

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

MINUTES OF THE SEVENTY-SECOND ANNUAL GENERAL MEETING (“AGM”/the “Meeting”) OF THE COMPANY CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING, ONLINE REMOTE PARTICIPATION AND VOTING (“RPV”) VIA TIIH ONLINE SYSTEM AT <https://tiih.com.my> (“TIIH Online”) ON TUESDAY, 6TH DAY OF DECEMBER, 2022 AT 4.33 P.M.

Present	:	Tan Sri (Sir) Francis Yeoh Sock Ping	- Executive Chairman
		Dato’ Sri Michael Yeoh Sock Siong	- Managing Director
		Tan Sri Datuk Asmat bin Kamaludin	- Director
		Dato’ Tan Guan Cheong	- Director
		Dato’ Yoogalingam a/l Vyramuttu	- Director
		Dato’ Yeoh Seok Kian	- Director
		Dato’ Yeoh Seok Hong	- Director
		Dato’ Yeoh Soo Keng	- Director
		Mr Yeoh Khoon Cheng	- Director
		Mr Ler Ji-Yong (“Engagement Partner”)	- Representing HLB Ler Lum Chew PLT, the auditors
In Attendance	:	Ms Ho Say Keng	- Secretary
Participated via RPV at TIIH Online	:	162 members/corporate representatives/proxies (collectively, “Members”), including Executive Chairman as proxy for members as per attendance lists	

1. WELCOME ADDRESS

On behalf of the Board of Directors (“**Board**”), the Executive Chairman welcomed everyone who had logged-in to the meeting platform to participate in the AGM.

The Executive Chairman then introduced the members of the Board, the Engagement Partner from HLB Ler Lum Chew PLT and the Secretary.

2. QUORUM

The requisite quorum, having been confirmed by the Secretary with the advice of the share registrar and poll administrator as present, the Executive Chairman called the AGM to order.

3. NOTICE OF MEETING

The notice convening the AGM as set out in the Annual Report was taken as read.

**4. PRELIMINARY -
VOTING AND GENERAL INSTRUCTION ON MEETING PROCEDURES**

The Executive Chairman informed that -

- he had been appointed as proxy for a number of members and he would vote in accordance with their instructions;
- voting on the resolutions set out for the AGM would be conducted by poll in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements and the Company's Constitution by way of online remote voting at the RPV platform ("**e-voting**");
- Tricor Investor & Issuing House Services Sdn Bhd was appointed Poll Administrator for the polling process while Coopers Professional Scrutineers Sdn Bhd was appointed Scrutineers to validate the poll results.

At the request of the Executive Chairman, the Secretary briefly highlighted that the e-voting session commenced at the start of the Meeting and would continue until closure of the voting session and that the voting results would be announced at conclusion of the AGM. Members were to submit their questions at any time during the AGM using the Query Box provided via the RPV facility.

5. AGENDA ITEMS

The Executive Chairman proceeded with the business of the Meeting by reading out the agenda items and providing brief clarifications where necessary.

**5.1 AGENDA NO. 1 –
AUDITED FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2022**

The first agenda item under the 'Ordinary Business' was on the laying of the audited financial statements of the Company for the financial year ended to 30 June 2022 ("**FY2022**") together with the Reports of the Directors and Auditors thereon ("**Audited Financial Statements**").

The Executive Chairman explained that the Audited Financial Statements were tabled/laid only for discussion as these did not require approval of the Members and hence not put for voting.

**5.2. ORDINARY RESOLUTIONS 1 TO 3 –
RE-ELECTION OF DIRECTORS RETIRING BY ROTATION PURSUANT TO
ARTICLE 85 OF THE COMPANY'S CONSTITUTION ("**Article 85**")**

Ordinary Resolutions 1, 2 and 3 were on the re-election of Dato' Yeoh Soo Keng, Tan Sri Datuk Asmat Bin Kamaludin and Dato' Tan Guan Cheong as Directors of the Company, respectively, who retired by rotation pursuant to Article 85.

