

MALAYAN CEMENT BERHAD
Company No. 195001000048 (1877-T)
Incorporated in Malaysia

Interim Financial Report
30 September 2024

MALAYAN CEMENT BERHAD
Company No. 195001000048 (1877-T)
Incorporated in Malaysia

Interim Financial Report
30 September 2024

| | Page No. |
|---|-----------------|
| Condensed Consolidated Income Statement | 1 |
| Condensed Consolidated Statement of Comprehensive Income | 2 |
| Condensed Consolidated Statement of Financial Position | 3 - 4 |
| Condensed Consolidated Statement of Changes in Equity | 5 -6 |
| Condensed Consolidated Statement of Cash Flows | 7 - 8 |
| Notes to the Interim Financial Report | 9 - 20 |

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 30 September 2024.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

| | Individual Quarter | | Cumulative Quarter | |
|-----------------------------------|------------------------------------|--|--------------------|----------------|
| | Current Year Quarter 30.09.2024 | Preceding Year Corresponding Quarter 30.09.2023 | 3 Months Ended | |
| | RM'000 | RM'000 | 30.09.2024 | 30.09.2023 |
| | | | RM'000 | RM'000 |
| Revenue | 1,170,423 | 1,148,061 | 1,170,423 | 1,148,061 |
| Cost of sales | (767,189) | (807,717) | (767,189) | (807,717) |
| Gross profit | 403,234 | 340,344 | 403,234 | 340,344 |
| Other operating income | 31,963 | 27,155 | 31,963 | 27,155 |
| Other operating expenses | (183,726) | (171,857) | (183,726) | (171,857) |
| Profit from operations | 251,471 | 195,642 | 251,471 | 195,642 |
| Finance costs | (57,854) | (50,828) | (57,854) | (50,828) |
| Share of results of joint venture | 9,433 | 9,739 | 9,433 | 9,739 |
| Profit before tax | 203,050 | 154,553 | 203,050 | 154,553 |
| Taxation | (63,414) | (58,419) | (63,414) | (58,419) |
| Profit for the period | 139,636 | 96,134 | 139,636 | 96,134 |
| Attributable to: | | | | |
| Owners of the parent | 139,440 | 96,104 | 139,440 | 96,104 |
| Non-controlling interests | 196 | 30 | 196 | 30 |
| Profit for the period | 139,636 | 96,134 | 139,636 | 96,134 |
| Earnings per share (sen) | | | | |
| - Basic | 10.44 | 7.34 | 10.44 | 7.34 |
| - Diluted | 7.42 | 5.25 | 7.42 | 5.25 |

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|---|---|--|----------------------|----------------------|
| | Current Year Quarter 30.09.2024 RM'000 | Preceding Year Corresponding Quarter 30.09.2023 RM'000 | 3 Months Ended | |
| | | | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
| Profit for the period | 139,636 | 96,134 | 139,636 | 96,134 |
| Other comprehensive loss:- | | | | |
| <i>Items that may be reclassified subsequently to income statements:-</i> | | | | |
| - foreign currency translation differences | (19,327) | (705) | (19,327) | (705) |
| Other comprehensive loss for the period, net of tax | (19,327) | (705) | (19,327) | (705) |
| Total comprehensive income for the period | 120,309 | 95,429 | 120,309 | 95,429 |
| Attributable to: | | | | |
| Owners of the parent | 120,113 | 95,399 | 120,113 | 95,399 |
| Non-controlling interests | 196 | 30 | 196 | 30 |
| Total comprehensive income for the period | 120,309 | 95,429 | 120,309 | 95,429 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

