



Annual Report 2024

Heidelberg Materials Bangladesh PLC.



SCAN CEMENT

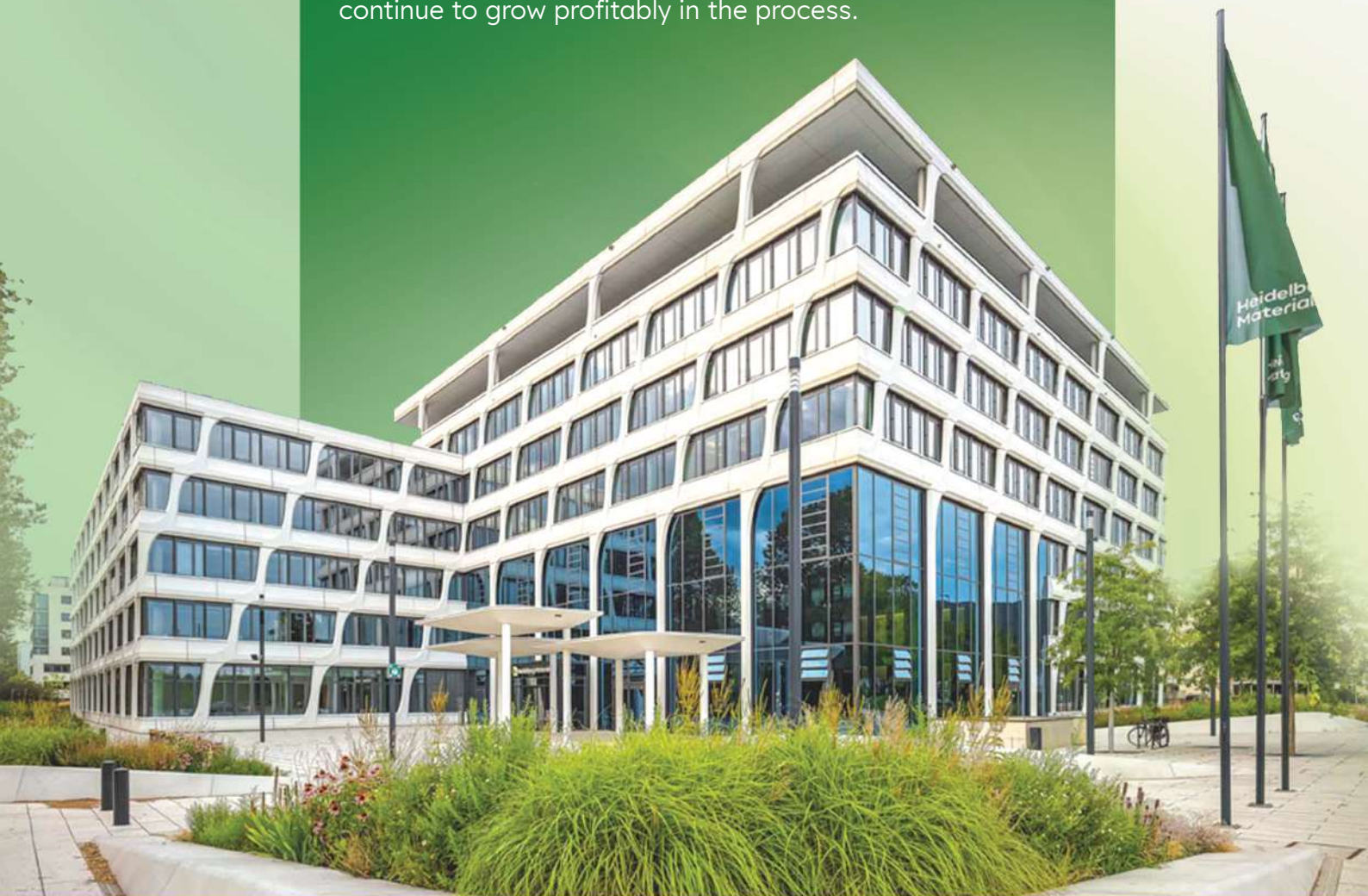


RUBY CEMENT

Transforming Together To Build A Better Tomorrow

With our new and global corporate brand, **Heidelberg Materials**, we are giving our transformation a face and an anchor. At the same time, we remain true to the **"Heidelberg"** in our name – a 152-year legacy synonymous with **reliability, down-to-earthness, and market leadership**. With **"Materials,"** we look to the future – more than cement, sustainable, with a focus on the circular economy. A team that achieves the best results based on its global strength.

Let us, therefore, use our joint efforts to take a pioneering role in the reduction of CO₂ emissions. To drive the circular economy in the construction industry. To open up new opportunities for our customers through digitalisation. To develop intelligent and sustainable building materials and to continue to grow profitably in the process.





Heidelberg Materials Bangladesh PLC. offers Ordinary Portland Cement (OPC), Portland Composite Cement (PCC), and Blast Furnace Cement/Composite Cement (Multi Purpose Cement) under two trusted and very distinguished cement brands, namely **“ScanCement”** and **“RubyCement”**. These two renowned brands hold unparalleled recognition in the market, with construction experts acknowledging and consistently ranking us at the pinnacle for our unwavering commitment to product quality and suitability across various establishments, be they large or small. We have supplied cement to numerous flagship projects in the country, establishing ourselves as a proud partner in the realization of these significant development endeavors. Our Cement is very prevalent because of its:-

- Ensure strong concrete Casting
- Enhanced Long-term Strength
- Minimal Chloride Content
- Resilience Against Sulphate Attack
- Consistent Quality.
- Impermeable and Denser Concrete.
- Cohesive Mix and Superb Rheology.

AA2

Stable Credit Rating

Credit Rating Agency of Bangladesh Ltd. (CRAB) has affirmed the long-term rating of Heidelberg Materials Bangladesh PLC. at AA2 (Pronounced as Double A Two) and the short term rating at ST-2 based on the Audited Financial Statements of the Company for the year ended on 31 December 2024, and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Long Term
AA₂

Short Term
ST-2

Outlook
Stable

Date of rating : 15 May 2025
Validity : Up to 16 May 2026



Letter of Transmittal

All shareholders of Heidelberg Materials Bangladesh PLC. (HMB PLC.)
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies and Firms (RJSC)
Dhaka Stock Exchange PLC. (DSE)
Chittagong Stock Exchange PLC. (CSE)
Bangladesh Investment Development Authority (BIDA)
National Board of Revenue (NBR)
Bangladesh Bank (BB) &
All other stakeholders of HMB PLC.

Annual Report-2024 of Heidelberg Materials Bangladesh PLC. for the year ended 31 December 2024.

Dear Sir(s),

We are pleased to share HMB PLC.'s Annual Report for the year 2024, containing audited financial statements, including the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year ending 31 December 2024, along with accompanying notes.

General review of this report, unless explained otherwise, is based on the financials of the HMB PLC.

Best regards,
Yours Sincerely,
For Heidelberg Materials Bangladesh PLC.



Md. Saikat Khan
Director – Legal and
Company Secretary



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Financial Calendar

36th Annual General Meeting

- **24 April 2025 (Thursday)**
Release of price-sensitive information to regulators and shareholders.
- **21 May 2025 (Wednesday)**
Circulation of Notice of 36th Annual General Meeting
- **01 June 2025 (Sunday)**
Issuance of Annual Report-2024
- **16 June 2025 (Monday)**
Day of 36th Annual General Meeting

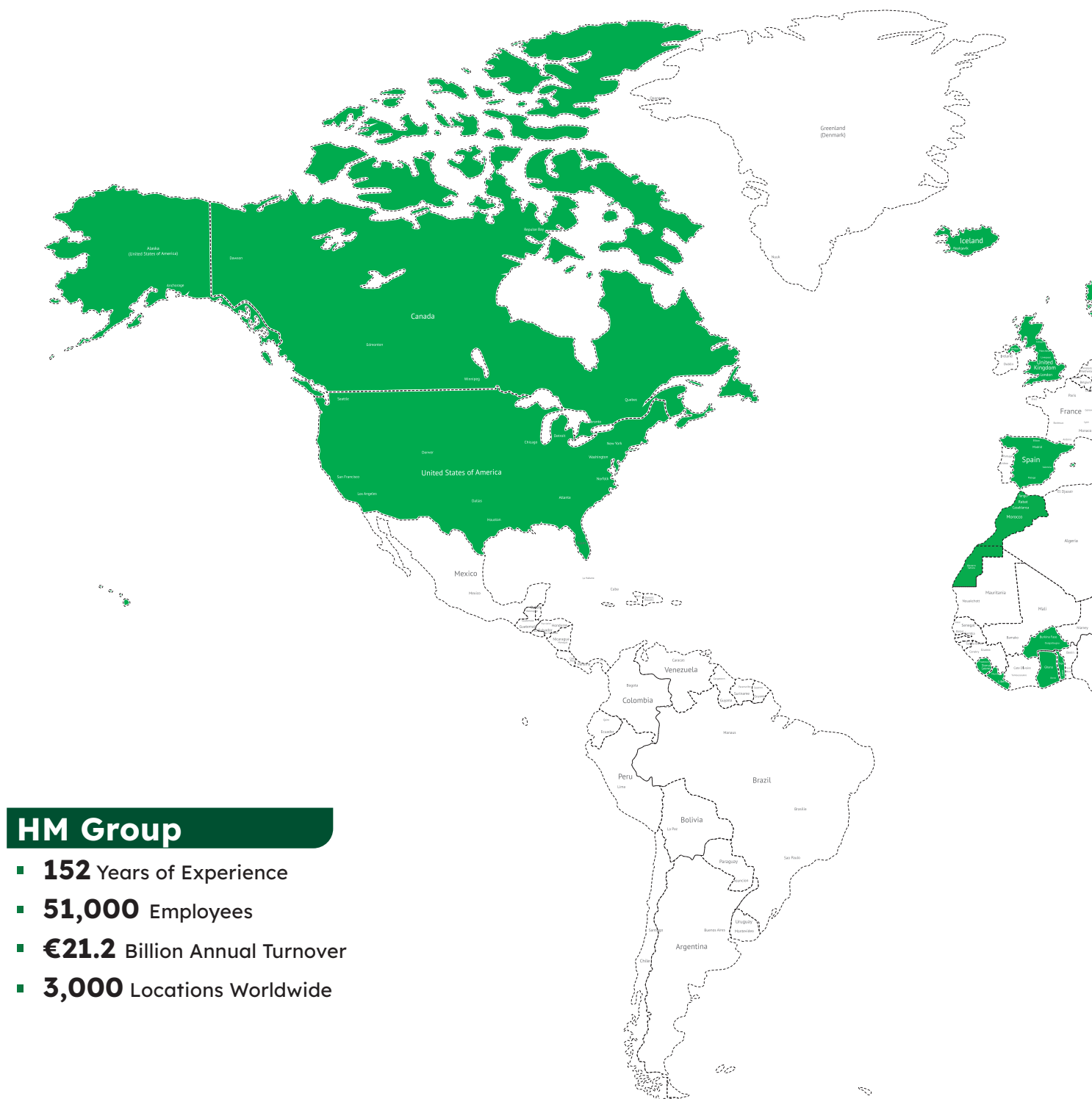
Record Date

- **20 May 2025 (Tuesday)**
Record date.

Disclosure of Quarterly and Annual Results

- **Q1 on 23 April 2024 (Tuesday)**
Unaudited results for the 1st quarter ended 31 March 2024
- **Q2 on 29 July 2024 (Monday)**
Unaudited results for the half-year ended 30 June 2024
- **Q3 on 21 October 2024 (Monday)**
Unaudited results for the 3rd quarter ended 30 September 2024
- **Annual on 24 April 2025 (Thursday)**
Audited results for the year ended 31 December 2024

Global Presence



HM Group

- **152** Years of Experience
- **51,000** Employees
- **€21.2** Billion Annual Turnover
- **3,000** Locations Worldwide

Heidelberg Materials Bangladesh PLC. (HMB PLC.) in Brief

HMB PLC. stands as a leading manufacturer of top-notch cement in Bangladesh, proudly affiliated with the **Heidelberg Materials Group**, formerly known as HeidelbergCement Group based in Germany. The group has 152 years of experience producing cement and operates in more than 50 countries. Moreover, it has around 51,000 employees who work at 3,000 production sites and its reported annual turnover is equivalent to €21.2 billion. In Bangladesh, it represents two reputed brands namely “RubyCement” and “ScanCement”.

In 1998, Heidelberg Materials Group established its presence in Bangladesh by setting up a floating terminal with onboard packing facilities in the port of Chattogram and by distributing the cement to the key markets of Dhaka and Chattogram. In 1999 the Group further strengthened its position in Bangladesh and built a manufacturing plant near Dhaka namely “ScanCement International Limited” with an installed capacity of 0.750 million tons per year. In 2000, Heidelberg Materials Group bought a minority position in a Chattogram based company namely “Chittagong Cement Clinker Grinding Co. Limited (CCCCGL)” quickly followed by the acquisition of a controlling stake. The plant in Chattogram has an installed capacity of 0.7 million tons per annum. In 2003, the two companies were amalgamated, and the Company’s name was changed to HeidelbergCement Bangladesh Limited.

Having pioneered Portland Composite Cement (PCC) in 2004, the Company has expanded its product offerings in 2023 by introducing Blast Furnace Cement/Composite Cement (Multi Purpose Cement) in the Bangladesh market. The Company also produces other types of cement namely Ordinary Portland Cement (OPC).