**5.3. ORDINARY RESOLUTIONS 4 AND 5 –
PAYMENT OF DIRECTORS’ FEES AND MEETING ATTENDANCE
ALLOWANCE TO THE NON-EXECUTIVE DIRECTORS**

The next two resolutions were on the payment of fees and meeting attendance allowance benefit to the Non-Executive Directors of the Company.

The fees sought for under Ordinary Resolution 4 was for the sum of RM920,000 for FY2022 while a meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2023 to December 2023 was sought under Ordinary Resolution 5.

**5.4. ORDINARY RESOLUTION 6 –
RE-APPOINTMENT OF AUDITORS**

Ordinary Resolution 6 was on the re-appointment of HLB Ler Lum Chew PLT as Auditors of the Company and authorisation for the Directors to fix their remuneration.

**5.5. ORDINARY RESOLUTION 7 –
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF
THE COMPANIES ACT, 2016**

Ordinary Resolution 7, which read as follows, was on the general authorisation for Directors to allot shares pursuant to Section 75 and 76 of the Companies Act, 2016:

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being or such other percentage as prescribed by Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

AND THAT in connection with the above, pursuant to Article 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all new shares in the Company, such new shares when issued, to rank pari passu with existing issued shares in the Company.”

The Executive Chairman highlighted that by voting in favour of Resolution 7, Members would agree to waive their statutory pre-emptive rights over all new shares ranking equally to existing shares to be allotted and issued by the Directors pursuant to this general mandate.

**5.6. ORDINARY RESOLUTION 8 –
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

Ordinary Resolution 8, which read as follows, was on the renewal of the authority to buy-back shares, details of which were set out in the Share Buy-Back Statement dated 31 October 2022:

“THAT subject to the Company’s compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016, the provisions of the Company’s Constitution and Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements (“**Listing Requirements**”) and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company (“**the Proposed Share Buy-Back**”) provided that:-

- (i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholder mandate for share buy-back which was obtained at the Annual General Meeting held on 7 December 2021, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total number of issued shares of the Company for the time being quoted on Bursa Securities;
- (ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the retained profits of the Company at the time of purchase by the Company of its own shares; and
- (iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-
 - (a) the shares so purchased may be cancelled; and/or
 - (b) the shares so purchased may be retained in treasury for distribution as dividends to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - (c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled; and/or
 - (d) transfer the shares, or any of the shares for the purposes of or under an employees’ shares scheme; and/or
 - (e) transfer the shares, or any of the shares as purchase consideration; and/or
 - (f) deal with the shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time;

AND THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications,

variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 2016, the provisions of the Company's Constitution and the Listing Requirements and all other relevant governmental/regulatory authorities."

**5.7. ORDINARY RESOLUTION 9 –
PROPOSED RENEWAL OF SHAREHOLDER MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
("RRPT")**

Ordinary Resolution 9, which read as follows, was on the proposed renewal of shareholder mandate for RRPT with YTL Corporation Berhad Group as set out in Sections 2.3 (a) of the Circular to Shareholders dated 31 October 2022:

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into RRPT from time to time with the related parties as specified in section 2.3 (a) of the Circular to Shareholders dated 31 October 2022 ("**Related Parties**") subject to the following:-

- (i) the transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholder mandate in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements;

THAT the mandate given by the shareholders of the Company shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (the "**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); unless revoked or varied by resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholder mandate."

The Executive Chairman informed that all the interested Directors, interested Major Shareholders and Persons Connected with them had undertaken to abstain from voting on the resolution.

