,842	71,908	4,965	1,690

Notes to the Financial Statements

(Cont'd)

23. TAXATION (cont'd)

The reconciliation of income tax applicable to profit before taxation at the statutory income tax rate to income tax at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	511,401	295,079	266,075	88,695
Taxation at Malaysian statutory tax rate of 24%	122,736	70,819	63,858	21,287
Non-deductible expenses	1,875	3,203	680	525
Non-taxable income*	(47,100)	(6,715)	(63,028)	(20,122)
Deferred tax assets not recognised	-	5,047	-	-
	77,511	72,354	1,510	1,690
(Over)/Under provision in prior years	(119)	(3,090)	5	-
Real property gains tax	-	2,644	-	-
Capital gain tax	3,450	-	3,450	-
	80,842	71,908	4,965	1,690

* Included gain on disposal of subsidiaries subject to Capital Gain Tax and gain on disposal of land and buildings subject to Real Property Gains Tax.

24. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The basic earnings per ordinary share is calculated by dividing the Group's profit for the year attributable to owners of the Company of RM430,559,000 (2025: RM223,171,000) by the weighted average number of ordinary shares outstanding during the financial year of 721,547,000 (2025: 723,696,000) as follows:

	2026	2025
	'000	'000
Weighted average number of ordinary shares		
Number of ordinary shares at beginning of year	725,485	725,485
Less: ESS Trust Shares held at beginning of year	(3,883)	(323)
	721,602	725,162
Effect of ESS Trust Shares purchased	(82)	(1,473)
Effect of ESS Trust Shares vested	27	7
Weighted average number of ordinary shares outstanding during the year	721,547	723,696
Basic earnings per ordinary share (sen)	59.67	30.84

The Group's diluted earnings per ordinary share for the financial year ended 30 June 2026 and 2025 approximates its basic earnings per ordinary share.

Notes to the Financial Statements

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25. DIVIDENDS

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
First interim				
4 sen per share single tier	-	28,961	-	29,019
6 sen per share single tier	43,296	-	43,529	-
Second interim				
6 sen per share single tier	-	43,296	-	43,529
7 sen per share single tier	50,507	-	50,784	-
	93,803	72,257	94,313	72,548

Dividends received by the ESS Trust amounting to RM510,000 (2025: RM291,000) for the Group is eliminated against the dividend expense of the Company upon consolidation of the ESS Trust as disclosed in Note 3(h).

26. OPERATING SEGMENTS

The Board of Directors reviews internal management reports at least on a quarterly basis. Operating segments are components in which separate financial information that is available and is evaluated regularly by the Board of Directors on resources allocation and in assessing performance. The Group has identified the business of construction materials includes the manufacture and sale of cement, concrete and related products as its sole operating segment.

Segment profit

Performance is measured based on segment profit before interest income, finance costs and taxation as included in the internal management reports that are reviewed by the Board of Directors.

Segment assets

Segment assets information is not presented to the Board of Directors and hence, no disclosure is made on the segment asset.

Segment liabilities

Segment liabilities information is not presented to the Board of Directors and hence, no disclosure is made on the segment liabilities.

	Construction materials	
	2026	2025
	RM'000	RM'000
Segment profit	319,345	301,780
<i>Included in the measure of segment profit are:</i>		
Revenue from external customers	1,053,333	1,111,803
Depreciation	(75,755)	(72,561)

Notes to the Financial Statements

(Cont'd)

26. OPERATING SEGMENTS (cont'd)

Reconciliation of reportable segment profit

	2026 RM'000	2025 RM'000
Profit		
Reportable segment	319,345	301,780
Non-reportable segment	(4,355)	(312)
Gain on disposal of subsidiaries (pre-tax)	191,235	-
Interest income	8,827	5,892
Finance costs	(3,651)	(12,281)
Consolidated profit before taxation	511,401	295,079

	2026		2025	
	External revenue RM'000	Depreciation RM'000	External revenue RM'000	Depreciation RM'000
Reportable segment	1,053,333	75,755	1,111,803	72,561
Non-reportable segment	2,842	256	2,798	258
Total	1,056,175	76,011	1,114,601	72,819

Geographical information

Revenue of the Group by geographical location of the customers is as follows:

	Revenue	
	2026 RM'000	2025 RM'000
Malaysia	1,056,175	1,114,601

Non-current assets of the Group are maintained within Malaysia as at the end of the current and previous financial year.

Major customer

During the financial year, there was a single customer has contributed to 10% (2025: 11%) of the Group's revenue.

Notes to the Financial Statements

(Cont'd)

27. RELATED PARTIES

27.1 The Group has related party transactions with corporations which are related to the Directors and/or major shareholders of the Company and/or related corporations and/or persons connected with them as follows:

- i. HLCM is a major shareholder of the Company through Hong Leong Manufacturing Group Sdn Bhd ("HLMG"), GuoLine Capital Assets Limited is a person connected with certain major shareholders of the Company and persons connected with them (collectively referred to as "Hong Leong Group").
- ii. Tasek Corporation Berhad ("Tasek") is a person connected with Mr Kwek Leng Kee and Mr Kwek Leng Beng, both major shareholders of the Company; and
- iii. Hong Bee Hardware Company, Sdn Berhad ("Hong Bee Hardware") is a person connected with Mr Kwek Leng Kee and Mr Kwek Leng Beng, both major shareholders of the Company.