The Company further increased the capacity of its Kanchpur plant by setting up another grinding unit of 0.45 million tons per year that was commissioned in 2008. The Company has also increased the capacity of its Chattogram plant by installing another grinding unit of 0.750 million tons per year which has been in operation since the end of 2011 and the Company inaugurated the cement mill in 2012. Both the plants are certified according to the globally applicable environmental management system standards-14001. In 2013, the Company installed another Cement Silo with a capacity of 8,000MT in its Kanchpur plant as a part of its Silo project which will help to increase the productivity of the Company. The Company has also increased the capacity of its Kanchpur Plant by installing another grinding unit of 0.472 million tons per year which is in operation from the end of 2019.

In 2021, the two subsidiary companies namely Emirates Cement Bangladesh Limited and Emirates Power Company Limited were amalgamated with HMB PLC.

In 2024, the Company has undergone significant changes over the years. The recent name changes to “Heidelberg Materials Bangladesh PLC.” is to align with our global branding strategy.

Our Vision Mission & Values

Vision:

Corporate Image:

Challenging the status quo and pushing the boundaries of what’s possible.

Business Culture:

Our future needs strong players. Let’s become even better partners for our customers. Their success is our success. We solve their problems. Even before they arise. Build and maintain strong partnerships with customers and key stakeholders.

Employee Policy:

Listen and respond to your customers’ need in a timely manner. Focus on results and execute tasks efficiently. Set high standards for yourself and your teams. Strive for excellence. Integration of purpose in HR strategy & processes, enhancing employer attractiveness through external communication.

Mission:

Market Strategy:

We deliver long-term financial performance through operational excellence, dedication, and openness for change.

Customer Philosophy:

Be stronger together and push forward. We deepen partnerships with our customers and other stakeholders.

Quality Standard:

We want to be leader in the industry on the path to carbon neutrality.

Values:

Commitment to Environmental Protection:

Our future needs solutions that last. That’s what we offer. Reliable and sustainable materials. Let’s be the leader that turns our industry CO2-neutral once and for all.

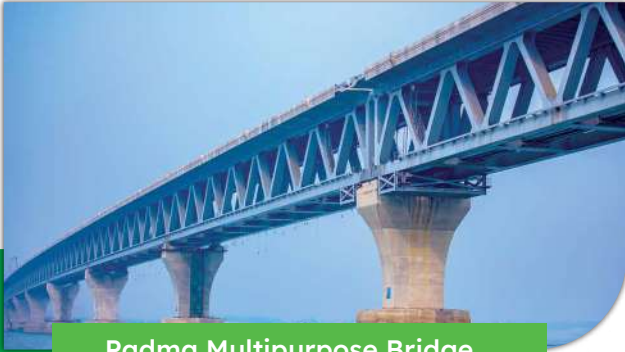
Commitment to Innovation:

Our future needs creativity. Let’s use our freedom to go in new directions. Inventiveness knows no hierarchy. A great idea can come from anywhere and anyone. Own it and push it.

Heidelberg Materials Bangladesh PLC.'s Milestones

2024	The Company's name was changed to "Heidelberg Materials Bangladesh PLC." From HeidelbergCement Bangladesh Limited (HCBL).
2023	HCBL has diversified its product range by introducing Blast Furnace Cement/Composite Cement (Multi Purpose Cement) into the market.
2021	Emirates Cement Bangladesh Limited and Emirates Power Company Limited were amalgamated with HeidelbergCement Bangladesh Limited.
2020	Meghna Energy Limited was successfully amalgamated with HeidelbergCement Bangladesh Limited.
2019	HCBL inaugurated another grinding unit of 0.472 million tons per year in its Kanchpur plant which is in operation. The acquisition of 100% shares of Emirates Cement Bangladesh Limited and Emirates Power Company Limited
2017	The acquisition of 99.99% shares of Meghna Energy Limited was successfully done.
2013	HCBL inaugurated another Silo having capacity of 8,000MT in its Kanchpur plant.
2012	HCBL inaugurated another grinding unit of 0.750 million tons per year in its Chattogram plant which is in operation.
2008	HCBL increased the capacity of its Kanchpur plant by setting up another grinding unit of 0.450 million tons per year that was commissioned.
2004	HCBL has diversified its product range by introducing Portland Composite Cement (PCC) into the market
2003	The SIL & the CCCGCL were amalgamated, and the Company's name was changed to HeidelbergCement Bangladesh Limited(HCBL).
2000	The acquisition of "Chittagong Cement Clinker Grinding Co. Limited (CCCGCL)" was completed.
1999	A Greenfield manufacturing plant was built near Dhaka namely "ScanCement International Limited (SIL)" with an installed capacity of 0.750 million tons per year.
1998	HeidelbergCement group established its presence in Bangladesh by setting up a floating terminal with onboard packing facilities in the port of Chattogram.

Prestigious Completed Projects:



Padma Multipurpose Bridge

The 6150 meters long Padma Bridge is a multipurpose road-rail bridge across the Padma River in Bangladesh. It connects Louhajang, Munshiganj to Shariatpur and Madaripur, linking the south-west of the country to the northern and eastern regions. Padma Bridge was the most challenging construction project in the history of Bangladesh. It is our pride that the main structure of the bridge was built using ScanCement.

Construction Company: China Railway Major Bridge Engineering Company Ltd.



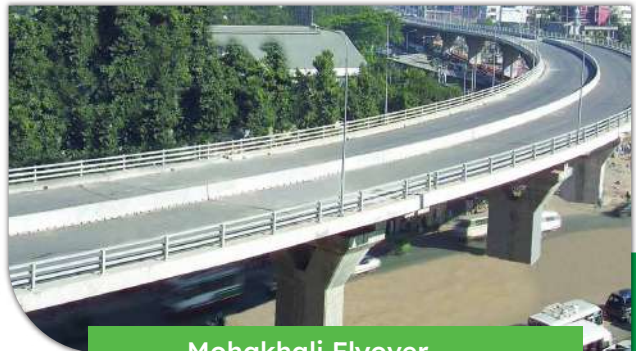
Karnaphuli Tunnel, Chattogram

The Karnaphuli Tunnel, also known as the Bangabandhu Sheikh Mujibur Rahman Tunnel, is located below the Karnaphuli River, connecting the two banks of the river. The Dhaka-Chattogram-Cox's Bazar Highway is connected through this tunnel. The length of the Karnaphuli tunnel is 3.43 km. The Karnaphuli Tunnel is the very first tunnel in Bangladesh's landscape and the first-ever under-river tunnel for road communication in South Asia. It is our pride that RubyCement is a part of this milestone project.



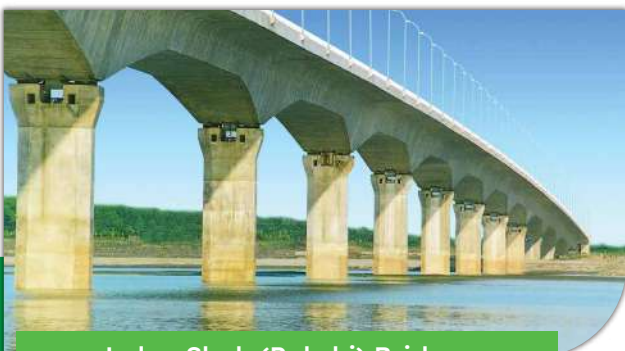
Bijoy Sarani-Tejgaon Railway Overpass

The 3rd flyover in Dhaka with a length of 669 Meters was opened by the Honorable Prime Minister of Bangladesh to general public in April 2010. Construction Company: RP construction



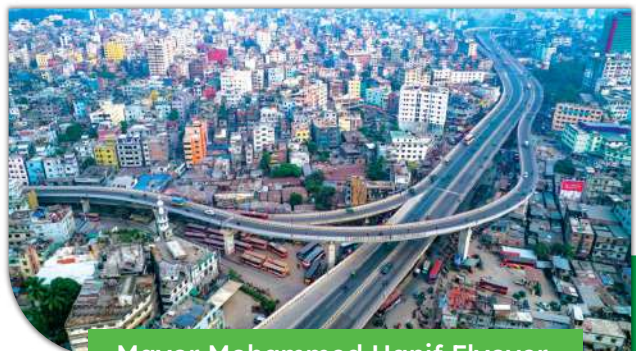
Mohakhali Flyover

The flyover has a total length of 1.12 km with a total 19 nos. of span of pre-stressed segmental box girder profile. The flyover was opened for all in November 2004.



Lalon Shah (Pakshi) Bridge

Lalon Shah (Pakshi) Bridge, one of the country's largest bridges with a length of 1.8 km, spans the river Padma at the Pakshi-Bheramara point and was opened to traffic in May 2004.



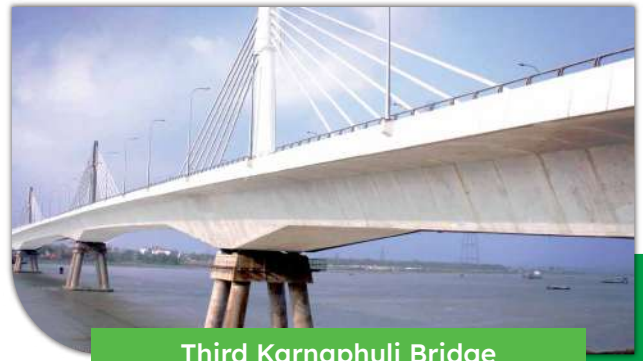
Mayor Mohammed Hanif Flyover

It is the longest flyover of the country as well as about 11 km long flyover in Dhaka which has connected 30 districts.



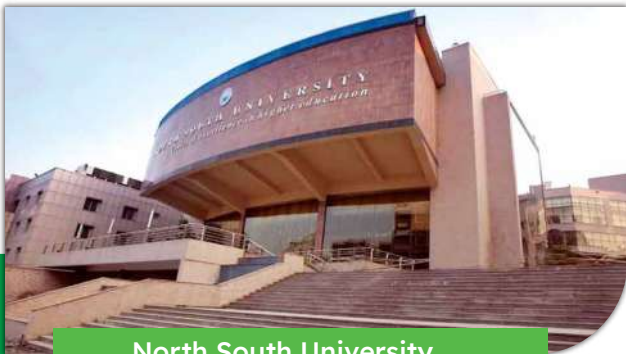
Shah Amanat International Airport

Shah Amanat International Airport is the second largest airport of Bangladesh. It was constructed in early 1940s and had been used during World War II. Following several changes in construction plans the government took the initiative to re-build the airport around the late 90s.



Third Karnaphuli Bridge

The most beautiful bridge of the country with a length of 950 meters over the river Karnaphuli to connect the southern part of Chattogram with the rest of the country was opened for all in September 2010 by the Honorable Prime Minister of Bangladesh.



North South University

One of the pioneers in the private universities of the country, North South University's new building was opened for academic use in May 2009. Constructed by ABC-Monico JV, the 13-storied building is on the 5.65 acres premises in Bashundhara R/A.



Chattogram Port Flyover

The Government took steps to build the first ever flyover of Chattogram connecting New Mooring container terminal and Custom House in October 2008. The length of the flyover is 978 meters.



Police Plaza Concord Shopping Mall, Dhaka

Police Plaza Concord Shopping Mall is the multistoried commercial building is a centrally air-conditioned shopping complex and offices are equipped with modern facilities. This plaza was jointly built by Bangladesh Police Welfare Trust and Concord Group adjacent to Hatirjheel on the way to Gulshan Circle 1. Its basic foundation is 16-storey and at present is 12-storey. It is constructed on an acre of land by the Concord Engineers and Construction Ltd.

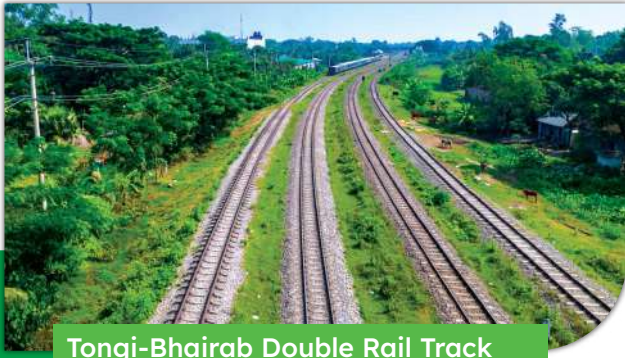


Dhaka Chattogram Four Lane Highway

200 KM of Dhaka-Chattogram Four Lanes Highway has increased the efficiency of the road transport and optimized the utilization of Chattogram port.

Construction company: Sinohydro Corporation Ltd.

Brand used: RubyCement (Exclusive)



Tongi-Bhairab Double Rail Track

64 km double-line railway tracks from Tongi to Bhairab on Dhaka-Chattogram and Dhaka-Sylhet route, has made train journey more smooth, speedy & safe.

Construction Company: China Major Bridge Engineering Co. Ltd.



Summit Meghnaghat Power Plant

335/305 MW Dual Fuel Combined Cycle power plant at Meghnaghat, Narayanganj.

Construction Company: China National Electric Engineering Co.



New Mooring Container Terminal (Phase 2)

The implementation of back up facilities behind berth No. 4 & 5 of New Mooring Container Terminal of Chattogram port started on 40 acres area.

Construction Company: Project Builders Limited.



Akhtaruzzaman Flyover, Chattogram

The Construction works of 5.2-kilometre-long Muradpur-Lalkhan Bazar flyover, as part of the massive development work for Chattogram. The flyover was opened for traffic movement in the mid of June, 2017.