**5.8 ORDINARY RESOLUTION 10 –
PROPOSED WAIVER OF STATUTORY PRE-EMPTIVE RIGHTS OF
SHAREHOLDERS OVER ALL NEW SHARES TO BE ISSUED PURSUANT TO
THE CONVERSION OF THE IRREDEEMABLE CONVERTIBLE
PREFERENCE SHARES (“ICPS”) AND ALL OPTIONS GRANTED AND/OR TO
BE OFFERED/GRANTED AS WELL AS ALL NEW SHARES TO BE ISSUED
PURSUANT TO THE EMPLOYEES SHARE OPTION SCHEME (“ESOS”) OF
THE COMPANY**

Ordinary Resolution 10, which read as follows, was on the waiver of statutory pre-emptive rights of shareholders under Article 50 of the Company’s Constitution over all new shares to be issued pursuant to the conversion of the ICPS and all options granted and/or to be offered/granted and all new shares to be issued pursuant to the ESOS of the Company:

“THAT further to the following approvals granted by the shareholders of the Company and pursuant to Article 50 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all new shares to be issued pursuant to the conversion of the ICPS, and all options granted and/or to be offered/granted to the Grantees (as defined herein), as well as all new shares of the Company to be issued pursuant to the ESOS (as defined herein), whether before or after the date of this resolution, such new shares when issued, to rank pari passu with existing issued shares in the Company:

- (i) Approval granted at the Extraordinary General Meeting held on 30 August 2021 for the acquisition of the entire equity interest of 10 companies and their respective subsidiaries which are involved in cement and ready-mixed concrete businesses in Malaysia from YTL Cement Berhad for a total consideration of RM5,158 million, which was satisfied via a combination of cash, issue of 375,506,174 new ordinary shares in the Company at an issue price of RM3.75 per share and issuance of 466,666,667 new ICPS at an issue price of RM3.75 per ICPS and completed on 21 September 2021;
- (ii) Approvals granted at the Extraordinary General Meeting held on 18 March 2022 for the establishment of the Company’s Employees Share Option Scheme (“ESOS”) under which options will be granted to eligible employees and directors of the Company and/or its subsidiaries (“Grantees”) to subscribe for new ordinary shares in the share capital of the Company in accordance with the By-laws of the 2022 Scheme set out in the Circular to Shareholders dated 2 March 2022.”

The Executive Chairman informed that all the interested Directors, interested Major Shareholders and Persons Connected with them had undertaken to abstain from voting on the resolution.

6. QUESTIONS AND ANSWERS (“Q&A”) SESSION

The Meeting moved on to the Q&A session.

At the request of the Executive Chairman, the Secretary informed that the Company had received questions prior to the AGM. The Q&A, annexed hereto as Appendix I, were shown on screen. These were read out by the Secretary beginning with the questions from the Minority Shareholders Watch Group, followed by questions from the Members.

The Secretary then read the questions submitted during the AGM via the RPV facility. The Executive Chairman and Managing Director addressed questions covering the following issues, duly assisted by the Secretary, wherever relevant:

Operational & Financial Matters

- Cost composition and impact of the implementation of higher minimum wage;
- Pricing of cement;
- Plans to boost/enhance performance and expand;
- Impact of rising interest rate on finance cost;
- Projects under progress;
- Company's market share locally and in Singapore;
- Countries that the Company exports to from its dedicated Langkawi cement terminal facility.

Audited Financial Statements

- Composition of the following items:
 - Group *Hiring Income* [page 112 of Note 6 (Profit Before Tax) of the Notes to the Financial Statements],
 - Group *Other Income* (page 83 of Income Statements),
 - Group *Non-deductible expenses* [page 115 of Note 7 (Income Tax Expense) of the Notes to the Financial Statements],which rose substantially and the reasons for their increase.
- Risk for impairment of goodwill.

AGM

- Plans to revert back to holding physical AGMs;

Environmental, Social and Governance (ESG) and other matters

- ESG management programme;
- Number of shares subscribed under the Company's Employee Share Option Scheme.

7. E-VOTING

On conclusion of the Q&A session, the Executive Chairman reminded Members who had yet to cast their votes to do so as e-voting would continue for another 5 minutes before closing for validation of poll results which would take approximately 25 minutes. The Meeting was adjourned at 5.02 p.m. to facilitate this.