MALAYAN CEMENT BERHAD (Company No. 195001000048 (1877-T))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited | Audited |
|-----------------------------------|-------------------|-------------------|
| | As at | As at |
| | 30.09.2024 | 30.06.2024 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 2,383,289 | 2,418,200 |
| Right-of-use assets | 318,381 | 254,049 |
| Investment properties | 3,112 | 3,113 |
| Intangible assets | 5,553,174 | 5,558,867 |
| Investment in joint venture | 89,119 | 86,785 |
| Investments | 2,797 | 2,797 |
| Deferred tax assets | 245,523 | 254,361 |
| Trade and other receivables | 2,012 | 2,465 |
| | <u>8,597,407</u> | <u>8,580,637</u> |
| Current assets | | |
| Inventories | 544,670 | 517,347 |
| Income tax assets | 18,684 | 25,114 |
| Trade and other receivables | 725,949 | 661,874 |
| Other current assets | 43,941 | 47,104 |
| Amount due from holding companies | 40 | 41 |
| Amount due from related companies | 150,541 | 45,812 |
| Amount due from joint venture | 23,557 | 23,629 |
| Fixed deposits | 433,827 | 609,823 |
| Cash and bank balances | 179,873 | 178,691 |
| | <u>2,121,082</u> | <u>2,109,435</u> |
| | <u>10,718,489</u> | <u>10,690,072</u> |
| TOTAL ASSETS | | |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

| | Unaudited As at 30.09.2024 RM'000 | Audited As at 30.06.2024 RM'000 |
|--|--|--|
| EQUITY | | |
| Share capital | 5,417,206 | 5,406,881 |
| Reserves: | | |
| Foreign currency translation reserve | 22,262 | 41,589 |
| Fair value reserve | 2,158 | 2,158 |
| Share options reserve | 52,988 | 54,598 |
| Retained earnings | 941,949 | 802,435 |
| Equity attributable to owners of the parent | 6,436,563 | 6,307,661 |
| Non-controlling interests | 4,441 | 4,245 |
| TOTAL EQUITY | 6,441,004 | 6,311,906 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Lease liabilities | 89,895 | 22,175 |
| Borrowings | 2,543,619 | 2,579,296 |
| Deferred tax liabilities | 359,938 | 359,383 |
| Post-employment benefit obligations | 21,616 | 21,662 |
| | <u>3,015,068</u> | <u>2,982,516</u> |
| Current liabilities | | |
| Trade and other payables | 748,336 | 691,410 |
| Contract liabilities | 2,355 | 3,990 |
| Amount due to holding companies | 6,181 | 3,790 |
| Amount due to related companies | 94,779 | 74,981 |
| Lease liabilities | 11,729 | 14,044 |
| Borrowings | 377,114 | 566,114 |
| Post-employment benefit obligations | 3,499 | 3,374 |
| Income tax liabilities | 18,424 | 37,947 |
| | <u>1,262,417</u> | <u>1,395,650</u> |
| TOTAL LIABILITIES | 4,277,485 | 4,378,166 |
| TOTAL EQUITY AND LIABILITIES | 10,718,489 | 10,690,072 |
| Net assets per share (RM) | <u>4.82</u> | <u>4.73</u> |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

MALAYAN CEMENT BERHAD (Company No. 195001000048 (1877-T))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

| | ← Attributable to Owners of the Parent → | | | | | Non- controlling interests | Total equity | |
|--|--|---|---------------------------------|---------------------------------------|--------------------------------|----------------------------------|-----------------|-----------------|
| | Share capital RM'000 | Foreign currency translation reserve RM'000 | Fair value reserve RM'000 | Share options reserve RM'000 | Retained earnings RM'000 | | | Total RM'000 |
| As at 1 July 2024 | 5,406,881 | 41,589 | 2,158 | 54,598 | 802,435 | 6,307,661 | 4,245 | 6,311,906 |
| Profit for the financial period | - | - | - | - | 139,440 | 139,440 | 196 | 139,636 |
| Other comprehensive loss | - | (19,327) | - | - | - | (19,327) | - | (19,327) |
| Total comprehensive income/(loss) for the financial period | - | (19,327) | - | - | 139,440 | 120,113 | 196 | 120,309 |
| Issuance of ordinary shares pursuant to exercise of share options | 8,789 | - | - | - | - | 8,789 | - | 8,789 |
| Share option expenses | 1,536 | - | - | (1,536) | - | - | - | - |
| Share options forfeited | - | - | - | (74) | 74 | - | - | - |
| As at 30 September 2024 | 5,417,206 | 22,262 | 2,158 | 52,988 | 941,949 | 6,436,563 | 4,441 | 6,441,004 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