Other Prestigious Completed Projects:

- Mirershorai Economic Zone Embankment Project, Chattogram
- 150 MW Mirershorai Economic Zone Power Plant
- Cross Border Network Road and Bridge Construction Project at Dohazari and Chakaria
- Modunaghat Water Treatment Plant, Chattogram
- Cox's Bazar Airport Development Project
- Apex Tannery Project, Savar, Dhaka
- Sylhet Railway Station, Sylhet
- Seagull Hotel, Cox's Bazar
- Le Méridien Dhaka, Dhaka
- Tista Bridge, Rangpur
- Nafi Tower, Dhaka
- Japan Garden City, Dhaka
- Banani 11 No. Bridge, Dhaka
- Radisson Blu Chattogram Bay View
- Shanta Forum, Tejgaon
- Chattogram Outer City Ring Road
- Dohazari-Cox's Bazar Railway Project, Chattogram

Other On-going Projects:

- Cox's Bazar Airport Runway Extension
- Kalurghat-Chaktai Road Construction Project
- Hilton Hotel, Dhaka
- Chattogram Elevated Expressway
- Rehabilitation of Costal Embankment, Development of Drainage System and Bank, Bhola
- Dhaka Tower, Dhaka
- Bangabazar Paokari Nagar Biponi Bitan, Dhaka

Performance at a Glance in 2024



Revenue
14,740,223
BDT in Thousand



Operating Profit
703,752
BDT in Thousand



Gross Profit
1,803,844
BDT in Thousand



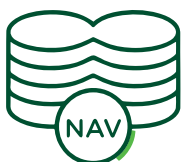
Net Profit After Tax
461,789
BDT in Thousand



Profit Before Tax
726,692
BDT in Thousand



Earnings Per Share
8.17
BDT



Net Asset Value
72.87
Per Share BDT



Net Operating Cash Flow
36.26
Per Share BDT



Return On Assets
4.2%



Return On Equity
11.2%

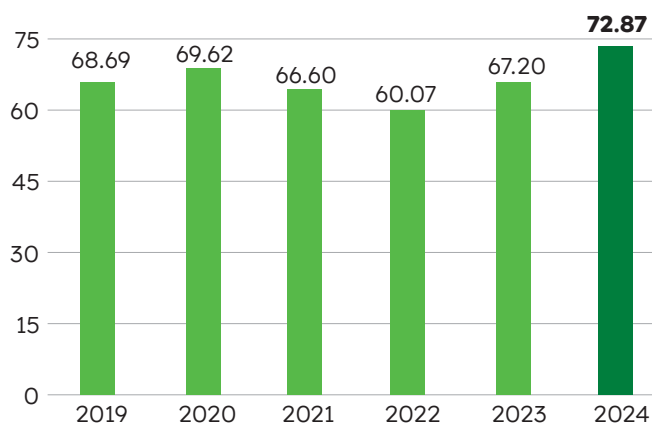
Comparative Financial Highlights

	Heidelberg Materials Bangladesh PLC.						Consolidated	
Operating Results (Taka in Million)	2024	2023	2022	2021	2020	2019	2020	2019
Net Revenues	14,740	17,956	16,767	14,328	10,521	11,927	11,681	11,986
Gross Profit	1,803	2,068	1,075	1,598	1,301	1,154	1,355	1,228
Income From Operations	704	889	-21	705	386	172	377	238
EBITDA	1,144	1,366	523	1,136	834	597	898	733
EBIT	666	847	-21	670	373	163	365	229
Net Income/(loss)	462	459	-233	475	-5	-258	-81	-187
Contribution to National Exchequer	2,911	3,687	3,110	4,149	2,417	3,401	2,678	3,460
Financial Results (Taka in Million)								
Net Cash Provided by Operating Activities	2,049	1,231	215	1,116	998	202	1,499	263
Total Assets	11,001	12,602	8,780	9,235	9,144	10,085	9,452	10,891
Total Liabilities	6,883	8,805	5,386	5,471	5,210	6,204	5,604	6,830
Shareholders Equity	4,117	3,797	3,394	3,763	3,934	3,881	3,848	4,061
Net Working Capital	-733	-1,268	-1,570	-981	-967	-925	-994	-634
Net Borrowings	-1,790	-203	570	413	1,007	2,041	995	2,138
Capital Employed	4,596	4,241	4,230	4,878	5,484	6,124	5,419	6,115
Share information								
Market Capitalization (Million)	12,516	13,533	10,120	15,391	8,453	9,419	8,453	9,419
Issued Ordinary Shares (Million)	56.50	56.50	56.50	56.50	56.50	56.50	56.50	56.50
Per Share Data (Taka)								
Basic and Diluted Earnings Per Share	8.17	8.13	-4.13	8.41	-0.09	-4.57	-1.43	-3.30
Dividend Per Share	2.50	2.50	1.00	2.60	2.00	00	2.00	00
Total Assets Value Per Share	194.69	223.03	155.38	163.43	161.83	178.49	167.3	192.75
Net Assets Value Per Share	72.87	67.20	60.07	66.60	69.62	68.79	68.1	71.88
Market Value Per Share	221.50	239.50	179.10	272.40	149.60	166.70	149.60	166.70
Financial Ratio								
Liquidity Ratios								
Current Ratio	0.88:1	0.85:1	0.65:1	0.77:1	0.74:1	0.77:1	0.75:1	0.87:1
Quick Ratio	0.56:1	0.66:1	0.20:1	0.49:1	0.41:1	0.31:1	0.41:1	0.43:1
Operating Ratios								
Trade and Other Receivable Turnover Ratio	56.9	40.0	33.4	35.9	11.7	13.2	14.9	10.9
Inventory Turnover Ratio	6.3	10.0	7.8	6.3	7.8	6.0	7.4	5.1
Asset Turnover Ratio	1.3	1.4	1.9	1.6	1.2	1.2	1.2	1.1
Profitability Ratios								
Gross Margin Ratio	12%	12%	6.4%	11.2%	12.4%	9.7%	11.6%	10.2%
Operating Income Ratio	4.8%	4.9%	-0.1%	4.9%	3.7%	1.4%	3.2%	2.0%

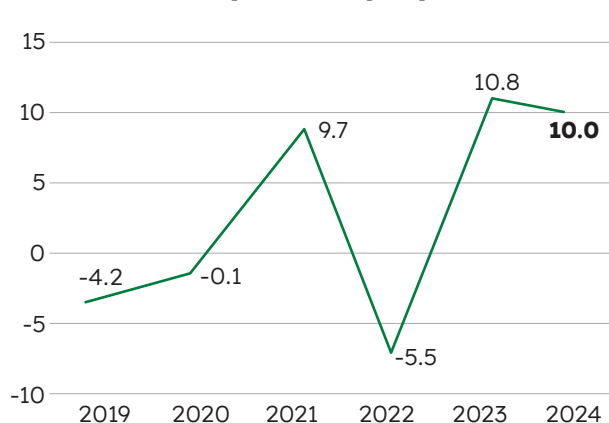
	Heidelberg Materials Bangladesh PLC.						Consolidated	
Profitability Ratios	2024	2023	2022	2021	2020	2019	2020	2019
Net Income Ratio	3.1%	2.6%	-1.4%	3.3%	0.0%	-2.2%	-0.7%	-1.6%
Return on Assets Ratio	4.2%	3.7%	-2.7%	5.1%	-0.1%	-2.6%	-0.9%	-1.7%
Return on Equity Ratio	11.2%	12.1%	-6.9%	12.6%	-0.1%	-6.7%	-2.1%	-4.6%
Net Operating Cash Flow to Net Profit Ratio	444%	268%	-92.0%	234.8%	-20,291.1%	-78.3%	-1,854.2%	-140.7%
Stockholder Ratios								
Earnings per Share	8.17	8.13	-4.13	8.41	-0.09	-4.57	-1.43	-3.30
Price Earnings (P/E) Ratio	27.1	29.5	-43.4	32.4	-1,719.3	-36.4	-104.6	-50.5
Dividend yield Ratio	0.01	0.01	0.01	0.0	0.01	0.0	0.01	0.0
Dividend Payout Ratio	31%	31%	-24.2%	30.9%	-2,298.5%	0.0%	-139.8%	0.0%
Solvency Ratios								
Times Interest Earned Ratio	N/A	2.94	-0.3	10.7	2.2	5.0	1.8	7.0
Debt to Equity Ratio	1.64	2.29	1.50	1.3	1.18	1.46	1.31	1.54
Bad Debt Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Ratios								
Net Gearing	N/A	N/A	0.17	0.1	0.26	0.53	0.26	0.53
EBITDA To Net Interest Cover (Times)	N/A	22.39	8.85	341.9	6.12	17.24	4.86	19.59
Net Borrowing to Assets (In Percentage)	N/A	N/A	6.49	4.47	11.01	20.24	11.00	19.63
Return on Capital Employed (In Percentage)	10.0	10.8	-5.5	9.7	-0.1	-1.8	0.6	-1.2
Number of Employees	332	339	343	343	274	273	349	374

Graphs On Financial Highlights

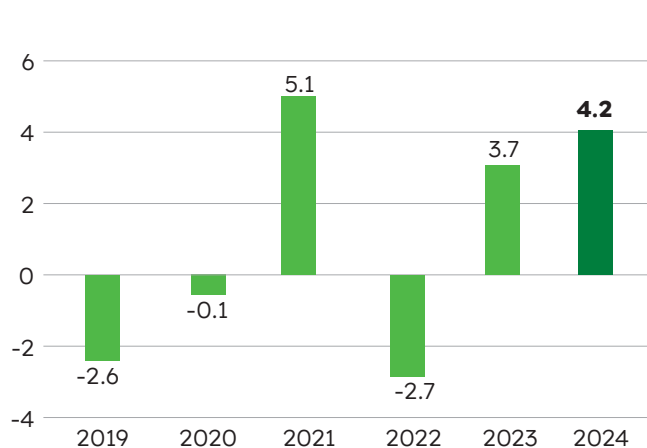
Net Asset Value Per Share (BDT)



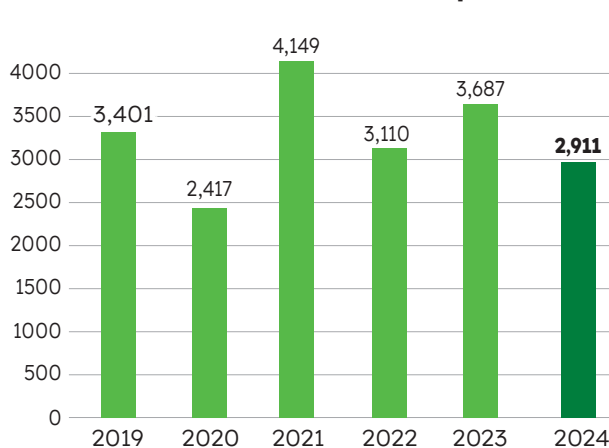
Return On Capital Employed (%)



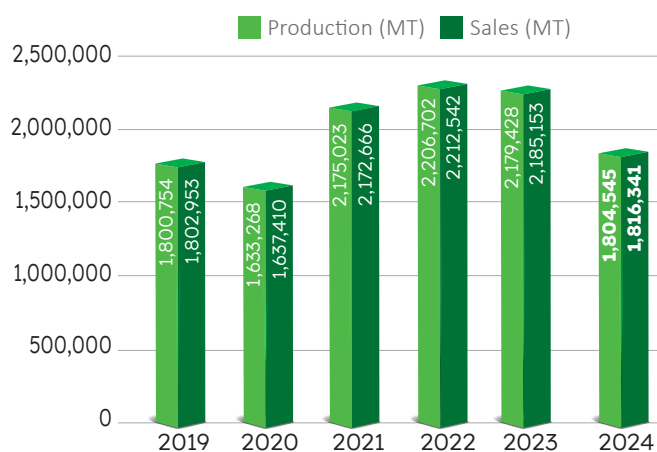
Return On Asset (%)



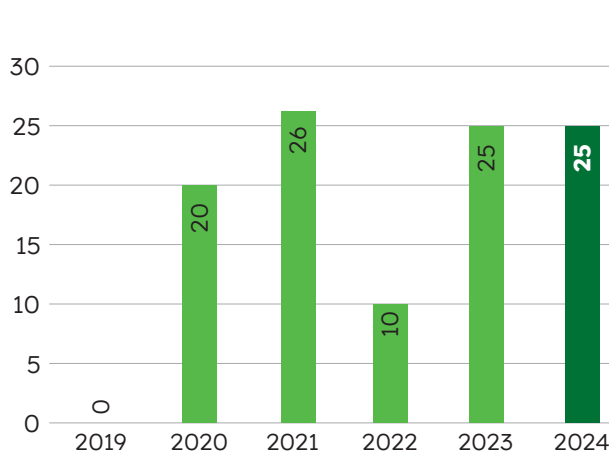
Contribution To National Exchequer (Million)



Production And Sales (MT)



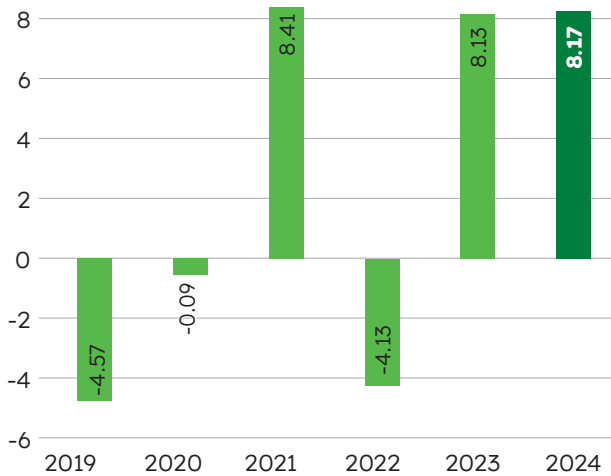
Dividend (%)



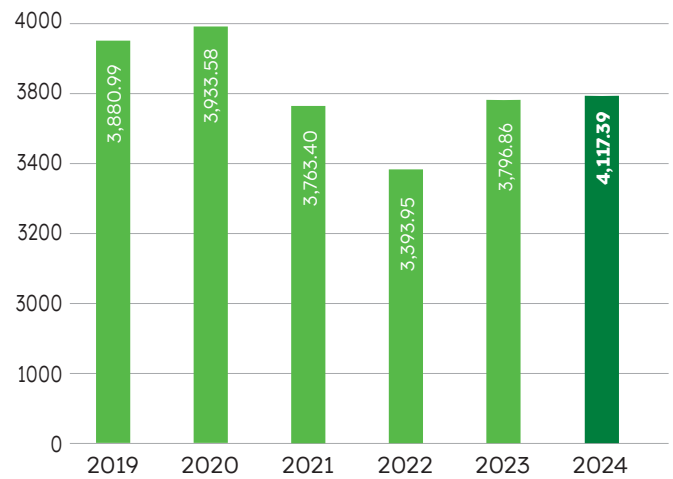
Including Emirates Cement Bangladesh Limited, the production and the sales of 2021 were 2,527,692 MT and 2,525,229 MT respectively.

