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A Member of the Hong Leong Group

Registration No. 198001008443 (62227-X)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolutions in respect of the above proposal will be tabled at the forthcoming Annual General Meeting (“AGM”) of Hume Cement Industries Berhad (“HCIB”) to be held at the Auditorium, Ground Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia on Thursday, 3 November 2022 at 10.30 a.m. or at any adjournment thereof. The Notice of AGM and the Form of Proxy are set out in the 2022 Annual Report of HCIB, which is available on HCIB’s website at [www.humecementind.com/index.php/pages/investor-relations-current/current-general-meetings](http://www.humecementind.com/index.php/pages/investor-relations-current/current-general-meetings).

This Circular is dated 5 October 2022

## DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“Act”	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Board” or “Directors”	:	Board of Directors of HCIB
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“GCA”	:	GuoLine Capital Assets Limited
“Goods”	:	Finished goods, components and raw materials, including cement and cement related products, concrete and concrete related products.
“Group Management And/Or Support Services”	:	Include services such as corporate finance, corporate advisory, secretarial, legal, treasury and risk management, internal audit, accounting and tax, share registration, nominees, custodian and executive share scheme administration, human resources management, payroll administration, credit control, information technology related services, training, investment, business development, support on corporate social responsibility initiatives, corporate affairs and public relations, strategic business planning and any other services as may be agreed between the parties from time to time
“HCIB” or “Company”	:	Hume Cement Industries Berhad
“HCIB Group”	:	HCIB and its subsidiaries
“HLCM”	:	Hong Leong Company (Malaysia) Berhad, the ultimate holding company of HCIB with 68.84% equity interest
“HLMG”	:	Hong Leong Manufacturing Group Sdn Bhd, the holding company of HCIB with 68.42% equity interest
“LPD”	:	12 September 2022, being the latest practicable date prior to the printing of this Circular
“Main Market Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
“Proposed Renewal of Shareholders’ Mandate”	:	Shareholders’ general mandate in relation to recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the HCIB Group
“RM” and “sen”	:	Ringgit Malaysia and sen respectively

## DEFINITIONS (Cont'd)

- “Services” : Include investment and fund management services, sales and marketing services, security services, technical and management services, research and development services, information technology related services, e-commerce and technology related services, corporate affairs and public relations services and any other services as may be agreed between the parties from time to time
- “Shares” : Issued ordinary shares in HCIB

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# Hume Cement Industries Berhad

A Member of the Hong Leong Group

Registration No. 198001008443 (62227-X)

Registered Office:  
Level 31, Menara Hong Leong  
No. 6, Jalan Damanlela  
Bukit Damansara  
50490 Kuala Lumpur  
Malaysia

5 October 2022

## **DIRECTORS:**

YBhg Datuk Kwek Leng San (Chairman; Non-Executive/Non-Independent)  
Mr Hugo Enrique Losada Barriola (Group Managing Director/Non-Independent)  
YBhg Dato' Ir. Tan Gim Foo (Non-Executive Director/Independent)  
YBhg Datuk Wira Azhar bin Abdul Hamid (Non-Executive Director/Independent)  
Ms Tai Sook Yee (Non-Executive Director/Independent)

To: The Shareholders of Hume Cement Industries Berhad

Dear Sir/Madam

## **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

### **1. INTRODUCTION**

At the Company's AGM held on 2 December 2021, the Company obtained mandates from its shareholders for the HCIB Group to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations with related parties. The said mandates shall, in accordance with the Main Market Listing Requirements, expire at the conclusion of the forthcoming AGM of the Company to be held on Thursday, 3 November 2022 at 10.30 a.m. ("Said AGM"), unless they are renewed at the Said AGM.

In connection thereto, on 27 September 2022, the Company announced that your Directors propose to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the Said AGM.

The purpose of this Circular is to provide you with the details of the Proposed Renewal of Shareholders' Mandate and to seek your approval for the proposed ordinary resolutions pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the Said AGM.