Significant transactions with related parties are as follows:

Transactions	Related parties	Group	
		2026 RM'000	2025 RM'000
a) Rental of office	Hong Leong Group	834	834
b) Receipt of group management and/or support services	Hong Leong Group	18,838	13,549
c) Purchase of goods	Hong Leong Group	94	3,679
	Hong Bee Hardware	151	155
	Tasek	267	-
d) Sale of goods	Hong Bee Hardware	68,642	60,807

Significant balances with related parties at the reporting date are disclosed in Note 11 and Note 20 to the financial statements.

The above transactions have been carried out on commercial terms consistent with the usual business practices and policies of the Group and of the Company.

Notes to the Financial Statements

(Cont'd)

27. RELATED PARTIES (cont'd)

27.2 Key management personnel are 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 Company.

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
<i>Key Management Personnel</i>				
Remuneration and other benefits	1,632	-	-	-
<i>Non-Executive Directors</i>				
Fees	448	448	448	448

28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Financial assets measured at amortised cost ("FAAC"); and
- (b) Financial liabilities measured at amortised cost ("FLAC")

	Carrying amount	FAAC/ FLAC	Derivative used for hedging
	RM'000	RM'000	RM'000
2026			
Group			
Financial assets			
Trade and other receivables, including derivatives (excluding prepayments)	83,518	81,905	1,613
Short-term deposits	450,180	450,180	-
Cash and cash equivalents	79,531	79,531	-
	613,229	611,616	1,613
Financial liabilities			
Trade and other payables, including derivatives	144,414	144,414	-
	144,414	144,414	-

Notes to the Financial Statements

(Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	FAAC/ FLAC RM'000	Derivative used for hedging RM'000
2026			
Company			
Financial assets			
Trade and other receivables (excluding prepayments)	32	32	-
Short-term deposits	343,880	343,880	-
Cash and cash equivalents	457	457	-
	344,369	344,369	-
Financial liabilities			
Trade and other payables	5,174	5,174	-
2025			
Group			
Financial assets			
Trade and other receivables, including derivatives (excluding prepayments)	78,003	78,003	-
Short-term deposits	149,100	149,100	-
Cash and cash equivalents	84,905	84,905	-
	312,008	312,008	-
Financial liabilities			
Loans and borrowings	144,709	144,709	-
Trade and other payables, including derivatives	148,103	147,172	931
	292,812	291,881	931
Company			
Financial assets			
Trade and other receivables (excluding prepayments)	32	32	-
Short-term deposits	126,800	126,800	-
Cash and cash equivalents	30,722	30,722	-
	157,554	157,554	-
Financial liabilities			
Trade and other payables	628	628	-

Notes to the Financial Statements

(Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.2 Net gains and losses arising from financial instruments

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) on:				
Financial assets measured at amortised cost	8,827	6,029	149,830	91,038
Financial liabilities measured at amortised cost	(3,761)	(12,617)	-	-
Derivative used for hedging	2,544	(963)	-	-
	7,610	(7,551)	149,830	91,038

28.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

28.3.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, short-term deposits and bank balances and outstanding forward exchange contracts.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

As at the end of the reporting period, there were no significant concentrations of credit risk other than two customers which represented 19% (2025: two customers – 17%) of trade receivables. The maximum exposure to credit risk for the Group is represented by the carrying amount of each financial asset.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due, which are deemed to have higher credit risk, are monitored individually.

There is no exposure of credit risk for trade receivables, net of allowance for impairment losses, as at the end of the reporting period by geographic region.

Notes to the Financial Statements

(Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.3 Financial risk management (cont'd)

28.3.1 Credit risk (cont'd)

Receivables (cont'd)

Expected credit loss ("ECL") assessment for trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers.

To measure the expected credit losses, trade receivables have been grouped based on credit risk and days past due.

Where a trade receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period.

	Gross RM'000	Impairment loss allowance RM'000	Net RM'000
Group			
2026			
Current (not past due)	76,025	-	76,025
Past due 0 - 30 days	3,578	-	3,578
Past due 31 - 60 days	32	-	32
Past due 61 - 90 days	1	-	1
Past due more than 90 days	90	(90)	-
	79,726	(90)	79,636
2025			
Current (not past due)	71,444	-	71,444
Past due 0 - 30 days	1,726	-	1,726
Past due 31 - 60 days	252	-	252
Past due 61 - 90 days	6	-	6
Past due more than 90 days	389	(389)	-
	73,817	(389)	73,428

Notes to the Financial Statements

(Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.3 Financial risk management (cont'd)

28.3.1 Credit risk (cont'd)

Receivables (cont'd)

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	Group	
	2026	2025
	RM'000	RM'000
Balance at 1 July	389	469
Net allowance of impairment loss	(80)	(80)
Disposal of subsidiaries (Note 30)	(219)	-
Balance at 30 June	90	389

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Expected credit loss of other receivables

Expected credit loss of other receivables are determined individually after considering the financial strength of the other receivables. Based on management's assessment, the probability of the default of these receivables is low and hence, no loss allowance has been made.