Graphs On Financial Highlights

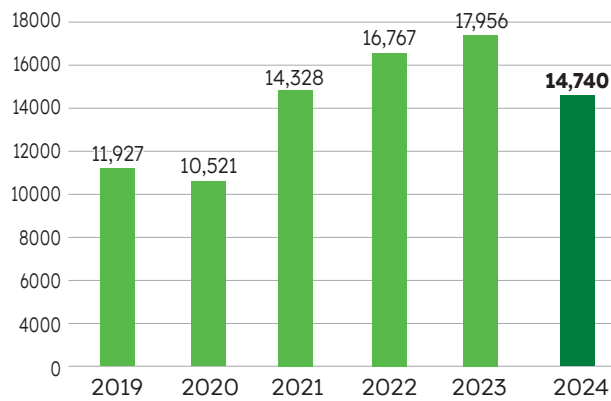
Earnings Per Share



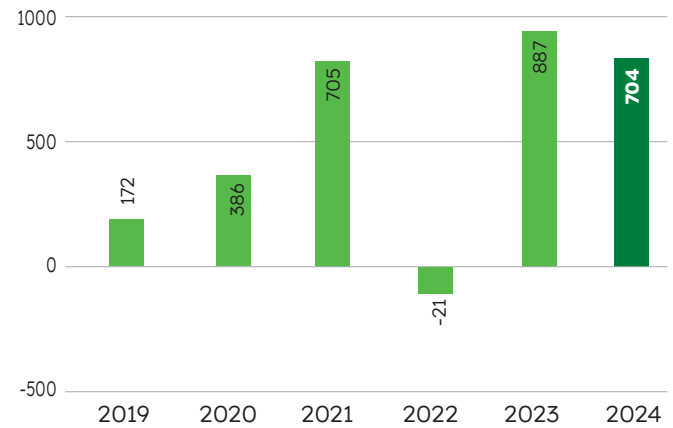
Net Assets (Million)



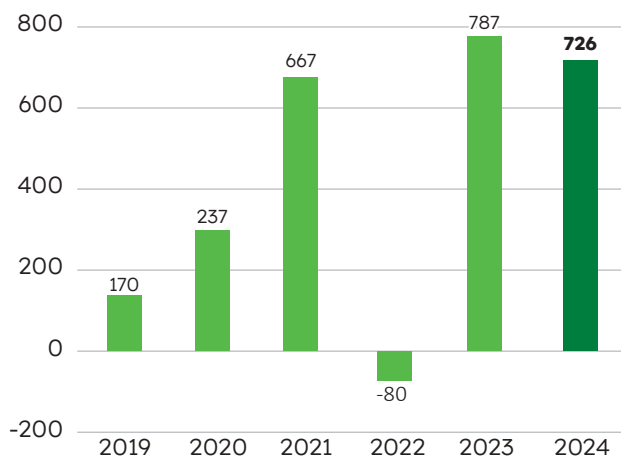
Total Revenue (Million)



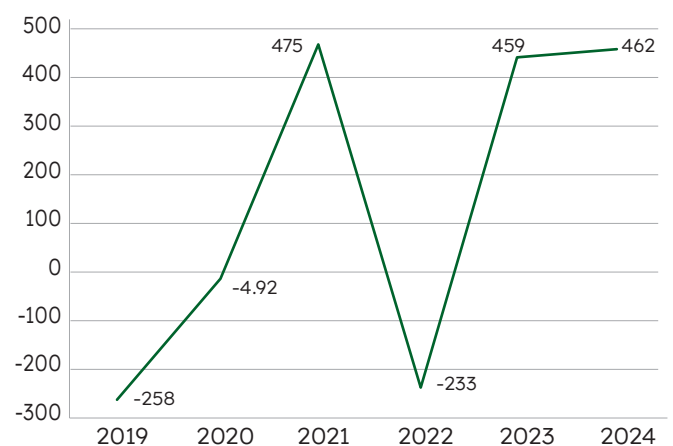
Operating Profit (Million)



Net Profit Before Tax (Million)



Net Profit/(Loss) After Tax (Million)



Notice of 36th Annual General Meeting (AGM)

A physical and virtual meeting through a Hybrid System

NOTICE is hereby given to all the members of Heidelberg Materials Bangladesh PLC. that the 36th Annual General Meeting (AGM) of the Company will be held at its registered address i.e. Mouza: Tatki, Post Office: Jatramora, Union: Tarabow, Police Station: Rupgonj, Dist: Narayanganj and also using a Digital Platform on Monday, 16 June 2025 at 10.30 A.M., to transact the following business:

Agenda

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2024 together with the Reports of the Auditors and the Directors thereon.
2. To approve dividends as recommended by the Board of Directors.
3. To approve the appointment of Mr. Ong Kian Hock Terence as Managing Director in place of Mr. Jose Marcelino Ugarte.
4. To approve the appointment of Mr. Md. Emdadul Haque, FCA, Mr. Niranjana Chandra Debnath and Mr. Sebastian Schwörer as Directors in place of Mr. Jashim Uddin Chowdhury, FCA, Mr. Md. Abul Hossain and Ms. Sim Soek Peng respectively.
5. To approve the appointment of Mr. Nasir Uddin Ahmed, FCA, FCS as an Independent Director.
6. To appoint Directors in place of Mr. Roberto Callieri, Mr. Fong Wei Kurk and Mr. Juan-Francisco Defalque who are retiring by rotation and being eligible have offered themselves up for re-appointment.
7. To appoint M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, as the Statutory Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration.
8. To appoint M/s. Tasnuva Mahedi Bhola (TMB), Chartered Accountants, as the Corporate Governance Compliance Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to fix their remuneration.

Special Business:

9. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to paragraph 1(b) of Notification No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021 of the Bangladesh Securities and Exchange Commission, approval is hereby granted to the Company to purchase raw materials namely clinker, slag, gypsum, and limestone from HM Trading Global (APAC) Pte. Ltd., a related party to the Company, amounting to more than 10% (ten percent) of the Company’s revenue for the immediate preceding financial year.”

Explanatory Statements:

Agenda No. 9

The Company in its ordinary course of business and/or on an arm’s length basis, sources material from different suppliers of raw materials. To ensure the stability of supplies in terms of quality, price, and logistics, the Company proposes to enter into transaction(s) with HM Trading Global (APAC) Pte. Ltd. (a related party of the Company as defined in the International Financial Reporting Standards). According to paragraph 1(b) of Notification No.

BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021 of the Bangladesh Securities and Exchange Commission, no issuer company shall, except with the approval of the general body of its shareholders with majority vote excluding the vote of the concerned or connected shareholders or directors or related party, enter into any contract for the supply of goods and materials amounting to 10% (ten percent) or above of the total revenue or turnover as shown in the statement of profit or loss and other comprehensive income for the immediate preceding financial year with any related party.

The Company envisages that the transaction(s) entered into with HM Trading Global (APAC) Pte. Ltd. whether individually and/or in the aggregate would exceed the stipulated threshold of 10% (ten percent) of the annual turnover of the Company as per the latest audited statement of profit or loss and other comprehensive income of the Company during a financial year of the Company. Hence, approval of the shareholders is being sought for the said related party transaction(s) proposed to be entered into by the Company with HM Trading Global (APAC) Pte. Ltd. in the financial year 2025. The Board of Directors recommends the above ordinary resolution for the members' approval.

By Order of the Board



Md. Saikat Khan

Director – Legal and
Company Secretary

Dated: 21 May 2025

Notes:

- The **'Record Date'** was on **20 May 2025**. The Shareholders whose names would appear in the Register of Members of the Company or the Depository on the 'Record Date' will be eligible to attend the 36th Annual General Meeting and receive Dividends.
- The Shareholders whose names would appear in the Register of Members of the Company or the Depository on the 'Record Date' will be eligible to attend the 36th AGM through the online live portal.
- The detailed login process and link to the online live portal to attend the meeting will be communicated to the shareholders in due course. Therefore, the shareholders are requested to update their email addresses through their respective Depository Participants (DP).
- A Shareholder entitled to attend and vote at the AGM may appoint a Proxy in his/her stead. Such a proxy must be a Shareholder of the Company. The Proxy Form must be affixed with the requisite revenue stamp and must be deposited at the Corporate Office of the Company at least 48 hours before the time fixed for the Meeting.
- The members of the Company are hereby requested to update their bank account number, mailing address, mobile number especially 12-digit E-TIN, etc. through their respective DPs and BO accounts before the Record Date i.e. 20 May 2025. If anyone fails to update their E-TIN in the BO account before the Record date, disbursement of the respective cash dividend will be subject to a deduction of AIT @15% instead of 10% per regulation.
- Shareholders bearing folio numbers are requested to submit their 12-digit E-TIN certificate to the Share Department of the Company latest by 01 June 2025, failing which Income Tax at source will be deducted from the cash dividend @15% instead of 10% from the dividend.
- Concerned brokerage houses are also requested to provide statements with the details (members name, BO ID number, client-wise shareholding position, gross dividend receivable, applicable tax rate, and net dividend receivable) of their margin loan holders, as on record date, to the Company's share office or email to share.bgd@heidelbergmaterials.com on or before 01 June 2025. The brokerage houses are also requested to provide their bank account name & number and routing number as well.
- The soft copy of the Annual Report-2024 of the Company will be sent to the shareholders' respective e-mail addresses. However, interested shareholders may collect hard copies of the Annual Report-2024 from the Company's share office by submitting a written request. The soft copy of the Annual Report-2024 will be available on the Company's website at <https://heidelbergmaterialsbd.com/financial-statements>.

Corporate Information

Company Name		Heidelberg Materials Bangladesh PLC.	
Authorized Capital: BDT 1,000,000,000 (Divided into 100,000,000 ordinary shares having a nominal value of BDT 10 each)		Paid-Up Capital: BDT 565,035,800 (Since June 2007) (Divided into 56,503,580 ordinary shares having a nominal value of BDT 10 each)	
Board of Directors			
Chairman Roberto Callieri	Independent Directors Abdul Khalek, FCA Nasir Uddin Ahmed, FCA, FCS	Directors Juan-Francisco Defalque Fong Wei Kurk Sebastian Schwörer Md. Emdadul Haque, FCA Niranjan Chandra Debnath	
Managing Director Ong Kian Hock Terence			
Board Committee			
Audit Committee	Nasir Uddin Ahmed, FCA, FCS (Chairman) Sebastian Schwörer (Member) Abdul Khalek, FCA (Member)	Md. Saikat Khan (Secretary)	
Nomination & Remuneration Committee	Abdul Khalek, FCA(Chairman) Fong Wei Kurk (Member) Sebastian Schwörer (Member)	Md. Saikat Khan (Secretary)	
Executive Committee	Ong Kian Hock Terence Md. Emdadul Haque, FCA Mohammad Alamgir Md. Saikat Khan Sameer Zakaria	Mohammad Ahmedul Karim H.M. Fida Mahmud Md. Robiul Islam Syed Mohammad Javed Tanvir Raihan	
Safety, Health and Environment Committee	Ong Kian Hock Terence Mohammad Alamgir	Mohammad Mohiuddin Kawsher	
Statutory Position	Chief Financial Officer Md. Emdadul Haque, FCA	Head Of Internal Audit & Compliance Mamun-UI-Hoque Chowdhury, CMA	Company Secretary Md. Saikat Khan
Registered Office	Mouza - Tatki, Post Office - Tarabow, Tarabow Pouroshava, P.S.- Rupgonj Dist.- Narayanganj		
Corporate Office	Symphony (6 th & 7 th Floor), Plot No. SE (F)9, Road No.142, Gulshan Avenue (South) Dhaka - 1212		
Plants	Dhaka Plant: Mouza -Tatki, Post Office - Tarabow, Tarabow Pouroshava, P.S.- Rupgonj, Dist.- Narayanganj	Chattogram Plant: South Halishahar, G.P.O. Box No. 372, Chittagong -4204	Mukterpur Plant: East Mukterpur, Munshiganj
Statutory Auditors	M/s. Hoda Vasi Chowdhury & Co Chartered Accountants	Address: BTMC Bhaban (6 th & 7 th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215.	
Corporate Governance Auditors	Hoque Bhattacharjee Das & Co. Chartered Accountants	Address: Jebun Index Trade Center (8 th Floor), 191 Shaheed Syed Nazrul Islam Sarani, 04 Bijoy Nagar, Dhaka-1000	
Bankers	Standard Chartered Bank Citibank N.A. Dhaka Bank PLC. National Credit & Commerce Bank PLC.	Uttara Bank PLC. One Bank PLC. Dutch-Bangla Bank PLC. Bank Asia Ltd.	Southeast Bank Ltd. Prime Bank PLC. Brac Bank PLC. United Commercial Bank PLC.
Website & E-Mail	Website: www.heidelbergmaterialsbd.com		E-mail: share.bgd@heidelbergmaterials.com
Investor Relations	Telephone +88-02-58811691; Ext. 304 & 305		Fax +88-02-9847003
Stock Exchange Listing	Dhaka Stock Exchange PLC. Listing year - 1989 Trading Code - HEIDELBCEM Scrip Code: 21614		Chittagong Stock Exchange PLC. Listing year - 1995 Scrip Code - HEIDELBCEM Scrip ID No. 15002
Central Depository System	The trading of Heidelberg Materials Bangladesh PLC. shares was started through CDS on 18 th July 2004.		