The Notice of the Said AGM together with the Form of Proxy are set out in the 2022 Annual Report of HCIB, which is available on HCIB's website at [www.humecementind.com/index.php/pages/investor-relations-current/current-general-meetings](http://www.humecementind.com/index.php/pages/investor-relations-current/current-general-meetings).

### **2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

#### **2.1 Provisions under the Main Market Listing Requirements**

Paragraph 10.09(2) of the Main Market Listing Requirements provides that a listed issuer may seek a mandate from its shareholders for related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of a listed issuer or its subsidiaries subject to, inter-alia, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1) of the Main Market Listing Requirements;
- (c) the listed issuer's circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular, where applicable, must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain the shareholder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution in respect of the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution in respect of the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a recurrent related party transaction entered into by the listed issuer exceeds the estimated value of the recurrent related party transaction disclosed in the circular to shareholders by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholder mandate pursuant to the above, the provisions of paragraph 10.08 of the Main Market Listing Requirements will not apply with regard to transactions as detailed in Section 2.3 of this Circular.

The Company proposes to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate for the HCIB Group to enter into transactions with related parties which are of a revenue or trading nature and necessary for the day-to-day operations on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not detrimental to the minority shareholders.

The Proposed Renewal of Shareholders' Mandate, if approved at the Said AGM, will take immediate effect upon the conclusion of the Said AGM and will continue to be in force until the conclusion of the next AGM of the Company or until the expiration of the period within which the next AGM is required by law to be held (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act), unless revoked or varied by the Company in a general meeting, whichever is the earlier.

## 2.2 Classes of related parties

Shareholders' approval is sought for the Proposed Renewal of Shareholders' Mandate involving recurrent related party transactions which are carried out by companies within the HCIB Group with any of the following classes of related parties:

- HLCM (a major shareholder of HCIB through HLMG), GCA (a person connected with certain major shareholders of HCIB) and persons connected with them (collectively referred to as "Hong Leong Group") including but not limited to those as listed in Appendix II of this Circular;
- Hong Bee Hardware Company, Sdn Berhad ("Hong Bee Hardware"). Mr Kwek Leng Beng (a major shareholder of HCIB) has 0.04% direct interest in Hong Bee Hardware. Mr Kwek Leng Kee (a major shareholder of HCIB) and Mr Kwek Leng Beng have indirect interests of 32.48% and 42.89% respectively in Hong Bee Hardware; and
- Hong Leong Investment Holdings Pte. Ltd. ("HLIH") (a major shareholder of HCIB through HLCM) and persons connected with HLIH ("HLIH Group") including but not limited to Tasek Corporation Berhad and its subsidiaries and associated corporations. Mr Kwek Leng Beng and Mr Kwek Leng Kee are directors and major shareholders of HLIH.

The details of shareholdings of HLCM, HLIH, HLMG, YBhg Tan Sri Quek Leng Chan (a major shareholder of HCIB), Mr Kwek Leng Beng, Mr Kwek Leng Kee and YBhg Datuk Kwek Leng San are set out in Section 5 of this Circular.

## 2.3 Nature of recurrent related party transactions contemplated

HCIB is principally an investment holding company whilst the principal activities engaged in by its subsidiaries are that of investment holding, manufacturing and sale of cement and cement related products; and manufacturing, marketing and sale of concrete and concrete related products. Details of subsidiaries of HCIB undertaking these activities are set out in Appendix III of this Circular.