Cash and cash equivalents and forward exchange contracts

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's short-term deposits are placed as fixed rates investments and upon which management endeavours to obtain the best rate available in the market.

Cash and cash equivalents of the Group and the Company are placed with licensed financial institutions which are mainly placed with a related company licensed financial institutions as disclosed in Note 12 to the financial statements.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

The Group and the Company consider that their cash and cash equivalents and forward exchange contracts have low credit risk.

Notes to the Financial Statements

(Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.3 Financial risk management (cont'd)

28.3.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayments and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000
Group					
2026					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	144,414	-	144,414	143,704	710
Lease liabilities	2,703	4.16 - 4.75	2,894	1,066	1,828
	<u>147,117</u>		<u>147,308</u>	<u>144,770</u>	<u>2,538</u>
Company					
2026					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	<u>5,174</u>	-	<u>5,174</u>	<u>5,174</u>	-
Group					
2025					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	147,172	-	147,172	146,462	710
Loans and borrowings	144,709	3.79 - 4.73	157,117	36,353	120,764
Lease liabilities	3,504	4.16 - 5.00	3,679	1,066	2,613
	<u>295,385</u>		<u>307,968</u>	<u>183,881</u>	<u>124,087</u>

Notes to the Financial Statements

(Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.3 Financial risk management (cont'd)

28.3.2 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 – 5 years RM'000
Company					
2025					
<i>Non-derivative financial liabilities</i>					
Trade and other payables	628	-	628	628	-

28.3.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

28.3.3.1 Currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Group entities. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts, on a case by case basis.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the respective functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in USD	
	2026 RM'000	2025 RM'000
Group		
Cash and cash equivalents	246	53
Trade and other payables	(5,738)	(12,225)
	(5,492)	(12,172)

Currency risk sensitivity analysis

A 5% (2025: 5%) strengthening of the Ringgit Malaysia against USD at the end of the reporting period would have increased profit before taxation of the Group by RM275,000 (2025: RM609,000). A 5% (2025: 5%) weakening of Ringgit Malaysia against USD at the end of the reporting period would have equal but opposite effect on profit or loss. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Notes to the Financial Statements

(Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.3 Financial risk management (cont'd)

28.3.3 Market risk (cont'd)

28.3.3.2 Interest rate risk

The Group and the Company manage its interest rate exposure by maintaining available lines of fixed and floating rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group	
	2026 RM'000	2025 RM'000
Fixed rate instruments		
Deposits with licensed banks	504,582	192,179
Lease liabilities	(2,703)	(3,504)
	501,879	188,675
Floating rate instruments		
Loans and borrowings	-	(144,709)
	Company	
	2026 RM'000	2025 RM'000
Fixed rate instruments		
Deposits with licensed banks	344,330	157,450
	344,330	157,450

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 50 basis points ("bp") (2025: 50 bp) in interest rates at the end of the reporting period would have decreased the profit before taxation of the Group by Nil (2025: RM724,000). A decrease of 50 bp (2025: 50 bp) in interest rates would have had equal but opposite effect on profit or loss. This analysis assumes that all other variables remained constant.

Notes to the Financial Statements

(Cont'd)

28. FINANCIAL INSTRUMENTS (cont'd)

28.4 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings approximate their fair values due to the relatively short-term nature of these financial instruments. Accordingly, the fair values and fair values hierarchy levels have not been presented for these instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Group										
2026										
Financial assets										
Forward exchange contract	-	1,613	-	1,613	-	-	-	-	1,613	1,613
	-	1,613	-	1,613	-	-	-	-	1,613	1,613
Financial liabilities										
Other payables	-	-	-	-	-	-	(670)	(670)	(670)	(710)
	-	-	-	-	-	-	(670)	(670)	(670)	(710)
2025										
Financial liabilities										
Term loans	-	-	-	-	-	-	(113,857)	(113,857)	(113,857)	(113,857)
Other payables	-	-	-	-	-	-	(657)	(657)	(657)	(710)
Forward exchange contract	-	(931)	-	(931)	-	-	-	-	(931)	(931)
	-	(931)	-	(931)	-	-	(114,514)	(114,514)	(115,445)	(115,498)

Level 2 fair value

Derivatives

The fair value of derivatives are obtained from observable market prices in active markets, including recent market transactions and valuation techniques that include discounted cash flow models and option pricing models, as appropriate.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

In respect of financial instruments not carried at fair value, the fair value is derived based on the discounted cash flow valuation method.

Notes to the Financial Statements

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29. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio. There was no change in the Group's approach to capital management during the financial year.