Board of Directors

Roberto Callieri

Chairman

Age: 61 years

Nationality: Italian

Date of Appointment: 06 March 2024

Length of Service in the HM Group: 35 years

Date of Last Re-election: N/A

Membership in Board Committee: Nil

Eligibility for Retirement by Rotation in the 36th AGM: Yes



Mr. Callieri completed his Bachelor of Engineering with a major in Electrical Engineering from the University of Cagliari, Italy, in 1990. Following this, he earned certificates in Financial Management from Bocconi University, Milan, Italy, and Advanced Management from Harvard Business School, Boston, USA. Mr. Callieri's career with Italcementi began in 1990, where he held various senior management positions in Puerto Rico, the USA, Canada, Turkey,

Thailand, Egypt, and Italy. From 2016 until the end of 2023, he served as the General Manager for Italy. As of 1 January 2024, Mr. Callieri has been a member of the Managing Board of Heidelberg Materials, overseeing the Asia region.

DIRECTORSHIP OF OTHER COMPANIES:

- Heidelberg Materials AG
- Heidelberg Materials Butra Sdn Bhd
- Alliance Construction Materials Limited
- HeidelbergCement India Limited
- Heidelberg Materials Asia Pte. Ltd.
- China Century Cement Limited
- Jidong Heidelberg (Fufeng) Cement Company Limited
- Jidong Heidelberg (Jingyang) Cement Company Limited
- Easy Point Industrial Limited
- HeidelbergCement Holding Hong Kong Limited
- Squareal Cement Limited
- Asia Cement Public Company Limited
- Jalapathan Cement Public Company Limited
- Guangzhou Heidelberg Yuexiu Enterprise
- Management Consulting Company Ltd.
- Gulbarga Cement Limited
- Zuari Cement Limited



Ong Kian Hock Terence

Managing Director

Age: 58 years

Nationality: Singaporean

Date of Appointment: 01 September 2024

Length of Service in the HM Group: 20 years

Date of Last Re-election: N/A

Membership in Board Committee: Nil

Mr. Ong earned an Engineering Degree with Honours from Nanyang Technological University in Singapore and an MBA from Victoria University in Melbourne, Australia. He also holds multiple professional certifications in Project Management (APM, PMP, PRINCE2) and Risk Management (PMI-RMP, MoR-OGC, CPRM-NUS).

He joined Heidelberg Materials Bangladesh PLC (formerly known as HeidelbergCement Bangladesh Ltd.) as Plant Manager in May 2004. He subsequently served as Director Plants and Technical Director before being appointed Managing Director on 01 September 2024. His key responsibilities include overseeing production, driving strategic growth, ensuring profitability, managing operations, optimizing efficiency, leading expansion projects, engaging stakeholders, ensuring compliance with safety and environmental standards, and fostering a strong organizational culture to retain and develop talent.

Before joining Heidelberg Materials Group, he gained experience working at G&W Industries Pte Ltd, Jurong Cement Limited, and Mobil Oil, Singapore.

DIRECTORSHIP OF OTHER COMPANIES:

- Heidelberg Materials Butra Sdn Bhd.

Abdul Khalek, FCA

Independent Director

Age: 65 years

Nationality: Bangladeshi

Date of Appointment: 23 July 2019 (First Term)

Length of Service in the HM Group: N/A

Date of Last Re-election: 23 July 2022 (Second Term)

Membership in Board Committee: BAC & NRC



Mr. Khalek is a fellow member of the Institute of Chartered Accountants of Bangladesh. He completed post-graduation in Commerce from the University of Dhaka in 1985. He has a high academic career and commendable experience in the field of corporate policy formulation and implementation, mentoring, business diversification, financial management, tax planning and compliance, internal audit, corporate governance and secretarial functions. He served Berger Paints Bangladesh Limited (BPBL) under different capacities (22 years as CFO). On successful completion of all 3 parts of Special Enrollment Examinations, he has been accredited as Enrolled Agent of IRS, USA from February 2021 and currently serving as Managing Partner and CEO of SME CFO Services.

He does not hold the office of directorship in any other company.



Nasir Uddin Ahmed, FCA, FCS

Independent Director

Age: 63 years

Nationality: Bangladeshi

Date of Appointment: 16 July 2024

Length of Service in the HM Group: N/A

Date of Last Re-election: N/A

Membership in Board Committee: BAC

Mr. Nasir Uddin Ahmed has over thirty-seven years of professional experience as Chartered Accountant in cross-industrial environments including tobacco, chemical, textile and FMCG companies. Mr. Ahmed's specialty is in Corporate Governance, Audit & Assurance, Financial Reporting, Statutory Audit and Forensic Audit, Company Secretarial matters and Advisory.

Mr. Ahmed completed his undergraduate degree in Accounting from the University of Dhaka with first-class and went on to earn a Master's degree in the same field. He is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB), the Institute of Chartered Accountants in England and Wales (ICAEW), and the Institute of Chartered Secretaries of Bangladesh (ICSB). He is also an Associate Member of the Chartered Institute of Management Accountants (CIMA), UK. Additionally, he was awarded the ICAB Medal for his outstanding performance in the CA Intermediate examination in May 1985.

In his diversified career graph, he holds prominent positions at renowned organizations such as Bangladesh Chemical Industries Corporation, British American Tobacco Co. Bangladesh Ltd. & Coats Bangladesh Ltd. Since 2011, he has been practicing with MABS & J Partners, Chartered Accountant, as Deputy Managing Partner. He served as Director of Bangladesh Commerce Bank Ltd., Dhaka Stock Exchange PLC., Bangladesh Telecommunication Co. Ltd., Bangladesh Institute of Capital Market. He was also an Independent Director of LEADS Corporation Ltd., Bangladesh Submarine Cable Co. Ltd., Color City Ltd., Popular Pharmaceuticals Co. Ltd.

Currently, he is an Independent Director on the boards of two listed companies: Shahjalal Islami Bank PLC and Robi Axiata Ltd.



Fong Wei Kurk

Director

Age: 48 years

Nationality: Singaporean

Date of Appointment: 29 January 2014

Length of Service in the HM Group: 13 years

Date of Last Re-election: 08 May 2024

Membership in Board Committee: NRC

Eligibility for Retirement by Rotation in the 36th AGM: Yes

Mr. Fong graduated in Law from the National University of Singapore in 2001 and passed the Board of Legal Education Post-graduate Practical Law Course in 2001. He was admitted to the Singapore Bar as an advocate and solicitor in 2002. He has specialized knowledge and experience in capital markets, merger and acquisition deals, energy-related transactions, and outbound deals. He joined the Heidelberg Materials Group in 2012 and is currently working as the Legal & Compliance Director for Asia.

DIRECTORSHIP OF OTHER COMPANIES:

- Heidelberg Materials Asia Pte. Ltd. (Singapore)
- Alliance Construction Materials Limited (Hong Kong, China)
- Heidelberg Materials Butra Sdn Bhd (Brunei)
- Asia Cement Public Company Limited (Thailand)

Sebastian Schwörer

Director

Age: 35 years

Nationality: German

Date of Appointment: 25 April 2025

Length of Service in the HM Group: 9 Years

Date of Last Re-election: N/A

Membership in Board Committee: BAC & NRC

Eligibility for Retirement by Rotation in the 36th AGM: No

Mr. Sebastian Schwörer holds a Master of Science in Business Administration from the University of Mannheim, a Bachelor of Science in Business Administration & Economics from the University of Passau and completed semesters at universities in the USA and Australia during his studies. Sebastian joined Heidelberg Materials in 2016 and is currently working as Head of Group Financial Planning & Analysis. Before he held various positions within the Group's finance organization, including Functional Team Lead Group Controlling for Area APAC, Management Assistant to Group CFO in Heidelberg and Managing Director/CFO of the RWG Group in Berlin.

Currently, He does not hold the office of directorship in any other company.



Md. Emdadul Haque, FCA

Director & Chief Financial Officer

Age: 40 years

Nationality: Bangladeshi

Date of Appointment: 10 March 2025

Length of Service in the HM Group: 13 years

Date of Last Re-election: N/A

Membership in Board Committee: N/A

Eligibility for Retirement by Rotation in the 36th AGM: No



Mr. Md. Emdadul Haque is a seasoned finance professional with extensive expertise in financial management, strategic planning, and operational efficiency. A Fellow Chartered Accountant (ICAB) and Certified Management Accountant (ANZ), he has a proven track record in IFRS, ISA, Tax, VAT, and SAP systems, showcasing his deep knowledge and adaptability in the ever-evolving financial landscape.

As the Director Finance and Chief Financial Officer of Heidelberg Materials Bangladesh PLC, Mr. Haque plays a vital role in steering the financial strategy of the organization. His leadership has been pivotal in driving transformative initiatives such as company acquisitions, financial restructuring, and the successful implementation of SAP. He has played a key role in enhancing internal control systems, optimizing operational efficiency, and ensuring compliance with regulatory requirements.

A respected thought leader, Mr. Haque has contributed insightful articles to The Accountants, addressing critical topics such as corporate governance, economic resilience, and digital transformation. Academically distinguished, he holds an MBA and BBA in Accounting & Information Systems from the University of Dhaka, with a history of academic accolades and scholarships.

Outside his professional life, Mr. Haque enjoys reading, writing, and traveling, which offer him fresh perspectives and inspiration. His interests reflect a well-rounded approach to personal and professional growth.

He does not hold the office of directorship in any other company.



Niranjana Chandra Debnath

Director

Age: 56 years

Nationality: Bangladeshi

Date of Appointment: 10 March 2025

Length of Service in the HM Group: N/A

Date of Last Re-election: N/A

Eligibility for Retirement by Rotation in the 36th AGM: No

Mr. Debnath holds a postgraduate degree in Accounting from Chittagong University and has obtained professional qualifications including FCMA (ICMAB), CGMA, and CMA (UK). He is also a Diplomaed Associate of the Institute of Bankers, Bangladesh (IBB). Throughout his career, he has participated in various training programs and seminars both locally and internationally and travelled widely at different countries of Europe and Asia.

Mr. Debnath joined the Investment Corporation of Bangladesh (ICB) as its Managing Director. Previously, Mr. Debnath had served as the Managing Director of Rajshahi Krishi Unnayan Bank (RAKUB), as Deputy Managing Director & Chief Anti-Money Laundering Compliance officer (CAMLCO) of Sonali Bank PLC and as Deputy Managing Director & Chief Financial Officer (CFO) of BASIC Bank Ltd. Mr. Niranjana Chandra Debnath started his banking career as an Assistant Manager at BASIC Bank Limited in 1997 and worked extensively across all key areas of banking in diverse capacities.

DIRECTORSHIP OF OTHER COMPANIES:

- British American Tobacco Bangladesh Co. Ltd.
- Unilever Consumer Care Limited
- Standard Bank PLC.
- National Tea Company Limited
- Apex Tannery Limited
- United Power Generation & Distribution Company Limited
- Apex Footwear Limited
- ACME Laboratories Ltd.
- Central Depository Bangladesh Limited
- Industrial and Infrastructure Development Finance Company PLC.



Juan-Francisco Defalque

Director

Age: 61 years

Nationality: Belgian

Date of Appointment: 23 July 2015

Length of Service in the HM Group: 35 years

Date of Last Re-election: 13 June 2023

Membership in Board Committee: Nil

Eligibility for Retirement by Rotation in the 36th AGM: Yes

Mr. Defalque completed Post Graduation in Mining Engineering from Catholic University of Louvain-la-Neuve, Belgium in 1982-1987. He has worked for about 35 years in the Cement industry in different capacities. He is a highly experienced executive who demonstrates the ability to lead diverse teams of professionals to new levels of success in challenging environments. His core competency includes managing large investment projects, suppliers and contractors selection and commissioning and handing over of new facilities or plants to operations.