MALAYAN CEMENT BERHAD (Company No. 195001000048 (1877-T))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

| | ← Attributable to Owners of the Parent → | | | | | Non- controlling interests | Total equity | |
|---|--|---|---------------------------------|---------------------------------------|--------------------------------|----------------------------------|-----------------|-----------------|
| | Share capital RM'000 | Foreign currency translation reserve RM'000 | Fair value reserve RM'000 | Share options reserve RM'000 | Retained earnings RM'000 | | | Total RM'000 |
| As at 1 July 2023 | 5,345,817 | 40,454 | 3,280 | 9,059 | 551,947 | 5,950,557 | 3,958 | 5,954,515 |
| Profit for the financial period | - | - | - | - | 96,104 | 96,104 | 30 | 96,134 |
| Other comprehensive loss | - | (705) | - | - | - | (705) | - | (705) |
| Total comprehensive income/(loss) for the financial period | - | (705) | - | - | 96,104 | 95,399 | 30 | 95,429 |
| Share option expenses | - | - | - | 5,441 | - | 5,441 | - | 5,441 |
| As at 30 September 2023 | 5,345,817 | 39,749 | 3,280 | 14,500 | 648,051 | 6,051,397 | 3,988 | 6,055,385 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

| | 3 Months Ended | |
|---|-----------------------|-------------------|
| | 30.09.2024 | 30.09.2023 |
| | RM'000 | RM'000 |
| Cash Flows From Operating Activities | | |
| Profit before tax | 203,050 | 154,553 |
| Adjustments for:- | | |
| Amortisation of intangible assets | 286 | 750 |
| Depreciation of: | | |
| - investment properties | 1 | 1 |
| - property, plant and equipment | 73,491 | 80,854 |
| - right-of-use assets | 4,551 | 4,168 |
| Dividend income | (7) | (20) |
| Gain on disposal of property, plant and equipment (net) | (2,789) | (630) |
| Interest expense | 57,854 | 50,828 |
| Interest income | (7,266) | (4,510) |
| Impairment losses on intangible assets | 5,407 | - |
| Property, plant and equipment written off | 1 | 951 |
| Provision for inventory obsolescence (net) | - | 1,778 |
| Provision for retirement benefit | 237 | 237 |
| (Reversal of)/ impairment losses on receivables (net) | (20) | 549 |
| Share of results of joint venture | (9,433) | (9,739) |
| Share option expenses | - | 5,319 |
| Unrealised loss/(gain) on foreign exchange (net) | 2,450 | (6,947) |
| Operating profit before changes in working capital | 327,813 | 278,142 |
| Changes in working capital:- | | |
| Inventories | (27,323) | 31,106 |
| Receivables | (64,291) | (84,534) |
| Other assets | 3,163 | (16,808) |
| Payables | 33,500 | 22,195 |
| Contract liabilities | (1,635) | (1,457) |
| Related parties balances | (82,467) | 12,986 |
| Cash generated from operations | 188,760 | 241,630 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 - continued**

| | 3 Months Ended | |
|--|-----------------------|-------------------|
| | 30.09.2024 | 30.09.2023 |
| | RM'000 | RM'000 |
| Interest paid | (24,224) | (48,664) |
| Interest received | 7,219 | 4,430 |
| Retirement benefit paid | (283) | (292) |
| Income tax paid (net) | (66,814) | (19,352) |
| Net cash generated from operating activities | <u>104,658</u> | <u>177,752</u> |
| Cash Flows From Investing Activities | | |
| Dividend received | 7 | 20 |
| Proceeds from net investment in lease | 736 | 995 |
| Proceeds from disposal of property, plant and equipment | 6,432 | 1,102 |
| Purchase of property, plant and equipment | (42,224) | (53,945) |
| Net cash used in investing activities | <u>(35,049)</u> | <u>(51,828)</u> |
| Cash Flows From Financing Activities | | |
| Proceeds from borrowings | 1,000,000 | - |
| Proceeds from exercise of share options | 8,789 | - |
| Repayment of borrowings | (1,245,000) | (375,000) |
| Repayment of lease liabilities | (4,067) | (4,907) |
| Net cash used in financing activities | <u>(240,278)</u> | <u>(379,907)</u> |
| Net changes in cash and cash equivalents | (170,669) | (253,983) |
| Effects of exchange rate changes | (4,145) | (837) |
| Cash and cash equivalents at beginning of the financial period | 788,514 | 875,812 |
| Cash and cash equivalents at end of the financial period | <u>613,700</u> | <u>620,992</u> |
| Cash and cash equivalents comprise :- | | |
| Fixed deposits with licensed banks | 433,827 | 486,811 |
| Cash and bank balances | 179,873 | 134,181 |
| | <u>613,700</u> | <u>620,992</u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes to the interim financial statements.

INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2024.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and Chapter 9, part K paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2024.

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2024.

The adoption of MFRSs or amendments to MFRSs which were effective for financial year beginning on or after 1 July 2024 do not have significant financial impact on the Group.

A2. Seasonal or Cyclical Factors

The operations of the Group are closely linked to the construction sector which would normally experience a slow-down in construction activities during the festive seasons in Malaysia and Singapore.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – Continued

A3. Disaggregation of Revenue

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|---------------------------|------------------|
| | Current Year Quarter 30.09.2024 | Preceding Year Corresponding Quarter 30.09.2023 | 3 Months Ended | |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cement | | | | |
| Sales of clinker, cement and other building materials | 823,959 | 881,129 | 823,959 | 881,129 |
| Others | 1,948 | 416 | 1,948 | 416 |
| | <u>825,907</u> | <u>881,545</u> | <u>825,907</u> | <u>881,545</u> |
| Aggregates & Concrete | | | | |
| Sales of aggregates and ready-mixed concrete | 344,411 | 266,510 | 344,411 | 266,510 |
| Others | 105 | 6 | 105 | 6 |
| | <u>344,516</u> | <u>266,516</u> | <u>344,516</u> | <u>266,516</u> |
| Total Revenue | <u>1,170,423</u> | <u>1,148,061</u> | <u>1,170,423</u> | <u>1,148,061</u> |

A4. Exceptional or Unusual Items

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A5. Changes in Estimates of Amount Reported

There were no significant changes in estimates of amounts reported in prior interim periods or prior financial years.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – Continued

A6. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter except for the following:-

During the current financial quarter ended 30 September 2024, 3,838,430 ordinary shares were issued pursuant to the exercise of employees' share options granted under the Company's employees share option scheme at an exercise price of RM2.29.

On 3 July 2024, the Company, under the Islamic Medium Term Notes ("IMTNs")/Islamic Commercial Papers ("ICPs") programme with a combined aggregate limit of up to RM5 billion, issued two IMTNs of RM500 million each bearing a profit rate of 4.12% and 4.24% respectively. The proceeds of the issuance were utilised to repay substantially the Company's outstanding term loan.

A7. Dividend Paid

There was no dividend paid during the financial period ended 30 September 2024.

A8. Segmental Information

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

- cement
- aggregates and concrete

Included under the Cement Segment are the Group's drymix and waste management business.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

MALAYAN CEMENT BERHAD (Company No. 195001000048 (1877-T))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes – Continued

A8. Segmental Information (continued)

Analysis of the Group's segment information is as follows:

| Financial Period Ended 30 September | Cement | | Aggregates & Concrete | | Elimination | | Total | |
|-------------------------------------|----------------|----------------|-----------------------|----------------|----------------|----------------|----------------|----------------|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| External revenue | 825,907 | 881,545 | 344,516 | 266,516 | - | - | 1,170,423 | 1,148,061 |
| Inter-segment revenue | 122,824 | 104,573 | - | - | (122,824) | (104,573) | - | - |
| Total revenue | 948,731 | 986,118 | 344,516 | 266,516 | (122,824) | (104,573) | 1,170,423 | 1,148,061 |
| Segment results | | | | | | | | |
| Profit from operations | 212,569 | 188,959 | 38,902 | 6,683 | - | - | 251,471 | 195,642 |
| Finance costs | | | | | | | (57,854) | (50,828) |
| Share of results of joint venture | | | | | | | 9,433 | 9,739 |
| Profit before tax | | | | | | | 203,050 | 154,553 |
| Finance costs | | | | | | | 57,854 | 50,828 |
| Depreciation and amortisation | | | | | | | 78,329 | 85,773 |
| EBITDA | | | | | | | 339,233 | 291,154 |

INTERIM FINANCIAL REPORT

Notes – Continued

A9. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

A10. Changes in Group Composition

There was no change in the composition for the Group in this financial quarter.