The Hong Leong Group is also involved in a diverse range of industries including, inter-alia, the following:

- manufacturing, procuring and assembling of motorcycles, scooters, motorcycle engines and related parts and products; distribution of motorcycles and motorcycle components; provision of maintenance and repair services for motorcycles; provision of research and development services for motorcycles;
- distribution, trading and provision of services in marine related products;
- manufacturing and sale of ceramic tiles; provision of research and development services for ceramic tiles;
- manufacturing, sale and distribution of fibre cement;
- manufacturing services of semiconductor packaging and testing; manufacturing and sale of leadframes;
- manufacturing, sale and trading in billets, steel bars, wire rods, wire mesh, pre-stressed concrete strands, bars and wires, steel pipes, steel wires and other related products;
- provision of management services; property investment;

- commercial banking business and provision of related services which include Islamic banking business, property investment and management, investment holding and nominee services;
- underwriting of life and general insurance businesses; Family Takaful business including investment-linked business;
- investment banking, stockbroking business, futures broking and related financial services; nominee and custodian services; unit trust management, fund management including Islamic fund management and sale of unit trusts;
- property investment and development; provision of project, property and related management services; hotel operations; and
- provision of management, healthcare and security services.

In view of the diversity of the Hong Leong Group's businesses, it is envisaged that in the normal course of business of the HCIB Group, transactions in respect of Goods and/or Services between companies in the HCIB Group and the Hong Leong Group will occur with some degree of frequency from time to time and may arise at any time.

The Group Management And/Or Support Services are part of the shared services of companies within the Hong Leong Group. These shared services are provided in-house in order to align with the Hong Leong Group's corporate objective and management disciplines and to reduce operating cost and improve efficiency such as through economies of scale, better utilisation and allocation of resources, standardisation of processes and operating procedures and information technology. Accordingly, the Board considers it beneficial to enter into transactions in respect of the Group Management And/Or Support Services. The Group Management And/Or Support Services are carried out on commercial terms, on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and which will not be detrimental to the minority shareholders of HCIB.



Details of recurrent related party transactions carried out/contemplated shall include, but not limited to, those described below:

(A) Recurrent related party transactions with the Hong Leong Group are as follows:

Transaction	Vendor/ Provider	Purchaser/ Recipient	Interested related parties	Estimated aggregate value as disclosed in The Circulars to Shareholders dated 29 October 2021 ("Estimated Value") (RM'million)	Actual value transacted (from date of AGM on 2 December 2021 up to the LPD) ("Actual Value") (RM'million)	*Estimated aggregate value during the validity period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value") (RM'million)
(a) Sale of Goods	HCIB Group	Hong Leong Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Kwek Leng Kee, HLMG and HLCM	40.00	3.59	20.00
(b) Purchase of goods such as building materials and other products	Hong Leong Group	HCIB Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Kwek Leng Kee, HLMG and HLCM	15.00	4.89	15.00
(c) Rental of properties from the Hong Leong Group, such as the following: (i) Office space at Block D, 15A, Jalan 51A/219, 46100 Petaling Jaya, Selangor Darul Ehsan# (ii) Meeting rooms and related facilities	Hong Leong Group	HCIB Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Kwek Leng Kee, HLMG and HLCM	2.05	0.85	2.05

(A) Recurrent related party transactions with the Hong Leong Group are as follows: (cont'd)

Transaction	Vendor/ Provider	Purchaser/ Recipient	Interested related parties	Estimated aggregate value as disclosed in the Circular to Shareholders dated 29 October 2021 ("Estimated Value") (RM'million)	Actual value transacted (from date of AGM on 2 December 2021 up to the LPD) ("Actual Value") (RM'million)	*Estimated aggregate value during the validity period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value") (RM'million)
(d) Receipt of Services	Hong Leong Group	HCIB Group	Interested related parties	2.00	Nil	2.00
(e) Receipt of Group Management And/Or Support Services	Hong Leong Group	HCIB Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Kwek Leng Kee, HLMG and HLCM	10.00	4.16	10.00
(f) Payment for usage of the Hong Leong Group and HUME trade marks	Hong Leong Group	HCIB Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Kwek Leng Kee and HLCM	0.08	Nil	0.08
(g) Provision of services such as website hosting services	HCIB Group	Hong Leong Group	Tan Sri Quek Leng Chan, Datuk Kwek Leng San, Kwek Leng Beng, Kwek Leng Kee, HLMG and HLCM	0.50	Nil	0.50