DIRECTORSHIP OF OTHER COMPANIES:

- PT Indocement Tunggal Prakarsa Tbk.
- Asia Cement Public Company Limited
- Zuari Cement Limited
- Gulbarga Cement Limited

Company Secretary

Md. Saikat Khan

Mr. Md. Saikat Khan joined Heidelberg Materials Bangladesh PLC. on 12th August 2018 as Head of Legal and Corporate Affairs. He subsequently served as Director of Legal and Corporate Affairs before being appointed as Director-Legal and Company Secretary on 01 November 2024. Mr. Khan is a seasoned Legal Professional having more than 17 years' experience in Legal arena. Prior to joining Heidelberg Materials group, he worked for Nestlé Bangladesh PLC. for 7.5 years. His Corporate Journey started with TRANSCOM Limited in 2009. He is also an Advocate of the Supreme Court of Bangladesh.

Mr. Khan completed his LL.B (Hon's) and LL.M (Master of Laws) from University of Chittagong. He also achieved his Post-Graduate Diploma in Human Resource Management (PGDHRM) with distinction from Bangladesh Institute of Management (BIM). He holds special knowledge and experience on Food Laws, Customs laws, Environmental Laws, Labor Laws etc. and has specialties in Litigation Management, Contract Management and Corporate Compliance.



Executive Committee



Ong Kian Hock Terence
Managing Director



Mohammad Alamgir
Director Human Resources



Md. Emdadul Haque, FCA
Chief Financial Officer



Sameer Zakaria
Director Sales and Marketing



Md. Saikat Khan
Director Legal and
Company Secretary



Mohammad Ahmedul Karim
Head of Procurement



H.M. Fida Mahmud
Head of Logistics



Md. Robiul Islam
General Manager-Plant Operation
Kanchpur Plant



Syed Mohammad Javed
General Manager-Plant Operation
Chattogram Plant



Tanvir Raihan
General Manager - Plant Operation
Mukterpur Plant

Message from the Chairman

Dear Stakeholders of Heidelberg Materials Bangladesh PLC.

Dear Stakeholders of Heidelberg Materials Bangladesh PLC. (HMB PLC.),

I am pleased to present Heidelberg Materials Bangladesh PLC.'s Annual Report for the financial year 2024. This year has once again demonstrated our business's resilience and adaptability, our people's strength, and our unwavering commitment to sustainable growth in the cement manufacturing industry. Despite a challenging macroeconomic environment marked by global inflationary pressures, supply chain disruptions, local market volatility, and significant political transitions, we have delivered another year of solid performance.

Our focus on operational efficiency, strategic cost management, and customer-centricity enabled us to maintain our market leadership while preserving healthy margins. Revenue for the year stood at BDT 14,740 million while net profit after tax reached 462 million. In 2024, EPS improved slightly to BDT 8.17 from BDT 8.13 in the previous year. Our strong balance sheet and disciplined financial approach have kept us well-positioned to navigate uncertainty and seize growth opportunities.

As a subsidiary of Heidelberg Materials (HM) Group, we are deeply aligned with the global vision of HM to lead the transformation of our industry toward carbon neutrality. This year, we made significant progress in our decarbonization roadmap through energy efficiency initiatives, the use of alternative fuels and raw materials, and digital optimization of our production processes. Our commitment to environmental stewardship and responsible corporate citizenship is reflected in our ESG initiatives, community engagement, and continued investment in employee safety and well-being. We believe that long-term value creation must go hand in hand with sustainability and social responsibility. We would like to emphasize our unwavering commitment to transparency and accountability. We understand the importance of maintaining trust with our stakeholders, and we are dedicated to upholding the highest standards of corporate governance. Our Board of Directors remains vigilant in its oversight role, ensuring that our operations are conducted ethically and in compliance with all applicable laws and regulations.

Looking ahead, we remain cautiously optimistic. While macroeconomic headwinds may persist, the fundamentals of the construction sector remain strong, driven by urbanization, infrastructure development, and demographic growth. HMB is well-positioned to capitalize on these trends through



continued investment in capacity, innovation, and digital transformation. We will also continue to drive value for our stakeholders through strategic partnerships, operational excellence, and the development of sustainable construction solutions that meet the evolving needs of our customers and society.

I extend my heartfelt gratitude to my fellow board members for their invaluable leadership, direction, and contribution. I also wish to acknowledge the dedication and contribution of our management team, employees, bankers, and business partners to the Company. I am grateful for the support of government agencies, Dhaka Stock Exchange PLC., Chittagong Stock Exchange PLC, and other statutory bodies in supporting the Company's various activities. Lastly, I express my deep appreciation to all our esteemed stakeholders for their continuous support and trust in us to lead the Company successfully into the future. We remain committed to building a more sustainable business for our customers while increasing value for our shareholders.

A handwritten signature in black ink, appearing to read 'Roberto Callieri'.

Roberto Callieri

Chairman

Board of Directors

Heidelberg Materials Bangladesh PLC.



Message from the Managing Director

We would like to extend our sincere appreciation to the National Board of Revenue for the recent easing of tax regulations, which has had a positive impact on our financial landscape. Their recognition of the importance of withdrawing minimum tax requirements has paved the way for continued growth and stability.

At Heidelberg Materials Bangladesh, we are actively working to enhance our operations. Through increased engagement with engineers, home builders, and masons, we are reaffirming our commitment to delivering consistent quality. Their trust in our products has enabled us to build better homes for our customers, working collaboratively in this endeavor.

In alignment with our commitment to sustainability, we have made significant strides by investing in over half a megawatt of renewable energy to power our production units. This investment not only contributes to our energy needs but also supports a greener future for Bangladesh.

Safety remains a top priority at Heidelberg Materials Bangladesh PLC. A safe work environment translates into happier employees, resulting in improved plant performance and product quality. I am proud to report that throughout 2024, our dedicated employees returned home to their families without any loss-of-time injuries.

We also continue to support the environment by sourcing nearly 50% of our fly ash locally, thereby minimizing waste generated from power plants in Bangladesh.

Our plans for HMB PLC's continued growth focus on maintaining consistently high-quality cement production. We will do this by modernising our processes through increased automation, allowing us to develop our existing workforce and equip them with higher level skills sets necessary for the future.

As we move forward, the introduction of additional renewable energy systems across all our plants will further strengthen HMB PLC's commitment to environmental sustainability.

Moreover, our business approach is evolving to become more customer-centric. As our customers become increasingly informed, their demands for higher quality cement are undeniable. HMB PLC. is committed to adapting to these demands and ensuring we meet their expectations.

In the face of ongoing economic challenges, we continue to move forward with confidence and clarity. Resilience and responsibility remain at the core of our mission, and we are committed to fostering a stronger, more sustainable future for our stakeholders and for Bangladesh.

Ong Kian Hock Terence

Managing Director

Heidelberg Materials Bangladesh PLC.

Dear Stakeholders

I would like to begin by expressing my heartfelt gratitude to each of you. The landscape of our beloved Bangladesh changed quite dramatically in 2024, bringing with it a wave of uncertainty. Your unwavering support for our company has been instrumental in navigating these turbulent times. Without your trust and commitment, we would have faced greater challenges.

As we embark on this journey into a new Bangladesh, the path ahead remains uncharted. Together, with your continued support, I am confident we can explore new opportunities and grow collectively.

The year 2024 has been characterized by significant political transitions and macroeconomic uncertainties that have impacted the cement industry across the nation. Despite these challenges, Heidelberg Materials Bangladesh PLC remained resilient. Our commitment to strategic foresight and disciplined cost management allowed us to maintain stability in a demanding environment.

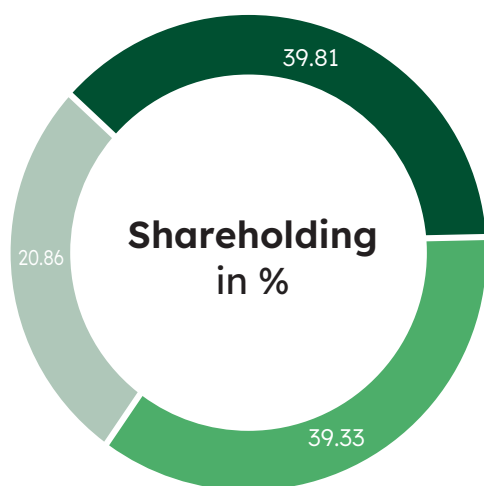
Our sales volume was 1,816k tons, compared to 2,185k tons in 2023, with revenue totaling BDT 14.7 billion. However, through enhanced operational efficiency, we were able to increase our gross profit margin to 12.2%, up from 11.5% in the previous year. We also significantly reduced operating expenses to BDT 1,104 million, down from BDT 1,195 million in 2023, demonstrating our commitment to prudent financial governance.

One of the most notable achievements this year was the transformation of a net financial expense of BDT 61.0 million in 2023 into a net financial income of BDT 61.1 million in 2024. This remarkable shift is attributed to effective treasury and funding strategies. Our earnings per share also saw a slight improvement, rising to BDT 8.17 from BDT 8.13 in 2023, highlighting our dedication to enhancing shareholder value, even in adversity.

Shareholding Position

Break-up of total shareholding

Shareholders	Year-2024
Heidelberg Materials Netherlands Holding B.V.	39.81%
Heidelberg Materials Asia Holding GmbH	20.86%
General Public, Institutions & Others	39.33%



- Heidelberg Materials Netherlands Holding B.V.
- Heidelberg Materials Asia Holding GmbH
- General Public, Institutions & Others

Classification of shareholders by holding

No. of shares held	01 January 2024			31 December 2024		
	No. of shareholders	Total holding	Percentage	No. of shareholders	Total holding	Percentage
0 - 5,000	9,917	3,285,622	5.82	9,459	3,089,182	5.47
5,001 - 50,000	226	3,521,897	6.23	229	3,493,364	6.18
50,001 - 200,000	38	3,236,485	5.73	34	2,978,176	5.27
200,001 - 500,000	8	2,668,890	4.72	9	3,026,562	5.36
500,001 - 10,000,000	6	9,513,276	16.84	6	9,638,886	17.06
10,000,001 - 56,503,580	2	34,277,410	60.66	2	34,277,410	60.66
Total	10,197	56,503,580	100.00	9,739	56,503,580	100.00

Top Ten Shareholders of the Company as on 31 December 2024

Name of shareholders	No. of shares held	Percentage
Heidelberg Materials Netherlands Holding B.V.	22,493,020	39.81
Heidelberg Materials Asia Holding GmbH	11,784,390	20.86
Investment Corp. of Bangladesh	5,598,665	9.91
ICB Unit Fund	3,504,307	6.20
Khondoker Monir Uddin	1,250,135	2.21
Bangladesh Fund	675,000	1.19
Saif Khondoker	500,000	.88
ICB AMCL Unit Fund	416,817	.74
Rupali Bank Limited	331,083	.59
Sonali Bank Limited	302,791	.54

Internal Control & Risk Management

Internal control

Heidelberg Materials Bangladesh PLC. (HMB PLC.) maintains a robust internal management control system, which forms the cornerstone of our operational framework. This system is anchored in several key components: annual operational planning, continuous management accounting and control, quarterly management meetings, regular Board meetings, and comprehensive reporting mechanisms to the Group. Annual operational planning is a pivotal element of our control framework. Budgets are formulated based on meticulous macroeconomic analyses, market assessments, and cost objectives. These budgets serve as the foundation for delineating specific targets for individual operational units, facilitating detailed planning within respective departments, and setting goals.

To ensure consistency and coherence across the Heidelberg Materials Group, standardized indicators are employed and presented uniformly. Reports encompassing financial performance, pertinent sales volumes, and production summaries are meticulously prepared, alongside analyses of operational results and working capital to meticulously monitor cash flow, a pivotal management metric. Quarterly reporting includes detailed assessments of tax implications, further enhancing our visibility into financial operations. Management meetings provide a forum for the Management Committee to deliberate on business performance vis-à-vis targets, assess the outlook for the fiscal year, and strategize on requisite measures to uphold organizational objectives.

Measures for identifying, assessing, and limiting risks

To identify and assess risks, individual business transactions at HMB PLC. are analyzed using the criteria of potential risk and probability of occurrence. Suitable control measures are then established based on these analyses. To limit the risks, transactions above a certain volume or with a certain complexity are subject to an established approval process. Furthermore, organizational measures (e.g., separation of functions in sensitive areas) and ongoing target/actual comparisons are performed for key accounting figures. The IT systems used for accounting are protected from unauthorized access by appropriate security measures.

The established control and risk management systems are not able to guarantee accurate and

complete accounting with absolute certainty. In particular, individual false assumptions, inefficient controls, and illegal activities may limit the effectiveness of the internal control and risk management systems employed. Exceptional or complex circumstances that are not handled routinely also entail a latent risk.

Risk Assessment

The assessment of the overall risk situation is the result of a consolidated examination of all major compound and individual risks. Overall, the Board is not aware of any risks that could threaten the existence of the Company either independently or in combination with other risks. The Company has a solid financial base, and the liquidity position is comfortable. Third-party evaluations serve as another indicator for the overall risk assessment. HMB PLC. is aware of the opportunities and risks for its business activity. The measures described above play a significant role in allowing HMB PLC. to make use of the opportunities to further develop the Company without losing sight of the risks. Our control and risk management system, standardized across the Group, ensures that any major risks that could negatively affect our business performance are identified at an early stage.

Identification and assessment of risks

The process of identifying risks is performed regularly on a decentralized basis by the management and by the globally responsible Group functions. General macroeconomic data, other industry-specific factors, and risk information sources serve as auxiliary parameters for the identification process.