A11. Contingent Liabilities

The Group has no material contingent liabilities as at the date of this report.

A12. Subsequent Events

There were no items, transactions or event of material or unusual in nature during the period from the end of the quarter under review to the date of this report.

A13. Commitments

Outstanding commitments in respect of capital commitments at end of reporting date not provided for in the financial statements are as follows:

| | As at 30.09.2024 RM'000 |
|------------------------------------|--|
| In respect of capital expenditure: | |
| Approved and contracted for | <u>42,523</u> |

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group's Performance

| | Individual Quarter | | Variance | Cumulative Quarter | | Variance |
|-------------------|---------------------------|-------------------|-----------------|---------------------------|-------------------|-----------------|
| | 30.09.2024 | 30.09.2023 | % | 30.09.2024 | 30.09.2023 | % |
| | RM'000 | RM'000 | +/- | RM'000 | RM'000 | +/- |
| Revenue | 1,170,423 | 1,148,061 | 2 | 1,170,423 | 1,148,061 | 2 |
| Profit before tax | 203,050 | 154,553 | 31 | 203,050 | 154,553 | 31 |

Revenue for the current financial quarter of RM1,170.4 million was comparable to RM1,148.1 million in the preceding year corresponding quarter. The ready-mixed concrete segment contributed a higher share of revenue due mainly to increased demand for high grade ready-mixed concrete and bespoke products.

The Group recorded a profit before tax of RM203.1 million in the current financial quarter, up from RM154.6 million in the preceding year corresponding quarter due mainly to ongoing improvements in operational efficiencies and lower production costs.

B2. Comparison with Preceding Quarter

| | Current Quarter | Preceding Quarter | Variance |
|-------------------|------------------------|--------------------------|-----------------|
| | 30.09.2024 | 30.06.2024 | % |
| | RM'000 | RM'000 | +/- |
| Revenue | 1,170,423 | 1,041,403 | 12 |
| Profit before tax | 203,050 | 144,096 | 41 |
| Profit after tax | 139,636 | 110,312 | 27 |

Group revenue for the current financial quarter increased to RM1,170.4 million from RM1,041.4 million recorded in the preceding quarter. The increase was mainly due to the higher domestic cement and ready-mixed concrete sales volume as preceding quarter's sales was affected by the festive season.

In line with the higher revenue, profit before tax of the Group increased to RM203.1 million from RM144.1 million in the preceding quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – Continued

B3. Audit Report of the Preceding Financial Year Ended 30 June 2024

The Auditors' Reports on the financial statements for the financial year ended 30 June 2024 did not contain any qualification.

B4. Prospects

Domestic cement demand is likely to be supported by ongoing requirements across civil engineering and key sectors such as residential, infrastructure, logistics facilities, data centers, and factories. Additionally, Malaysia's continued need for housing and infrastructure, driven by its young population and rapid urbanisation, will contribute to sustained demand for cement. The Group will also explore opportunities to increase exports with the Langkawi plant well positioned to benefit from this.

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

B5. Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – Continued

B6. Profit for the period

| | Current Quarter 30.09.2024 RM'000 | Period To Date 30.09.2024 RM'000 |
|--|--|---|
| Profit for the period is stated after charging/(crediting): | | |
| Amortisation of intangible assets | 286 | 286 |
| Bad debts recovered | (23) | (23) |
| Depreciation of: | | |
| - investment properties | 1 | 1 |
| - property, plant and equipment | 73,491 | 73,491 |
| - right-of-use assets | 4,551 | 4,551 |
| Dividend income | (7) | (7) |
| Gain on disposal of property, plant and equipment (net) | (2,789) | (2,789) |
| Hiring income | (3,185) | (3,185) |
| Impairment losses on intangible assets | 5,407 | 5,407 |
| Interest income | (7,266) | (7,266) |
| Property, plant and equipment written off | 1 | 1 |
| Provision for retirement benefit | 237 | 237 |
| Realised gain on foreign exchange (net) | (6,699) | (6,699) |
| Rental income | (165) | (165) |
| Reversal of impairment losses on receivables (net) | (20) | (20) |
| Unrealised loss on foreign exchange (net) | 2,450 | 2,450 |

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – Continued

B7. Taxation

Taxation comprise the following:

| | Current Quarter 30.09.2024 RM'000 | Period To Date 30.09.2024 RM'000 |
|---|--|---|
| Tax expense in respect of current period: | | |
| - Income tax | 53,962 | 53,962 |
| - Deferred tax | 9,452 | 9,452 |
| Total tax expense | 63,414 | 63,414 |

The effective tax rate for the current financial quarter ended 30 September 2024 was higher than the Malaysian statutory tax rate of 24% mainly due to the non-deductibility of certain interest expense of the Company.