8. ANNOUNCEMENT OF POLL RESULTS

The Meeting was reconvened at 5.26 p.m. for the declaration of poll results.

The poll results, validated by the Scrutineers, annexed hereto as Appendix II, were shown on screen. The Executive Chairman then declared that all resolutions tabled at the AGM were carried.

9. CLOSE OF MEETING

As there was no further business to be transacted, the Executive Chairman thanked all participants of the Meeting for their attendance and support and wished them a blessed Christmas and joyous new year ahead.

The AGM was declared closed at 5.27 p.m.

Confirmed as a correct record,

EXECUTIVE CHAIRMAN

Malayan Cement Berhad
72nd Annual General Meeting
Tuesday 6 December 2022

Questions from
Minority Shareholders
Watch Group

Operational & Financial Matters

Question 1

The 71-year-old plant in Rawang is undergoing planned refurbishments. When is the Rawang plant expected to commence production?

REPLY

We are still studying the various options and designs for the Rawang plant in order to ensure that it meets the latest requirements and to enhance its sustainability.

Operational & Financial Matters

Question 2

The Board of Directors of MCEMENT has not adopted or proposed a set dividend policy. However, it is the intention of the Directors to propose the payment of cash dividends on an annual basis, where possible, subject to future earnings and the financial condition of MCEMENT and other factors, including the profit and cash flow position of the MCEMENT Group, restrictions imposed by law or under credit facilities on the payment of dividends by members of MCB Group and the availability of funds (page 19 of Annual Report FY2022). What are the major restrictions that the group must overcome in order to resume dividend payment?

Continued...

Operational & Financial Matters

Question 2 – REPLY

The payment of dividends is subject to yearly performance and ensuring that we meet our financial commitments.

Operational & Financial Matters

Question 3

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise its shareholders' value (page 19 of Annual Report FY2022). What is the net gearing level that the Board is comfortable with?

REPLY

The Board is comfortable with the Group's current gearing level. There is no specific target set, in order to enable the Board to maintain optimal flexibility to obtain the best capital structure for the Group.

Operational & Financial Matters

Question 4

The group operates the Construction Development Lab, its research and development facility dedicated to developing customised cement and concrete solutions (page 4 of Annual Report 2022). How much budget is allocated a year for research & development activities to support continual rollouts of new offerings?

REPLY

RM5 million is budgeted for research and product development, mainly via our Construction Development Laboratory.

Operational & Financial Matters

Question 5

Why is the Company seeking shareholders' approval for the proposed renewal of share buy-back authority when the group was in a net gearing ratio of 55.3% (net debt/ total equity) as of 30 June 2022? Should not share buy-back be carried out if the group has excess cash and the share price is at a steep discount to its intrinsic value?

Continued...

Operational & Financial Matters

Question 5 – REPLY

The rationale for seeking renewal of the share buy-back authority is to optimise the Company's flexibility in having as wide an array of options as possible available in the management of its affairs.

The rationale and benefits of share buy-backs extend to the following:-

- In the event the shares bought back are cancelled, the EPS of our Group is expected to be enhanced due to the reduction in the total number of issued shares, thereby enabling long term and genuine investors to enjoy any potential corresponding increase in the value of their investments in our Company;
- Where the shares bought back are retained as treasury shares, our Directors would have an option to distribute these shares as dividends to reward shareholders; and

Operational & Financial Matters
Question 5 – REPLY (continued)

- Our Company may be able to reduce any unwarranted volatility of its shares and assist to stabilise the supply, demand and price of its shares in the open market, thereby supporting the fundamental value of its shares.

As additional clarification, our Group's debt-to-capital ratio is 36% as set out on page 20 of the Annual Report 2022.

Pre-Submitted Questions
from
Shareholders

Question 1

Dear BOD - Kindly give us some door gifts for being loyal shareholders and attending this meeting.