Appropriate thresholds for reporting relevant risks have been established for HMB PLC., considering the specific circumstances. Based on our Group's risk model and according to the defined risk categories, the risks are assessed with reference to a minimum probability of occurrence of 10% and their potential extent of the damage. The risk statement also includes risks that do not have a direct impact on the financial situation, but that can influence non-monetary factors such as reputation or strategy. In the case of risks that cannot be directly calculated, the potential extent of damage is assessed based on qualitative criteria such as low risk or risks constituting a threat to the Company's existence.

The process of regular identification is supplemented with an ad-hoc risk report in the

event of the sudden occurrence of serious risks or sudden damage caused. This can arise, in particular, in connection with political events, trends in the financial markets, or natural disasters.

Risk Management

HMB PLC.'s risk policy is based on the business strategy, which focuses on safeguarding the Company's existence and sustainably increasing its value. Entrepreneurial activity is always forward-looking and therefore subject to certain risks. Identifying risks, understanding them, and reducing them systematically are the responsibilities of the Management Committee & the Board and a key task for all managers individually. HMB PLC. is subject to various risks that are not fundamentally avoided but instead accepted, provided they are consistent with the legal and ethical principles of entrepreneurial activity and are well-balanced by the opportunities they present. Opportunity and risk management at HMB PLC. is closely linked by Group-wide planning and monitoring systems.

The Executive Committee of HMB PLC. is obliged to set up and supervise an internal control and risk management system. The Board also has overall responsibility for the scope and organization of the established systems. The Audit Committee also reviews the effectiveness of the risk management system regularly. Heidelberg Materials Group has imposed transparent regulations to govern competencies and responsibilities for risk management that are based on the Group's structure.

A code of conduct, guidelines, and principles apply across the Company for the implementation of systematic and effective risk management. The standardized internal control and risk management system at HMB PLC. is based on financial resources, operational planning, and the risk management strategy established by the Managing Board of the Group. It comprises several components that are carefully coordinated and systematically incorporated into the structure and workflow organization.

The essential elements of the risk management Framework are:

- Documentation of the general conditions for methodical, efficient risk management in a Group guideline. In addition to this Risk Management Policy, the Code of Business Conduct is concerned with the code of conduct and compliance standards to be observed.
- Coordination of risk management in the Group Insurance;

- Managers are responsible for corporate risk at the operational level;
- Direct information, reporting, and open communication of quantified risks between the Management Committee and Group Managing Board;
- Standardized and regular reporting to the Group.

Sustainability and compliance risks

In line with our commitment to sustainable corporate governance, HMB PLC. places special emphasis on environmental protection, resource preservation, biodiversity conservation, and socially responsible conduct. We firmly believe that prioritizing environmental concerns, climate protection, and sustainable resource management serves as the cornerstone for our Company's future development. Adherence to both current legal statutes and internal regulations is ingrained within our corporate culture, constituting a duty for every member of our workforce. Any breaches of our commitments, laws, or internal guidelines not only carry direct sanction risks but also pose threats to our strategic, operational, and reputational integrity.

To ensure adherence to legal and internal standards, we have implemented a robust compliance program aligned with the directives of the Heidelberg Materials Group. This program includes various initiatives such as informative materials, a dedicated compliance hotline, and comprehensive employee training utilizing cutting-edge technologies and platforms, including electronic learning modules. These initiatives are designed to address key risk areas such as antitrust and competition laws, as well as anti-corruption regulations. Additionally, we have devised a plan for the ongoing evaluation and mitigation of corruption risks and potential conflicts of interest, a plan that is progressively being put into action.

In conclusion, HMB PLC. maintains a strong internal control and risk management system, anchored in meticulous planning, continuous assessment, and standardized procedures. We prioritize sustainability and compliance, viewing them as fundamental to our long-term success. Through proactive measures, including a comprehensive compliance program and ongoing risk evaluation, we strive to safeguard our operations, protect our reputation, and uphold our commitment to environmental stewardship and social responsibility. HMB PLC. remains dedicated to fostering a culture of accountability, transparency, and ethical conduct across all levels of the organization, ensuring sustainable growth and value creation for all stakeholders.



Statement on Corporate Governance

Statement on Corporate Governance

At Heidelberg Materials Bangladesh PLC. (HMB PLC.), we are committed to upholding the highest standards of corporate governance, believing it to be fundamental to our business practices. Aligned with the ethos of the Heidelberg Materials Group, we strive to achieve our long-term objectives while enhancing shareholder value sustainably. Our Board plays a pivotal role in setting the tone and direction for our strategy and management, with a strong emphasis on governance. We actively administer governance practices and continuously review our framework to ensure its relevance and adaptability to future challenges. Our steadfast commitment to good corporate governance is aimed at earning the trust and confidence of all stakeholders, whether local or global and is intrinsic to our operations.

Corporate Governance Framework

HMB PLC.'s Corporate Governance Framework is developed based on the following statutory requirements, best practices, and guidelines:-

- i. The Companies Act, 1994;
- ii. Stock Exchanges (Listing) Regulations, 2015;
- iii. Corporate Governance Code, 2018 and Financial Reporting & Disclosure Notification, 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC);
- iv. Secretarial Standards issued by the Institute of Chartered Secretaries of Bangladesh &
- v. Other rules, laws, and regulations, enforceable from time to time.

Compliance with the BSEC Code of Corporate Governance (BSEC CG), 2018 (the Code)

HMB PLC. has diligently adhered to all the principles and recommendations outlined in the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) on 3 June 2018. Our compliance efforts have been consistently applied, with full implementation achieved by the Financial Year 2024 (FY24). Throughout this governance review, we have incorporated all the key principles and recommendations of the BSEC Corporate Governance Code 2018 that apply to our company. To provide a comprehensive overview of our compliance with the Code in FY24, we have included a detailed table in Annexure-C, as per regulatory requirements. This table serves to clarify HMB PLC.'s adherence to the Corporate Governance Code 2018, ensuring transparency and accountability in our practices.

Shareholders' Rights

Shareholders hold the ultimate decision-making authority and are entitled to attend every annual general meeting either in person, virtually, through a proxy, or by an authorized representative. Each shareholder can exercise their voting rights based on their total shareholding.

Usually, matters reserved for shareholders' approval at AGM include the following: -

- i. Adoption of Audited Financial Statements;
- ii. Declaration of final dividends (if any);
- iii. Election and re-election of Directors;
- iv. Appointment/re-appointment of external auditors;
- v. Appointment/re-appointment of corporate governance compliance auditors.

1. Board of Directors:

(1.1) Composition:

The Directors of the Board are appointed by the shareholders at the Annual General Meeting (AGM) and the appointed Directors are accountable to the shareholders and they are supposed to act in such a way that ensures the best interest of the shareholders as well. The Board of Directors consists of Nine (9) members as follows:

- Two (2) Independent Directors
- Two (2) Executive Director
- Five (5) Non-executive Director

The Board is re-constituted every year at each Annual General Meeting when one-third of the members retires and seeks re-election. The Managing Director and independent directors are not subject to such retirement by rotation. A director is liable to be removed if the conditions of the Articles of Association and the provisions of the Companies Act, 1994 are not fulfilled.

(1.2) Roles & Responsibilities:

There are defined roles and responsibilities in the code of conduct for the Board of Directors' of the Company as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors. However, the roles & responsibilities of the Board of Directors are to protect the shareholders' assets and ensure a decent return on their investment. In HMB PLC., directors feel that it is their primary responsibility also to protect the employees of the Company. The Board of Directors is the highest governing authority within the management structure. The Board of Directors holds the ultimate responsibility & accountability with due diligence for conducting the activities of the Company as per provisions of law in the interest of the shareholders, the stakeholders, the state, and the society. In doing so, the Board of Directors holds periodic meetings, at least once in a quarter, and provides appropriate decisions/directions to the Executive Committee. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure proposals for Balancing, Modernization, Rehabilitation, and Expansion (BMRE) or new projects/divisions/product lines, procurement of funds by issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers.

(1.3) Board Meeting

Under the Articles of Association of the Company (AOA), the Directors may meet together for the dispatch of business adjourn and otherwise regulate their meetings and proceedings, as they think fit. The meeting of the Board of Directors shall be held once every three months and at least four such meetings shall be held every year. No business shall be transacted at any meeting of the Board of Directors unless a quorum is present when the meeting proceeds to business. Four (4) Directors present in person shall constitute a quorum for the meeting of the Board of Directors. The Board of Directors meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention.

The Board calendar, outlining scheduled dates for Board and committee meetings, as well as the Annual General Meeting (AGM) and major agenda items for each financial year, is set in advance for the entire year. This enables Management to plan effectively and ensures that Board meetings are incorporated into their schedules. Minutes of the meetings are documented in accordance with the provisions of the Bangladesh Secretarial Standards (BSS) of the Institute of Chartered Secretaries of Bangladesh (ICSB).

In 2024, four (4) Board meetings were held, with attendance as follows:

Name of the Directors	Status with the Company	Eligible to Attend Meeting	Meeting Attended	Attendance at the last AGM
Mr. Roberto Callieri	Chairman	04	04	No
Mr. Ong Kian Hock Terence (Appointed as Managing Director on 1 September 2024)	Managing Director	01	01	-
Mr. Jose Marcelino Ugarte	Ex-Managing Director	03	03	Yes
Mr. Abdul Khalek, FCA	Independent Director	04	04	Yes
Mr. Shahjahan Majumder, FCA (Deceased on 01 May 2024)	Independent Director	01	01	-
Mr. Nasir Uddin Ahmed, FCA, FCS (Appointed on 16 July 2024)	Independent Director	02	02	-
Mr. Md. Abul Hossain	Director	04	04	Yes
Mr. Juan-Francisco Defalque	Director	04	03	No
Mr. Fong Wei Kurk	Director	04	04	Yes
Ms. Sim Soek Peng	Director	04	03	No
Mr. Jashim Uddin Chowdhury, FCA	Director	04	04	Yes

(1.4) Relationship with Shareholders & Public:

The shareholders as the owner are required to be provided with material information on the Company's operation quarterly, half-yearly and annually, the latter at the AGM. They are also provided routine services by the Company Secretary in relation to transfer of shares, transmission of shares, replacement in case of loss or damage of shares, payment of dividends, etc. The Board is however responsible to the public for the publication of any price-sensitive information and Material Information as per BSEC regulation. Mr. Md. Saikat Khan is in charge of all these responsibilities as Company Secretary.

(1.5) Relationship with Government:

In its role of accountability to the Government, the Board of Directors are very much cautious and make payment of all dues to the Government in the form of import duty, customs duty and port charges, VAT, Corporate Taxes and other levies as and when they become due on the basis of actual operations. This has enabled the Company to enhance its contribution to the National Exchequer at a progressive rate year after year.

(1.6) Chairman of the Board and Managing Director/Chief Executive Officer

Mr. Roberto Callieri is in charge of the Chairman of the Board of Directors of the Company and Mr. Ong Kian Hock Terence is playing the role of Managing Director of the Company. The Managing Director of the Company does not hold same position in another listed company in our country. Under their excellent leadership, the Company is marching towards progress and prosperity for the forthcoming years..

The details code of conduct of Chairman and CEO are available on the Company's website.

(1.7) Distinctive Roles and Responsibilities of the Chairman and the Managing Director

The positions of the Chairman and the Managing Director are filled by different individuals and their roles and responsibilities are different from each other. The HMB PLC. Board has clearly defined their respective roles and responsibilities which properly guide them to discharge their duty effectively and efficiently.

The Chairman is responsible for the operations, leadership, and governance of the Board, ensuring its effectiveness, and assumes the formal role as the leader in chairing all Board meetings and shareholders' meetings. He leads the Board in overseeing Management and principally ensures that the Board fulfills its obligations outlined by the HMB PLC. Board and as required under the relevant legislation.

The Managing Director is responsible for the management of the Company's business, organizational effectiveness and implementation of Board strategies, policies, and decisions. By virtue of his position as a Board member, he also acts as the intermediary between the Board and the Executive Committee.

(1.8) Independence

In exercise of independence inside the Board, HMB PLC. measures the independence of its Directors based on the criteria prescribed under the regulations wherein a Director should be independent and entitled to enjoy freedom from any business or other relationship that could materially interfere with the reflection of independent judgment or the ability to act in the best interest of the Company. A Director should also be willing to express his own opinion at the Board free of concern irrespective of his position or the position of any third party.

(1.9) Directors' Commitment

Each Board member is expected to commit sufficient time to carry out his/her role as Director and/or member of the Board Committees in which he/she is a member. A Director is expected to advise the Chairman of the Board. In doing so, the Director is expected to indicate the time commitment with respect to the affairs of the Board and Board Committees.

(1.10) Directors' Code of Ethics & Employees' Code of Conduct

The Board had adopted the Directors' Code of Ethics since 2012 as prescribed by the BSEC and the same is adhered to at all times. The corporate culture of uncompromising integrity is applicable across the Group and the Code of Conduct manual applicable to employees provides guidance on high ethical business standards and guidelines. The code serves as a guideline for employees conduct in the workplace, business conduct when dealing with external parties, and includes key issues such as bribery, conflicts of interests, insider trading and data integrity and retention. The Code of Conduct is disseminated throughout to employees of HMB PLC. through its intranet and as a part of its enforcement, employees are required, on annual basis, to submit their declaration to adhere to and observe its provisions. The details code of conduct of Board of Directors is available on the Company's website.