The debt-to-equity ratios are as follows:

	Group	
	2026	2025
	RM'000	RM'000
Loans and borrowings	-	144,709
Lease liabilities	2,703	3,504
Less: Short-term deposits	(450,180)	(149,100)
Less: Cash and cash equivalents	(79,531)	(84,905)
Net cash	(527,008)	(85,792)
Total equity	1,070,214	727,914
Debt-to-equity ratio	Nil	Nil

30. DISPOSAL OF SUBSIDIARIES

The Group had on 31 March 2026 completed the disposal of 30,000,000 ordinary shares in Hume Concrete Sdn Bhd ("HCCT") and its subsidiary (collectively known as "HCCT Group"), representing 100% equity interest in HCCT, to YTL Cement (Sarawak) Sdn Bhd for disposal consideration of RM215.5 million. The disposal resulted in a pre-tax gain of RM191.2 million for the financial year.

Following the disposal, HCCT Group has ceased to be subsidiaries of the Group.

The assets and liabilities of HCCT Group as at the completion date are set out below.

The disposal has the following effects on the financial position and results:

	Note	HCCT Group RM'000
Group		
Property, plant and equipment		2,784
Right-of-use assets		7,386
Inventories		3,918
Trade and other receivables		2,049
Cash and cash equivalents		10,167
Trade and other payables		(1,947)
Contract liabilities		(1,521)
Current tax liabilities		(342)
Deferred tax liabilities		(242)
Retirement benefits		(72)
Net assets		22,180

Notes to the Financial Statements

(Cont'd)

30. DISPOSAL OF SUBSIDIARIES (cont'd)

The disposal has the following effects on the financial position and results: (cont'd)

	Note	HCCT Group RM'000
Group (cont'd)		
Sale consideration		215,521
Net assets disposed		(22,180)
Other expenses on disposal		(2,106)
Gain on disposal to the Group (pre-tax)	22	191,235
Capital gain tax	23	(3,450)
Gain on disposal to the Group (post-tax)		187,785
Cash inflow arising from the disposals:		
Sales consideration		215,521
Other expenses on disposal		(2,106)
Capital gain tax	23	(3,450)
Cash and cash equivalents disposed		(10,167)
Net cash inflow on disposals		199,798
Company		
Sale consideration		215,521
Other expenses on disposal		(2,106)
Cost of investment		(90,645)
Gain on disposal to the Company (pre-tax)	22	122,770
Capital gain tax	23	(3,450)
Gain on disposal to the Company (post-tax)		119,320
Cash inflow arising from the disposals:		
Sales consideration		215,521
Other expenses on disposal		(2,106)
Capital gain tax	23	(3,450)
Net cash inflow on disposals		209,965

31. CAPITAL COMMITMENTS

	Group	
	2026 RM'000	2025 RM'000
Property, plant and equipment		
Approved and contracted for	68,060	-

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 113 to 161 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 of 30 June 2026 and of their financial performance and cash flows for the financial year then ended.

On behalf of the Board,

William Tan Kok Siang

Tai Sook Yee

18 August 2026

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, Cheah Keh Ming, the person primarily responsible for the financial management of Hume Cement Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 113 to 161 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed, Cheah Keh Ming, MIA CA 54891, at Kuala Lumpur in the Federal Territory on 18 August 2026.

Cheah Keh Ming

Before me:

Alizahwati Binti Atan
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report

To the Members of Hume Cement Industries Berhad
(Registration No. 198001008443 (62227-X))(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hume Cement Industries Berhad, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss and other 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 113 to 161.

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 2026 and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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 auditors' 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"), as applicable to audits of financial statements of public interest entities, 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. 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.

Independent Auditors' Report

To the Members of Hume Cement Industries Berhad
(Registration No. 198001008443 (62227-X))(Incorporated in Malaysia)
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key Audit Matters (cont'd)

- Revenue recognition - Group**
Refer to Note 21 to the financial statements.

The key audit matter	How the matter was addressed in our audit
The Group's revenue from contracts with customers amounted to RM1,053 million and represents a significant balance within the financial statements. This is a key audit matter due to the high volume of sales transactions where there is a risk that revenue may be recognised in the incorrect accounting period.	We performed the following audit procedures, among others: - Assessed the design and implementation of controls over the revenue process. - Inspected supporting documents, on a sample basis, for sales transactions recognised during the financial year. - Assessed, on a sample basis, whether revenue transactions before and after the financial year end had been recognised in the appropriate financial period. - Sent confirmation requests to customers, on a sample basis, and agreed confirmed transactions and balances to Group's accounting records. Where no responses were received, we performed alternative procedures, including inspected to acknowledged delivery orders. - Inspected, on a sample basis, for credit notes issued subsequent to financial year end to evaluate whether it has been recorded in the appropriate financial period.

We have determined that there are no key audit matters in the audit report of the separate financial statements of the Company in our auditors' report.

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 Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Independent Auditors' Report

To the Members of Hume Cement Industries Berhad
(Registration No. 198001008443 (62227-X))(Incorporated in Malaysia)
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

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 MFRS Accounting Standards, IFRS Accounting 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 ability of the Group and of the Company 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.

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 conducted 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 internal control of the Group and of the Company.
- 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 ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group or 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 of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

To the Members of Hume Cement Industries Berhad
(Registration No. 198001008443 (62227-X))(Incorporated in Malaysia)
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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.

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, actions taken to eliminate threats or safeguards applied.

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 or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' 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 subsidiary of which we have not acted as auditors is disclosed in Note 4 to the financial statements.