(B) Recurrent related party transactions with major shareholders and persons connected with directors and major shareholders are as follows:

Transaction	Vendor/ Provider	Purchaser/ Recipient	Interested related parties	Estimated aggregate value as disclosed in the Circular to Shareholders dated 29 October 2021 ("Estimated Value") (RM'million)	Actual value transacted (from date of AGM on 2 December 2021 up to the LPD) ("Actual Value") (RM'million)	*Estimated aggregate value during the validity period of the Proposed Renewal of Shareholders' Mandate ("Current Estimated Value") (RM'million)
(a) Sale of Goods	HCIB Group	Hong Bee Hardware	Kwek Leng Beng and Kwek Leng Kee	60.00	54.94	80.00
(b) Purchase of goods such as building materials and other products	Hong Bee Hardware	HCIB Group	Kwek Leng Beng and Kwek Leng Kee	10.00	1.67	10.00
(c) Purchase of goods such as building materials and other products	HLJH Group	HCIB Group	Kwek Leng Beng and Kwek Leng Kee	10.00	4.56	10.00
(d) Sale of Goods	HCIB Group	HLJH Group	Kwek Leng Beng and Kwek Leng Kee	20.00	Nil	20.00

Notes:

\* The Current Estimated Value of the transactions is based on the Actual Value transacted and/or management's estimate of the value to be transacted during the validity period of the Proposed Renewal of Shareholders' Mandate. The Current Estimated Value of these transactions may be subject to changes.

# Tenancy agreement entered into for the rental of the said office space is for a tenure of 3 years. The rental payment is on a monthly basis.

None of the Actual Value of the recurrent related party transactions as disclosed above has exceeded the Estimated Value by 10% or more.

## 2.4 Amount due and owing by related parties

The total outstanding receivables arising from the recurrent related party transactions of HCIB Group which exceeded the credit term for the following periods as at 30 June 2022 is as follows:

	Principal Sum RM'000	Interest RM'000
A period of 1 year or less	0.26	-
A period of more than 1 to 3 years	-	-
A period of more than 3 to 5 years	-	-
A period of more than 5 years	-	-
	-----	-----
	0.26	-
	=====	=====

Late payment interest is not imposed on customers with long term business relationships and with no long overdue amounts that exceed their credit term for a period of more than 12 months.

The above outstanding amount has been fully settled.

## 2.5 Methods or procedures on which transaction prices are determined/review procedures for recurrent related party transactions

To ensure that the recurrent related party transactions which are in the ordinary course of business are conducted on commercial terms consistent with the HCIB 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 detrimental to the minority shareholders, the following principles will apply:

- (i) the sale of Goods, purchase of goods such as raw materials, building materials and other products and the receipt of Services shall be determined based on prevailing rates/prices of the same (including where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases) according to commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations;
- (ii) the rental of properties shall be at the prevailing market rates for the same or substantially similar properties and shall be on commercial terms;
- (iii) the receipt of Group Management And/Or Support Services is based on commercial terms;
- (iv) the payment for usage of Hong Leong Group and HUME trade marks, is based on commercial terms; and
- (v) the provision of website hosting services is based on commercial terms.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Board Audit & Risk Management Committee of the Company, in its review of the recurrent related party transactions may, as it deems fit and whenever available, request for additional information pertaining to the transactions from independent sources or advisers.

To monitor, track and identify the recurrent related party transactions, the following review procedures have been implemented:

- (i) A register is maintained to record all recurrent related party transactions which are entered into pursuant to the Proposed Renewal of Shareholders' Mandate.
- (ii) The Board Audit & Risk Management Committee will undertake quarterly review of recurrent related party transactions to ensure that such transactions are undertaken on commercial terms and on transaction prices 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 and are in the best interest of the HCIB Group.