REPLY

As the meeting is being held on a fully virtual basis with no physical attendance at a meeting venue, we regret that door gifts will not be distributed.

Question 2

MCEMENT's plan for year 2023? What is the percentage of utilized capacity?

Continued...

Question 2 – REPLY

Our focus for FY2023 is centred on the following strategies:-

- (i) Continuing to develop and expand our export markets – our Langkawi facility, Malaysia's only deep-sea cement terminal, is well situated to serve as our export hub;
- (ii) Developing our products, including bespoke and low-carbon options, as well as expanding our waste management offerings and co-processing activities;
- (iii) Further investments in digitalising our processes and business to improve operational and cost efficiencies;
- (iv) Mitigation of higher fuel prices through better and more innovative development and use of alternative fuels

Question 2 – REPLY (continued)

Malaysia has a young, growing population and a high urbanisation trend. These factors require increasing residential, commercial and infrastructure development over the longer term, all of which will support the construction and cement industries.

In terms of capacity, the scale and scope of our operations, coupled with the efficiency of our logistics and distribution networks, enable our Group to manage our plants to ensure optimal output and efficiencies are achieved.

Question 3

What are the hedging strategies on coal and foreign currency?

Continued...

Question 3 – REPLY

We are positioned as a big bulk purchaser with understanding of commodity fluctuations; this enables us to work closely with international miners and traders to ensure the best prices and availability.

We have innovated to optimise use of different types of fuel. These include alternative fuels eg. non-recyclable plastics, wood chips, waste paper, end-of-life tyres, etc, and different kind of raw materials, without affecting the quality of our products.

Our Group is exposed to foreign currency on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD) and Singapore Dollar (SGD).

Where necessary, we enter into forward foreign currency exchange contracts to limit our exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

POLL VOTING RESULTS

Resolution	Vote in Favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
ORDINARY BUSINESS					
Resolution 1 Re-election of Dato' Yeoh Soo Keng who retired pursuant to Article 85 of the Company's Constitution.	1,116,668,103	99.3968	6,776,676	0.6032	Carried
Resolution 2 Re-election of Tan Sri Datuk Asmat Bin Kamaludin who retired pursuant to Article 85 of the Company's Constitution.	1,116,670,703	99.3970	6,774,076	0.6030	Carried
Resolution 3 Re-election of Dato' Tan Guan Cheong who retired pursuant to Article 85 of the Company's Constitution.	1,123,326,803	99.9895	117,976	0.0105	Carried
Resolution 4 Approval of the payment of fees to the Non-Executive Directors amounting to RM920,000 for the financial year ended 30 June 2022.	1,123,301,988	99.9873	142,190	0.0127	Carried
Resolution 5 Approval of the payment of meeting attendance allowance of RM1,000 per meeting for each Non-Executive Director for the period from January 2023 to December 2023.	1,123,300,127	99.9871	144,651	0.0129	Carried

Resolution	Vote in Favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
ORDINARY BUSINESS (CONT'D)					
Resolution 6 Re-appointment of HLB Ler Lum Chew PLT as Auditors of the Company and authorisation for the Directors to fix their remuneration.	1,123,323,802	99.9895	117,977	0.0105	Carried
SPECIAL BUSINESS					
Resolution 7 Authorisation for the Directors to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	1,053,106,898	93.7392	70,336,881	6.2608	Carried
Resolution 8 Renewal of Share Buy-Back Authority.	1,123,129,073	99.9719	315,706	0.0281	Carried
Resolution 9 Renewal of Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	93,607,499	99.7860	200,778	0.2140	Carried
Resolution 10 Proposed waiver of statutory pre-emptive rights of shareholders over all new shares to be issued pursuant to the conversion of the Irredeemable Convertible Preference Shares and all options granted and/or to be offered/granted as well as all new shares to be issued pursuant to the Employees Share Option Scheme of the Company.	80,305,348	85.5876	13,522,929	14.4124	Carried