OTHER MATTER

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.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 18 August 2026

Koh Ree Nie
Approval Number: 03339/12/2027 J
Chartered Accountant

Other Information

1. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Group	
	2026 RM'000	2025 RM'000
Revenue	1,056,175	1,114,601
Other Income	202,361	45,766
Interest Income	8,827	5,892
Total	1,267,363	1,166,259
Total Assets	1,399,783	1,219,725

(b) Business Activities

	Group	
	2026 RM'000	2025 RM'000
<u>Shariah Non-Compliant Activities</u>		
Interest income	7,571	5,758

(c) Component of Financial Position

(i) Cash Component

	Group	
	2026 RM'000	2025 RM'000
<u>Islamic Account/Instruments</u>		
Short-term deposits	319,050	-
Deposits with licensed bank	2,500	31,084
Total	321,550	31,084
<u>Conventional Account/Instruments</u>		
Short-term deposits	131,130	149,100
Deposits with licensed bank	29,850	11,995
Cash at bank	47,181	41,826
Total	208,161	202,921

Other Information

(Cont'd)

1. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (cont'd)

(c) Component of Financial Position (cont'd)

(ii) Debt Component

	Group	
	2026	2025
	RM'000	RM'000
Islamic Financing		
Current	-	-
Non-Current	-	-
Total	-	-
Conventional Borrowing		
Current		
Revolving credits	-	20,000
Trade financing	-	10,852
	-	30,852
Non-Current		
Term loans	-	113,857
Total	-	144,709

2. PROPERTIES HELD BY THE GROUP AS AT 30 JUNE 2026

Location	Tenure	Existing use	Year of last Revaluation/ Acquisition	Approximate Area (Sq Ft)	Approximate Age of Building (Year)	Net Book Value as at 30 June 2026 (RM'000)
Lot 5777 Mukim Setul Nilai Industrial Estate Negeri Sembilan Darul Khusus	Leasehold 60 years expiring 2046	Industrial land with office and factory buildings	1991	602,206	32	5,169
Lot 300254, 300255, 300256, 300316 Mukim Teja Kampar, Perak	Leasehold 30/60/99 years expiring 2047/2057/2096	Quarry and cement plant	2013/2026	34,062,389	14	82,755

Other Information

(Cont'd)

3. ANALYSIS OF SHAREHOLDINGS AS AT 9 SEPTEMBER 2026

Class of Shares : Ordinary shares
Voting Rights : 1 vote for each share held

Distribution Schedule Of Shareholders As At 9 September 2026

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100	640	14.65	17,591	0.00
100 – 1,000	1,063	24.33	633,830	0.09
1,001 – 10,000	1,818	41.61	7,015,338	0.97
10,001 – 100,000	648	14.83	20,413,084	2.81
100,001 – less than 5% of issued shares	199	4.56	169,494,450	23.36
5% and above of issued shares	1	0.02	527,910,438	72.77
	4,369	100.00	725,484,731	100.00

List Of Thirty Largest Shareholders As At 9 September 2026

Name of Shareholders	No. of Shares	%
1. Hong Leong Manufacturing Group Sdn Bhd	527,910,438	72.77
2. AmanahRaya Trustees Berhad - Public Smallcap Fund	13,416,938	1.85
3. HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Singular Value Fund	7,656,200	1.05
4. AmSec Nominees (Tempatan) Sdn Bhd - AmBank (M) Berhad	6,670,138	0.92
5. Kong Goon Siong	6,513,500	0.90
6. Kong Goon Khing	6,339,000	0.87
7. Kong Goon Khing	6,161,000	0.85
8. HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)	5,866,300	0.81
9. AmanahRaya Trustees Berhad - Public Strategic Smallcap Fund	5,432,700	0.75
10. Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Citibank New York (Norges Bank 19)	4,587,200	0.63

Other Information

(Cont'd)

3. ANALYSIS OF SHAREHOLDINGS AS AT 9 SEPTEMBER 2026 (cont'd)

List Of Thirty Largest Shareholders As At 9 September 2026 (cont'd)

	Name of Shareholders	No. of Shares	%
11.	HLIB Nominees (Tempatan) Sdn Bhd - Exempt AN for Hume Cement Industries Berhad (HCMT-ESS 2022)	3,959,634	0.55
12.	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)	3,750,200	0.52
13.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	3,322,300	0.46
14.	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Singular Asean Fund	3,223,500	0.44
15.	Citigroup Nominees (Tempatan) Sdn Bhd - Lembaga Tabung Haji (Eastspring)	3,053,900	0.42
16.	Citigroup Nominees (Asing) Sdn Bhd - UBS AG Singapore for Kwek Leng San	2,944,000	0.41
17.	CIMB Group Nominees (Tempatan) Sdn Bhd - Exempt AN for Petroliam Nasional Berhad (PET-Manulife-EQSH)	2,935,900	0.40
18.	Soon Seong Keat	2,870,000	0.39
19.	AmanahRaya Trustees Berhad - Public Select Treasures Equity Fund	2,770,800	0.38
20.	Megamix Sdn Bhd	2,587,200	0.36
21.	Teo Chee Hoon	2,523,400	0.35
22.	AmanahRaya Trustees Berhad - Public Strategic Growth Fund	2,513,300	0.35
23.	Hong Bee Hardware Company, Sdn. Berhad	2,185,879	0.30
24.	Ng Seng Beng	2,067,000	0.28
25.	Kim Poh Sitt Tat Feedmill Sendirian Berhad	2,000,000	0.28
26.	HSBC Nominees (Tempatan) Sdn Bhd - BNPP SIN/2S for Pertubuhan Keselamatan Sosial (PKSUOBAM EQ)	2,000,000	0.28
27.	AmanahRaya Trustees Berhad - PB Smallcap Growth Fund	1,957,600	0.27
28.	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Dividend Fund (5311-401)	1,871,900	0.26
29.	YBhg Tan Sri Quek Leng Chan	1,705,895	0.24
30.	HSBC Nominees (Asing) Sdn Bhd - SMTBUSA for Asean Equity Active Mother Fund	1,593,400	0.22
		642,389,222	88.56