There are no specific thresholds for approval of recurrent related party transactions within the HCIB Group. However, all recurrent related party transactions are subject to the approval of the Heads of the relevant operating companies or such persons to whom they may delegate such power subject always to any HCIB Group's policies that may be issued from time to time.

The Board Audit & Risk Management Committee will review the existing procedures and processes, on an annual basis and as and when required, to ensure that the recurrent related party transactions are at all times carried out on commercial terms consistent with the HCIB Group's usual business practices and policies.

The Board Audit & Risk Management Committee of the Company has reviewed the above procedures and is satisfied that the said procedures are adequate to monitor, track and identify recurrent related party transactions in a timely and orderly manner and are sufficient to ensure that the recurrent related party transactions will be carried out on commercial terms consistent with the HCIB 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 detrimental to the minority shareholders. Any member of the Board Audit & Risk Management Committee who is interested in any transaction shall abstain from reviewing and deliberating on such transaction.

## **2.6 Validity period of the Proposed Renewal of Shareholders' Mandate**

The Proposed Renewal of Shareholders' Mandate if approved at the Said AGM, shall take effect immediately and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (ii) 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 Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

The Proposed Renewal of Shareholders' Mandate is subject to the satisfactory review by the Board Audit & Risk Management Committee of the Company of its continued application to recurrent related party transactions.

## **2.7 Disclosure**

Disclosure will be made in the Company's Annual Report of the breakdown of the aggregate value of the recurrent related party transactions made during the financial year, types of transactions made, names of the related parties involved and their relationship with the HCIB Group pursuant to the Proposed Renewal of Shareholders' Mandate in accordance with paragraph 10.09(2) and Practice Note No. 12 of the Main Market Listing Requirements.

## **3. RATIONALE FOR AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The rationale for and the benefits of the Proposed Renewal of Shareholders' Mandate to the HCIB Group are as follows:

- (i) The Proposed Renewal of Shareholders' Mandate will facilitate transactions with related parties which are in the ordinary course of business of the HCIB Group and undertaken on commercial terms 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 detrimental to the minority shareholders.
- (ii) The Proposed Renewal of Shareholders' Mandate will enhance the HCIB Group's ability to pursue business opportunities which are time-sensitive in nature and will eliminate the need for the Company to convene separate general meetings to seek shareholders' approval for each transaction.
- (iii) For certain transactions, where it is vital that confidentiality be maintained, it would not be viable to obtain shareholders' prior approval, as releasing details of the transactions prematurely may adversely affect and prejudice the HCIB Group's interests and place the HCIB Group at a disadvantage as compared with its competitors who may not require shareholders' approval to be obtained.
- (iv) The Proposed Renewal of Shareholders' Mandate will substantially reduce the expenses associated with convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow resources to be channeled towards attaining other corporate objectives.
- (v) In respect of the Group Management And/Or Support Services, the Proposed Renewal of Shareholders' Mandate will enable the HCIB Group to reduce operating cost and to improve efficiency, thereby improving business and administrative efficacy for the HCIB Group.

## **4. CONDITION OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of HCIB at the Said AGM.

## **5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

HLMG, a wholly-owned subsidiary of HLCM, is a major shareholder of HCIB. YBhg Tan Sri Quek Leng Chan is a major shareholder of HCIB, and a Director and major shareholder of HLMG, HLCM and GCA. YBhg Datuk Kwek Leng San is a Director of HCIB, HLMG and HLCM, and a shareholder of HCIB, HLCM and GCA. Mr Kwek Leng Beng is a Director of HLCM, and a major shareholder of HCIB, HLCM and GCA. Mr Kwek Leng Kee is a major shareholder of HCIB, HLCM and GCA. YBhg Tan Sri Quek Leng Chan and YBhg Datuk Kwek Leng San are brothers.

HLIH is a major shareholder of HCIB through HLCM. Mr Kwek Leng Beng and Mr Kwek Leng Kee are directors and major shareholders of HLIH.