B8. Status of Corporate Proposals Announced

There were no corporate proposals announced by the Company which are not completed as at the date of this report.

B9. Group Borrowings

The Group borrowings as at 30 September 2024 are as follows:-

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|------------------------|---------------------------|-----------------------------|-------------------------|
| Current | | | |
| Revolving credit | 45,000 | 202,000 | 247,000 |
| Term Loans | 130,114 | - | 130,114 |
| | 175,114 | 202,000 | 377,114 |
| Non-current | | | |
| Revolving credit | 232,500 | - | 232,500 |
| Term Loans | 456,657 | - | 456,657 |
| Bonds | - | 1,854,462 | 1,854,462 |
| | 689,157 | 1,854,462 | 2,543,619 |
| Total Group Borrowings | 864,271 | 2,056,462 | 2,920,733 |

All borrowings are denominated in Ringgit Malaysia.

INTERIM FINANCIAL REPORT

Notes – Continued

B10. Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- (i) Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the reporting date, the Group held the following financial instruments carried at fair value on the statement of financial position:

| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| 30 September 2024 | | | | |
| Assets | | | | |
| Financial assets at fair value through other comprehensive income | 653 | - | 2,144 | 2,797 |

B11. Material Litigation

There was no material litigation pending as at the date of this report.

B12. Dividend

No dividend has been declared for the current financial quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – Continued

B13. Earnings per share

(i) Basic earnings per share

The basic earnings per share of the Group has been computed by dividing the net profit attributable to owners of the parent for the financial quarter/period by the weighted average number of ordinary shares in issue during the financial quarter/period as set out below:-

| | Individual Quarter | | Cumulative Quarter | |
|--|-----------------------------|---|---------------------------|--------------------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | 3 Months Ended | |
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| Profit attributable to owners of the parent (RM'000) | <u>139,440</u> | <u>96,104</u> | <u>139,440</u> | <u>96,104</u> |
| Weighted average number of ordinary shares ('000) | <u>1,335,968</u> | <u>1,310,201</u> | <u>1,335,968</u> | <u>1,310,201</u> |
| Basic earnings per share (sen) | <u>10.44</u> | <u>7.34</u> | <u>10.44</u> | <u>7.34</u> |

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes – Continued

B13. Earnings per share (continued)

(ii) Diluted earnings per share

The diluted earnings per share of the Group has been computed by dividing the net profit attributable to owners of the parent for the financial quarter/period by the adjusted weighted average number of ordinary shares in issue during the financial quarter/period as set out below:-

| | Individual Quarter | | Cumulative Quarter | |
|---|-----------------------------|---|---------------------------|--------------------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | 3 Months Ended | |
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| Profit attributable to owners of the parent (RM'000) | 139,440 | 96,104 | 139,440 | 96,104 |
| Weighted average number of ordinary shares ('000) | 1,335,968 | 1,310,201 | 1,335,968 | 1,310,201 |
| Effect of conversion of ICPS to ordinary shares ('000) | 466,667 | 466,667 | 466,667 | 466,667 |
| Effect of unexercised employees' share option scheme ('000) | 75,876 | 54,455 | 75,876 | 54,455 |
| | <u>1,878,511</u> | <u>1,831,323</u> | <u>1,878,511</u> | <u>1,831,323</u> |
| Diluted earnings per share (sen) | <u>7.42</u> | <u>5.25</u> | <u>7.42</u> | <u>5.25</u> |

Total cash expected to be received in the event of an exercise of all outstanding employees' share options is RM303.3 million. Accordingly, the Net Asset ("NA") on a proforma basis at the end of the current quarter will increase by RM303.3 million whilst NA per share will decrease by RM0.23. In arriving at the diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 26 November 2024