Other Information

(Cont'd)

3. ANALYSIS OF SHAREHOLDINGS AS AT 9 SEPTEMBER 2026 (cont'd)

Substantial Shareholders As At 9 September 2026

According to the Register of Substantial Shareholders, the substantial shareholders of the Company as at 9 September 2026 are as follows:

Name of Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
1. Hong Leong Manufacturing Group Sdn Bhd	527,910,438	72.77	23,200	0.003@
2. Hong Leong Company (Malaysia) Berhad ("HLCM")	-	-	527,977,171	72.78@
3. HL Holdings Sdn Bhd	-	-	527,977,171	72.78#
4. YBhg Tan Sri Quek Leng Chan	1,705,895	0.24	527,986,456	72.78*
5. Hong Realty (Private) Limited	-	-	530,163,050	73.08**
6. Hong Leong Investment Holdings Pte Ltd	-	-	530,163,050	73.08**
7. Kwek Holdings Pte Ltd	-	-	530,163,050	73.08**
8. Mr Kwek Leng Beng	-	-	530,163,050	73.08**
9. Davos Investment Holdings Private Limited	-	-	530,163,050	73.08**
10. Mr Kwek Leng Kee	-	-	530,163,050	73.08**

Notes:

@ Held through subsidiary(ies)

Held through HLCM

* Held through HLCM and a company in which his children have interests

** Held through HLCM and a company in which the substantial shareholder has interest

4. DIRECTORS' INTERESTS AS AT 9 SEPTEMBER 2026

Subsequent to the financial year end, there was no change, as at 9 September 2026, to the Directors' interests in the ordinary shares of the Company and/or its related corporations, appearing in the Directors' Report on pages 109 to 110 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016, except for the change set out below:

Direct Interest	No. of ordinary shares	%
Mr William Tan Kok Siang in:		
Hume Cement Industries Berhad	377,966	0.05

5. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Company and its subsidiaries involving the interest of Directors, chief executives and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year pursuant to Item 21, Part A, Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-sixth Annual General Meeting of Hume Cement Industries Berhad ("the Company") will be held at the Auditorium, Ground Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia on Thursday, 5 November 2026 at 10.30 a.m. in order:

1. To lay before the meeting the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 30 June 2026.
2. To approve the payment of Director Fees of RM448,000/- (2025: RM448,000/-) for the financial year ended 30 June 2026, to be divided amongst the Directors in such manner as the Directors may determine and Directors' Other Benefits of up to an amount of RM48,000/- from the Forty-sixth Annual General Meeting ("AGM") to the Forty-seventh AGM of the Company.
3. To re-elect Mr William Tan Kok Siang as a Director pursuant to the Company's Constitution.
4. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 1

Resolution 2

Resolution 3

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following motions as resolutions:

5. Ordinary Resolution

- Authority To Directors To Allot Shares

"**THAT** subject to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ["MMLR"], the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new ordinary shares ("Shares") in the Company, grant rights to subscribe for Shares in the Company, convert any security into Shares in the Company, or allot Shares under an agreement or option or offer at any time and from time to time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, to any persons who are not caught by Paragraph 6.04(c) of the MMLR provided that the aggregate number of Shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued Shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional Shares so allotted on Bursa Securities and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

Resolution 4

6. Ordinary Resolution

- Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Company (Malaysia) Berhad ("HLCM"), GuoLine Capital Assets Limited ("GCA") And Persons Connected With Them

"**THAT** approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(A) of Part A of the Circular to Shareholders dated 6 October 2026 with HLCM, GCA and persons connected with them ("Hong Leong Group") provided that such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to the Hong Leong Group than those generally available to and/or from the public, where applicable, and are not, in the Company's opinion, detrimental to the minority shareholders;

Notice of Annual General Meeting

(Cont'd)

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

Resolution 5

7. Ordinary Resolution

- Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Bee Hardware Company, Sdn Berhad ("Hong Bee Hardware")

"THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(B) of Part A of the Circular to Shareholders dated 6 October 2026 with Hong Bee Hardware provided that such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to Hong Bee Hardware than those generally available to and/or from the public, where applicable, and are not, in the Company's opinion, detrimental to the minority shareholders;