The shareholdings of HLMG, HLCM, HLIH, YBhg Tan Sri Quek Leng Chan, Mr Kwek Leng Beng, Mr Kwek Leng Kee and YBhg Datuk Kwek Leng San in HCIB as at LPD are as follows:

	<b>No. of Shares held</b>			
	<b>Direct</b>	<b>%</b>	<b>Indirect</b>	<b>%</b>
HLMG	343,147,151	68.13	1,469,982	0.29*
HLCM	-	-	346,708,698	68.84*
HLIH	-	-	348,894,577	69.27*
Tan Sri Quek Leng Chan	-	-	350,231,658	69.54***
Kwek Leng Beng	-	-	348,894,577	69.27**
Kwek Leng Kee	-	-	348,894,577	69.27**
Datuk Kwek Leng San	3,921,600	0.78	-	-

*Notes:*

\* *Held through subsidiary(ies)*

\*\* *Held through HLCM and a company in which the major shareholder has interest*

\*\*\* *Held through HLCM and companies in which Tan Sri Quek Leng Chan and his children have interests*

YBhg Datuk Kwek Leng San has abstained and will continue to abstain from deliberating and voting on the proposed ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate in which he is interested at the Board level.

HLMG, HLCM, HLIH, YBhg Tan Sri Quek Leng Chan, YBhg Datuk Kwek Leng San, Mr Kwek Leng Beng and Mr Kwek Leng Kee will abstain from voting and will ensure that persons connected with them will also abstain from voting, in respect of their direct and/or indirect interests, on the proposed ordinary resolutions pertaining to the Proposed Renewal of Shareholders' Mandate at the Said AGM.

Save as disclosed above, none of the other Directors and major shareholders of HCIB and persons connected with them, has any interest, direct or indirect, in the relevant resolutions pertaining to the Proposed Renewal of Shareholders' Mandate.

## **6. DIRECTORS' RECOMMENDATION**

Your Directors (except for YBhg Datuk Kwek Leng San who had abstained from expressing any opinion in relation to the proposed Ordinary Resolution 5 in view of his interest), having taken into consideration all aspects of the Proposed Renewal of Shareholders' Mandate, are of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the HCIB Group and accordingly, your Directors (except for YBhg Datuk Kwek Leng San who had abstained from expressing any opinion in relation to the proposed Ordinary Resolution 5 in view of his interest) recommend that you vote in favour of the proposed ordinary resolutions relating to the Proposed Renewal of Shareholders' Mandate to be tabled at the Said AGM.

**7. RESOLUTIONS ON THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND AGM**

The proposed ordinary resolutions on the Proposed Renewal of Shareholders' Mandate will be tabled at the Said AGM to be held at the Auditorium, Ground Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia on Thursday, 3 November 2022 at 10.30 a.m. or at any adjournment thereof. The said resolutions are set out in the 2022 Annual Report of HCIB.

The Notice of the Said AGM and the Form of Proxy are enclosed in the 2022 Annual Report of HCIB, which is available on HCIB's website at [www.humecementind.com/index.php/pages/investor-relations-current/current-general-meetings](http://www.humecementind.com/index.php/pages/investor-relations-current/current-general-meetings).

If you are unable to attend the Said AGM and wish to appoint other person(s) to be your proxy, please complete the Form of Proxy and deposit it at the Registered Office of HCIB 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](mailto:cosec-hlmg@hlmg.com.my), not less than forty-eight (48) hours before the time appointed for holding of the Said AGM or at any adjournment thereof.

The completion and deposit of the Form of Proxy will not preclude you from attending and voting at the Said AGM should you wish to do so. The Form of Proxy should be completed strictly in accordance with the instructions contained therein.

**8. FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendix IV of this Circular for further information.

Yours faithfully  
For and on behalf of the Board

TAI SOOK YEE  
Independent Non-Executive Director



## DEFINITIONS PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS

- “related party(ies)”
- (a) in relation to a corporation, means a director, major shareholder or person connected with such director or major shareholder;
  - (b) in relation to a business trust, means the trustee-manager, a director or major shareholder of the trustee-manager, a major unit holder of the business trust or person connected with any of the aforesaid persons;
  - (c) in relation to a closed-end fund, means the Managers, a director or major shareholder of the Managers or the closed-end fund, or person connected with any of the aforesaid persons; or
  - (d) in relation to a real estate investment trust (“REIT”), means the management company, the trustee, a director or major shareholder of the management company, major unit holder of the REIT, or person connected with any of the aforesaid persons.

For the purpose of this definition, “director”, “major shareholder” and “major unit holder” have the meanings given in paragraph 10.02 of the Main Market Listing Requirements and “Managers” has the meaning given in paragraph 1.01 of the Main Market Listing Requirements.

- “director”
- has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:
- (a) a director of the listed issuer, its subsidiary or holding company;
  - (b) a chief executive of the listed issuer, its subsidiary or holding company;
  - (c) in relation to a special purpose acquisition company (“SPAC”), a member of the SPAC’s management team;
  - (d) in relation to a business trust, a director or chief executive of the trustee-manager, its subsidiary or holding company;
  - (e) in relation to a closed-end fund, in addition to a director or chief executive of the closed-end fund, a director or chief executive of the Managers, its subsidiary or holding company; and
  - (f) in relation to a REIT, a director or chief executive of the management company.

“major shareholder”

includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:

- (a) 10% or more of the total number of voting shares in the corporation; or
- (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation

(For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act).

“person connected”

in relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:

- (a) a family member of the said Person;
- (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
- (c) a partner of the said Person;
- (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a related corporation of the said Person.

## PERSONS CONNECTED WITH HLCM AND GCA AS AT 15 SEPTEMBER 2022

## (1) Persons Connected With HLCM

Company	Interest of HLCM as at 15.09.2022 (%)	Nature of business
1. HL Management Co Sdn Bhd and its subsidiaries and/or its related corporations	100.00	Provision of management services and investment holding
2. Hong Leong Share Registration Services Sdn Bhd	100.00	Provision of share registration services
3. Hong Leong Manufacturing Group Sdn Bhd and its unlisted subsidiaries and associated corporations	100.00	Investment holding; provision of management services; and property investment
4. Hong Leong Financial Group Berhad and its unlisted subsidiaries and associated corporations	51.94	Investment holding; provision of services to its subsidiaries to enhance group value; underwriting of life and general insurance businesses; and Family Takaful business including investment-linked business
5. Hong Leong Bank Berhad and its subsidiaries and associated corporations	64.37	Commercial banking business and provision of related services which include Islamic banking business, property investment and management, investment holding and nominee services
6. Hong Leong Capital Berhad and its subsidiaries and associated corporations	70.40	Investment holding; investment banking, stockbroking business, futures broking and related financial services; nominee and custodian services; and unit trust management, fund management including Islamic fund management and sale of unit trusts
7. Hong Leong Industries Berhad and its subsidiaries and associated corporations	75.17	Investment holding; manufacturing, procuring and assembling of motorcycles, scooters, motorcycle engines and related parts and products; distribution of motorcycles and motorcycle components; provision of maintenance and repair services for motorcycles; distribution, trading and provision of services in marine related products; manufacturing and sale of ceramic tiles; provision of research and development services for motorcycles and ceramic tiles; and manufacturing, sale and distribution of fibre cement