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

Resolution 6

8. Ordinary Resolution

- Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature With Hong Leong Investment Holdings Pte. Ltd. ("HLIH") And Persons Connected With HLIH

"THAT approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(B) of Part A of the Circular to Shareholders dated 6 October 2026 with HLIH and persons connected with HLIH ("HLIH Group") provided that such transactions are undertaken in the ordinary course of business, on commercial terms which are not more favourable to the HLIH Group than those generally available to and/or from the public, where applicable, and are not, in the Company's opinion, detrimental to the minority shareholders;

Notice of Annual General Meeting

(Cont'd)

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

Resolution 7

9. Ordinary Resolution

- Proposed Authority For The Purchase Of Own Shares By The Company

"THAT subject to the Companies Act 2016 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ["MMLR"] and any other relevant authority, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares in the Company's issued ordinary share capital on Bursa Securities subject further to the following:

- (a) the maximum number of shares which may be purchased and/or held by the Company shall be equivalent to 10% of the total number of issued shares of the Company ("Shares") for the time being;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the retained profits of the Company based on its latest audited financial statements available up to the date of the transaction. (As at 30 June 2026, the audited retained profits of the Company was RM181,266,969/-); and
- (c) the authority conferred by the resolution as set out in paragraphs (a) and (b) above will commence immediately upon passing of this ordinary resolution and will expire at the conclusion of the next Annual General Meeting ("AGM") of the Company, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next AGM after that date is required by law to be held, whichever occurs first and, in any event, in accordance with the provisions of the MMLR or any other relevant authority;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares;

AND THAT the Directors of the Company be and are hereby authorised to deal with any Shares so purchased ("Said Shares") in the following manner:

- (a) cancel the Said Shares; or
- (b) retain the Said Shares as treasury shares; or
- (c) retain part of the Said Shares as treasury shares and cancel the remainder; or
- (d) distribute all or any of the Said Shares as dividends to shareholders; or
- (e) resell all or any of the Said Shares in accordance with the relevant rules of Bursa Securities; or
- (f) transfer all or any of the Said Shares for the purposes of or under an employees' share scheme; or
- (g) transfer all or any of the Said Shares as purchase consideration; or
- (h) sell, transfer or otherwise use the Said Shares for such other purposes as the Minister (being the Minister charged with the responsibilities for the companies) may, by order, prescribe,

Notice of Annual General Meeting

(Cont'd)

and/or in any other manner as may be prescribed by the Act, rules, regulations and orders made pursuant to the Act and the MMLR and any other relevant authority for the time being in force; **AND THAT** the authority to deal with the Said Shares shall continue to be valid until all the Said Shares have been dealt with by the Directors of the Company."

Resolution 8

10. To consider any other business of which due notice shall have been given.

By Order of the Board

Wong Wei Fong

SSM PC No. 201908001352

MAICSA 7006751

Zoe Lim Hoon Hwa

SSM PC No. 202108000147

MAICSA 7031771

Company Secretaries

Kuala Lumpur

6 October 2026

Notes:

1. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 28 October 2026 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.
2. Save for a member who is an exempt authorised nominee, a member entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member who is an exempt authorised nominee which holds ordinary shares of the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.
3. Where two (2) or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.
4. The Form of Proxy must be deposited at the Registered Office of the Company at Level 31, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia or lodged electronically via email at cosec-hlmq@hlmq.com.my, not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting.
5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

Explanatory Notes:

1. Resolution 1 - Director Fees And Directors' Other Benefits

Director Fees of RM448,000/- are inclusive of Board Committee Fees of RM148,000/-; and Directors' Other Benefits refer to Directors and Officers Liability Insurance coverage based on premium paid/payable and Directors' training benefits of up to an amount of RM48,000/-.

2. Resolution 2 - Re-Election Of A Director

The Nominating Committee ("NC") has assessed the retiring Director who was appointed subsequent to the last Annual General Meeting ("AGM") and is seeking for re-election at the Forty-sixth AGM, in terms of his quality and integrity in complying with Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"). Based on the result of the Fit and Proper Assessment conducted, the fit and properness of the retiring Director was found to be satisfactory.

Notice of Annual General Meeting

(Cont'd)

The Board has endorsed the NC's recommendation on the re-election of the retiring Director. The retiring Director had abstained from deliberations and decisions on his own re-election at the Board meeting.

The details and profile of the retiring Director who is standing for re-election at the Forty-sixth AGM are provided in the Profile of Board of Directors on page 86 of the Company's Annual Report 2026.

3. Resolution 4 - Authority To Directors To Allot Shares

The proposed ordinary resolution, if passed, will renew the general mandate given to the Directors of the Company to allot ordinary shares ("Shares") of the Company from time to time and expand the mandate to grant rights to subscribe for Shares in the Company, convert any security into Shares in the Company, or allot Shares under an agreement or option or offer, provided that the aggregate number of Shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued Shares of the Company for the time being ("Renewed General Mandate"). In computing the aforesaid 10% limit, Shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new Shares in the Company were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 6 November 2025 and which will lapse at the conclusion of the Forty-sixth AGM. The Renewed General Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event business opportunities or other circumstances arise which involve the issuance and allotment of new Shares, grant of rights to subscribe for Shares, conversion of any security into Shares, or allotment of Shares under an agreement or option or offer, and to avoid delay and cost in convening general meetings to approve the same.

4. Resolutions 5 to 7 - Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature

The proposed ordinary resolutions, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Hume Cement Industries Berhad Group, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to and/or from the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company ("Proposed Shareholders' Mandate").

Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders/Share Buyback Statement dated 6 October 2026, which is available on the Company's website at www.humecementind.com/index.php/pages/current-general-meetings.

5. Resolution 8 - Proposed Authority For The Purchase Of Own Shares By The Company

The proposed ordinary resolution, if passed, will empower the Directors to exercise the power of the Company to purchase its own shares ("Proposed Share Buyback") up to 10% of the total number of issued shares of the Company by utilising its financial resources not immediately required. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Detailed information on the Proposed Share Buyback is set out in the Circular to Shareholders/Share Buyback Statement dated 6 October 2026, which is available on the Company's website at www.humecementind.com/index.php/pages/current-general-meetings.

Statement Accompanying Notice of Annual General Meeting

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

1. Details of individuals who are standing for election as Directors

No individual is standing for election as a Director at the Forty-sixth Annual General Meeting of the Company.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note 3 of the Notice of the Forty-sixth Annual General Meeting.

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Hume Cement Industries Berhad

A Member of the Hong Leong Group

Registration No. 198001008443 (62227-X)

FORM OF PROXY

I/We _____

NRIC/Passport/Company No. _____ Tel No. _____

of _____

_____ Email address _____

being a member of **HUME CEMENT INDUSTRIES BERHAD** ("the Company"), hereby appoint _____

_____ NRIC/Passport No. _____

of _____

Tel No. _____ Email address _____

or failing him/her _____ NRIC/Passport No. _____

of _____

Tel No. _____ Email address _____

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Forty-sixth Annual General Meeting of the Company to be held at the Auditorium, Ground Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia on Thursday, 5 November 2026 at 10.30 a.m. and at any adjournment thereof.

My/Our proxy/proxies is/are to vote on a poll as indicated below with an "X":

RESOLUTIONS		FOR	AGAINST
1	To approve the payment of Director Fees and Directors' Other Benefits		
2	To re-elect Mr William Tan Kok Siang as a Director		
3	To re-appoint KPMG PLT as Auditors and to authorise the Directors to fix their remuneration		
Special Business			
4	To approve the ordinary resolution on authority to Directors to allot shares		
5	To approve the ordinary resolution on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature with Hong Leong Company (Malaysia) Berhad, GuoLine Capital Assets Limited and persons connected with them		
6	To approve the ordinary resolution on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature with Hong Bee Hardware Company, Sdn Berhad		
7	To approve the ordinary resolution on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature with Hong Leong Investment Holdings Pte. Ltd. ("HLIH") and persons connected with HLIH		
8	To approve the ordinary resolution on the proposed authority for the purchase of own shares by the Company		

Dated this _____ day of _____ 2026

Number of shares held: _____

CDS Account No.: _____

Signature(s) of Member

Notes:

- For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 28 October 2026 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.
- If you wish to appoint other person(s) to be your proxy, insert the name(s) and address(es) of the person(s) desired in the space so provided.
- If there is no indication as to how you wish your proxy(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
- A proxy may but need not be a member of the Company.
- Save for a member who is an exempt authorised nominee, a member shall not be entitled to appoint more than two (2) proxies to attend, participate, speak and vote at the same meeting. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member who is an exempt authorised nominee which holds ordinary shares of the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.
- Where two (2) or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid (please see note 9 below).
- In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its duly authorised officer or attorney.
- All Forms of Proxy must be duly executed and deposited at the Registered Office of the Company at Level 31, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia or lodged electronically via email at cosec-hlmg@hlmg.com.my, not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting.
- In the event two (2) or more proxies are appointed, please fill in the ensuing section:

Name of proxies	% of shareholdings to be represented

10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the Forty-sixth Annual General Meeting will be put to a vote by way of a poll.

11. By signing and submitting this Form of Proxy, the member acknowledges that he/she has read Hong Leong Group Privacy Notice at <https://humeceimentind.com/data/Privacy-Notice.pdf> and consents to, and/or warrants that he/she has informed the appointed proxy/representative (as applicable) of such Privacy Notice and obtained the prior consent of the appointed proxy/representative (as applicable), for the collection, use, disclosure and processing of their personal data in accordance with the Personal Data Notice in the Administrative Notes to Shareholders received by the member for this meeting. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the above warranty.

Fold this flap for sealing

Then fold here

Affix
Stamp

The Company Secretaries
HUME CEMENT INDUSTRIES BERHAD
Registration No. 198001008443 (62227-X)
Level 31, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Malaysia

1st fold here

Hume Cement Industries Berhad

Registration No. 198001008443 (62227-X)

Level 31, Menara Hong Leong

No. 6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel : 03-2080 9200

Fax : 03-2080 9238

www.humecementind.com