**(1) Persons Connected With HLCCM (Cont'd)**

<b>Company</b>	<b>Interest of HLCCM as at 15.09.2022 (%)</b>	<b>Nature of business</b>
8. Malaysian Pacific Industries Berhad and its subsidiaries and associated corporations	57.92	Investment holding; manufacturing services of semiconductor packaging and testing; and manufacturing and sale of leadframes
9. Southern Steel Berhad and its subsidiaries and associated corporations	69.97	Investment holding; and manufacturing, sale and trading in billets, steel bars, wire rods, wire mesh, pre-stressed concrete strands, bars and wires, steel pipes, steel wires and other related products
10. Guardian Security Consultants Sdn Bhd	20.00	Provision of security services
11. BIB Insurance Brokers Sdn Bhd and its subsidiaries	30.00	Investment holding; insurance brokers and consultants; commission agents; and rent-a-captive insurance business
12. Columbia Asia Healthcare Pte Ltd and its subsidiaries	50.00	Investment holding; operating hospitals; and provision of healthcare related activities

**(2) Persons Connected With GCA**

<b>Company</b>	<b>Interest of GCA as at 15.09.2022 (%)</b>	<b>Nature of business</b>
1. GuoLine Group Management Company Pte Ltd	100.00	Provision of management services
2. GuoLine Intellectual Assets Limited	100.00	Intellectual properties holding company
3. Hong Leong Financial Group Berhad and its unlisted subsidiaries and associated corporations	25.37	Investment holding; provision of services to its subsidiaries to enhance group value; underwriting of life and general insurance businesses; and Family Takaful business including investment-linked business
4. Hong Leong Bank Berhad and its subsidiaries and associated corporations	64.50	Commercial banking business and provision of related services which include Islamic banking business, property investment and management, investment holding and nominee services
5. Hong Leong Capital Berhad and its subsidiaries and associated corporations	70.40	Investment holding; investment banking, stockbroking business, futures broking and related financial services; nominee and custodian services; and unit trust management, fund management including Islamic fund management and sale of unit trusts
6. GuocoLand (Malaysia) Berhad and its subsidiaries and associated corporations	65.03	Investment holding; property development; property investment; hotel operations; trading in securities; provision of management and property-related services; and operation of oil palm estates
7. Guoco Group Limited and its non-Malaysian subsidiaries and associated corporations	71.88	Investment holding and management; principal investment; property development and investment; hospitality and leisure business; banking and insurance as well as production and distribution of honey and related products
8. Lam Soon (Hong Kong) Limited and its subsidiaries and associated corporations	57.53	Investment holding; importing, processing and trading of flour products; manufacturing, processing and trading of edible oils and specialty fats products and processing and trading of home care products

## ACTIVITIES OF THE HCIB GROUP AS AT LPD

<b>Name of Company</b>	<b>Effective % Held</b>	<b>Principal Activities</b>
<b>Subsidiaries</b>		
Hume Cement Sdn Bhd	100.00	Manufacture and sale of cement and cement related products
Hume Concrete Sdn Bhd and its subsidiary:	100.00	Manufacture, marketing and sale of concrete and concrete related products and investment holding
Hume Concrete (EM) Sdn Bhd	100.00	Manufacture and sale of concrete and concrete related products
Hume RMC Sdn Bhd	100.00	Investment holding

**FURTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular had been seen and approved by the Directors of HCIB who collectively and individually accept full responsibility for the accuracy of the information given and confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement herein misleading.

**2. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, HCIB Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against the HCIB Group or any facts likely to give rise to any proceeding which might materially and adversely affect the business and financial position of the HCIB Group.

**3. MATERIAL CONTRACTS**

Save as disclosed below, there are no other contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the HCIB Group within the two (2) years immediately preceding the date of this Circular:

- Trust Deed dated 11 December 2020 entered into between HCIB and Amanahraya Trustees Berhad relating to the issue of Medium Term Notes under a Medium Terms Notes Programme of RM500.0 million in nominal value.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of HCIB at Level 31, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular to the date of the Said AGM:

- (i) Constitution of HCIB;
- (ii) audited consolidated financial statements of HCIB for the past two (2) financial years ended 30 June 2021 and 2022; and
- (iii) material contracts referred to in Section 3 above.