(1.11) Re-Appointment & Re-Election of Directors

In accordance with the Company's Articles of Association, newly appointed Directors are required to seek re-election at the first AGM after their appointment. Additionally, one-third of the Directors, excluding the Managing Director and Independent Directors, must retire by rotation at every AGM but are eligible for re-election. The Directors to retire each year are those who have been in office the longest since their appointment or re-election.

At the upcoming AGM, Mr. Roberto Callieri, Mr. Fong Wei Kurk , and Mr. Juan-Francisco Defalque will retire by rotation. They are all eligible and offer themselves for re-election.

(1.12) Training and Induction of Directors (including Independent Directors)

HMB PLC. has a practice of conducting formal orientation for newly appointed Directors, including Independent Directors, to familiarize them with the company. Directors interact with various committees and employees, including the Audit, Nomination and Remuneration, and Executive Committees, as well as the Safety, Health, and Environment Committee. Committee members provide detailed information on the company's culture, strategy, operations, markets, products, and guidelines. This helps Directors understand statutory and regulatory compliance, enabling them to provide unbiased advice for future strategies. If deemed necessary, a training program may be conducted by the Managing Director, CFO, or Senior Management. The Company Secretary provides detailed information about other Board members, the Code of Ethics, the company's history, and the Terms of Reference for Board Committees.

(1.13) Management of Conflicts of Interest

The Board at HMB PLC. strives to prevent conflicts of interest, aligning with the Group Policy. Formal procedures are in place to manage compliance with conflict of interest regulations. If a Director has a direct or indirect interest in an agenda item, they disclose their interest immediately. The Interested Director then abstains from discussing or voting on that agenda item and may excuse themselves from the deliberations, as appropriate. These actions are documented in the meeting minutes to ensure transparency and adherence to governance standards.

(1.14) Chief Financial Officer (CFO)

A Fellow Chartered Accountant (FCA), Mr. Md. Emdadul Haque, with his long service experience and expertise, is leading the Company's Finance Team as Chief Financial Officer. He is a seasonal accountant especially in cost control, wealth maximization, development of the operating plan, making of the budget, ensuring adoption of IFRS and IAS in preparation of financial statements and other applicable rules of reporting. The CFO attends the meetings of the Board of Directors as required under condition no. 3(2) of the Code except those which involve consideration of the agenda relating to him.

(1.15) Head of Internal Audit & Compliance (HIAC)

Mr. Mamun-UI-Hoque Chowdhury, CMA is serving the Company as Head of Internal Audit & Compliance. He has long experience in the field of audit and compliance and is very much passionate to perform his defined roles and responsibilities under the supervision of the Managing Director of the Company. The HIAC is responsible for reporting to the Audit Committee for his activities and attend the meetings of the Audit Committee and the Board of Directors as required under condition no. 3(2) of the Code except those which involve consideration of the agenda relating to him.

(1.16) Company Secretary (CS)

Mr. Md. Saikat Khan, has been appointed by the Board of Directors in its meeting as Company Secretary of the Company as per the requirement of BSEC. He is also the secretary of the other sub-committees of the Board. Mr. Khan has a long involvement with the Company. His core responsibilities cover the efficient administration of the Company, particularly with regard to ensuring compliance with statutory and regulatory requirements and ensuring that decisions of the Board of Directors are implemented. As per condition no. 3(2), the CS also attends each meeting of the Board of Directors except those which involve consideration of the agenda relating to him.

2. Board Committees:

(2.1) Board Audit Committee (BAC)

In compliance with condition no. 3(4) of the Code, the Board has formed an Audit Committee comprising three members. . The Committee was reconstituted on 24 April 2025, and headed by the Independent Director, Mr. Nasir Uddin Ahmed, FCA, FCS as the Chairman.

Role of the Board Audit Committee:

The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions, and such other matters as prescribed. The Audit Committee shall also coordinate with the internal and external auditors as and when required.

The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for the detection of errors, frauds, and other deficiencies. The BAC is also responsible for the

prevention of conflict of interest between the Company and its Directors, officials, customers, suppliers, Government, and any other interested groups and detects or removes any scope/chance of insider trading in the Company's stock. The Audit Committee also ensures compliance requirements of the Code and other agencies. During the year 2024, 4 (Four) BAC meetings were held and the attendance thereof has been stated in the report of the Audit Committee. A report on the activities carried out by the Audit Committee is enclosed as a part of the Annual Report.

(2.2) Nomination & Remuneration Committee (NRC)

In compliance with condition no. 3(4) of the Code, the Board has formed a Nomination & Remuneration Committee comprising three members. The Committee was reconstituted on 24 April 2025, and headed by the Independent Director, Mr. Abdul Khalek, FCA as the Chairman.

Role of the Nomination and Remuneration Committee:

The powers, role, and terms of reference of the Nomination and Remuneration Committee cover the areas as contemplated under Section 6(5) of the Code, besides other terms as referred by the Board of Directors. The role includes the formulation of criteria for determining qualifications, positive attributes, and independence of a director and recommending to the Board a policy relating to the remuneration for the directors and Top-Level Executives; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on diversity of Board of Directors; and identification of persons who are qualified to become directors and Recommend to the Board of their appointment, removal and noting their cessation.

During the year 2024, four (4) NRC meetings were held. Please see the attendance record in the report of the Nomination & Remuneration Committee furnished in this annual report.

(2.3) Executive Committee

The Executive Committee, overseen by the Managing Director appointed by the Board of Directors for a renewable 5-year term, is supported by a highly skilled team comprising Executive Directors, Directors, and various Senior Executives. This Committee is responsible for developing budgetary plans for each cost/profit center and is accountable for their performance. The Executive Committee's responsibility also extends to strategic planning, policy formulation, and ensuring the effective implementation of the company's objectives. Additionally, the Committee plays a crucial role in advancing a culture of innovation and efficiency within the organization, continuously seeking opportunities for improvement and growth. Through collaboration and effective communication, the Executive Committee drives the company's success and ensures alignment with the Board of Directors' vision and goals.

(2.4) Safety Health and Environmental Committee

HMB PLC. is dedicated to adhering to all relevant environmental laws, standards, and regulations, with a proactive and long-term approach to environmental issues to prevent pollution and continually enhance environmental performance. Health and safety are core aspects of all our operations. Under the effective leadership of Mr. Mohammad Alamgir, HMB PLC.'s overall health and safety management has made significant strides, fostering a strong safety culture within the company. To promote awareness and encourage adherence to safety rules regardless of the workplace, numerous programs were organized by HMB PLC. for all stakeholders, both within and outside the company, throughout the year.

3. Other Governance Apparatus

The Company, in its efforts for Corporate Good Governance Practices, uses a series of top-ranking professional service providers including Legal experts, Bankers, Insurers, and Technical experts who continuously assist the Board of Directors and the Executive Committee in properly discharging their duties to all the shareholders, stakeholders, the Government and the public as highlighted below:

(3.1) Independent Directors:

In compliance with the BSEC Regulations on Good Governance, the Board of Directors as empowered by the Regulations, appointed Mr. Abdul Khalek, FCA and Mr. Nasir Uddin Ahmed, FCA, FCS as the non-shareholder Independent Directors. It is expected that their expertise would induce the Company to more disclosure and protect the interest of all investors, particularly general and smaller investors.

(3.2) Statutory Auditor:

The financial statements for the year ended 31 December 2024 of the Company were certified by M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, in compliance with the Financial Reporting and Disclosure notification dated 20 June 2018 of BSEC. This ensures transparency and protection of investor interests, following International Accounting Standards (IAS), International Financial Reporting

Standards (IFRS), Financial Reporting Act 2015, and International Standard of Auditing (ISA). The high level of capability and integrity demonstrated by M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, has been instrumental in safeguarding investor interests.

(3.3) Dividend Distribution Policy:

The Company's dividend distribution policy outlines the amount it pays to shareholders as dividends, shaping investor attitudes and the financial market's perception of the company. The Company adheres to capital repatriation and remittance guidelines set by the Bangladesh Investment Development Authority (BIDA), directing payments to investors. Shareholders receive dividends based on their shareholding in the Company's net profit, as declared by the General Meeting of Shareholders. The Dividend Distribution Policy is attached to this annual report as Annexure-H.

(3.4) Company Secretary

To ensure the effective assimilation and timely flow of information required by the Board and to maintain necessary liaison with internal departments as well as external agencies, the Board has appointed a Company Secretary. The Code also requires a listed Company to appoint a full-fledged Company Secretary, as distinct from other managers of the Company. In compliance with this requirement, the Board of Directors has appointed a Company Secretary and clearly defined his roles and responsibilities. At HMB PLC., among other functions, the Company Secretary:

- Performs as the bridge between the Board, Management, and shareholders on strategic and statutory decisions and directions.
- Acts as a quality assurance agent in all information streams toward the Shareholders/Board.
- Is responsible for ensuring that appropriate Board procedures are followed and advises the Board on Corporate Governance matters.
- Acts as the Disclosure officer of the Company and monitors the compliance of the Acts, rules, regulations, notifications, guidelines, orders/directives, etc. Issued by the BSEC or Stock Exchange(s) applicable to the conduct of the business activities of the Company so as to the interest of the investors.

(3.5) Corporate Social Responsibilities (CSR):

The Board of Directors is also concern with community development as a part of the Corporate Social Responsibilities (CSR), especially in the areas of gender equality, race-religion-regional equality, non-employment of child labour, human rights, environmental pollution, social marketing, social activities (promotion of sports & culture, health care, and population control programs, elimination of corruption programs, participation in charitable activities, etc. in a non-partisan manner) right to form and participate in Union under ILO convention, employment of disabled, etc. Besides this, the Board of Directors especially cares for education.

(3.6) CEO and CFO Certification

The Managing Director and the CFO of the Company have certified to the Board of Directors (Annexure-A), inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under condition no. 1(5)(xxvi) of the Code for the year ended 31 December 2024.

(3.7) Whistleblower Policy

We welcome and encourage all employees and external partners including suppliers, contractors, customers, NGOs, local communities, and other stakeholders to speak up about any concerns or risks they see. Whether it involves possible violations of laws, human rights, environmental responsibilities, or company policies, even if it's just a suspicion, their voice matters.

Examples of incident types to be reported in **Speak Up**

- Financial Misconduct
- Workplace Safety & Health
- Harassment or Discrimination
- Environmental Issues
- Cybersecurity Concerns
- Human Rights Violations
- Corruption & Bribery

The report can be made anonymously. The submitted incident reports are handled by trained investigators with the utmost confidentiality and in a way which avoids any retaliation towards the reporting person.

(4) Relationship With Other Stakeholders and Shareholders

(4.1) Communication with Shareholders and Investors

The Board acknowledges the importance of an effective communication channel between the Board, stakeholders, institutional investors, and the investing public at large to provide a clear and complete picture of the Company's performance and position as much as possible. The Company is fully committed to maintaining a high standard in the dissemination of relevant and material information on the development in its commitment to maintain effective, comprehensive, timely, and continuing disclosure. There is also a strong emphasis on the importance of timely and equitable dissemination of information and easy access to them as well. Disclosures of corporate proposals and/or financial results are made in compliance with the Regulations. Therefore, information that is price-sensitive or may be regarded as undisclosed material information about the Company is not disclosed to any party until it is already in the public domain through disclosure.

HMB PLC. uses a number of formal channels to account to shareholders and stakeholders; particularly-

(4.1.1) Annual Report

The Annual Report is a major channel of communication disclosing information not only on the Group's business, financial and other key activities but also additional information such as operations performance, challenges, and its management. The Board places great importance on the content of the Annual Report to ensure the accuracy of the information as the Annual Report is a vital source of information for investors, shareholders, and the general public. The senior management and personnel from various divisions play an important role to ensure the accuracy of the information and full compliance with the relevant regulatory requirements. The contents of the Annual Report are continuously enhanced, taking into account developments, amongst others, in corporate governance.

(4.1.2) Announcements to BSEC and Stock Exchanges

The announcement of quarterly financial results, circulars, and various announcements are made via stock exchanges link in full compliance with regulatory authorities' disclosure requirements. The same is also made available through uploading on HMB PLC.'s official website.

(4.1.3) Media Releases

Media releases are also disseminated to the media on all significant corporate developments and business initiatives to keep the investing community and shareholders updated on the Company's developments. Media releases are subject to approval by the Managing Director.

(4.1.4) Company Website

All information on share prices, financial reports, stock exchange filings, presentations, financial calendars, and ownership profiles, are posted in the Investor Relations section. In addition, quarterly results are also available for streaming or downloading from the Company's official website at www.heidelbergmaterialsbd.com.

(4.1.5) Annual General Meeting (AGM)

The AGM is undoubtedly the primary engagement platform between the Board and shareholders of the Company and has historically been well attended and has seen an increasing turnout year-on-year indicating a high level of engagement with shareholders. At the AGM in 2024, Directors were present in person and/or virtually in compliance with the BSEC directive no. BSEC/CMRRCD/2009-193/08, dated 10 March 2021 and BSEC/ICAD/SRIC/2024/318/09, dated 16 January 2024 to engage directly with, and be accountable to the shareholders for the stewardship of the Company. The proceedings of the AGM normally commence with a concise but comprehensive presentation by the Chairman of the meeting on the financial performance of the Company for the preceding financial year, the preceding quarter, and the Company's vision and initiatives. During the AGM, the shareholders are also at liberty to raise questions on all affairs of the Company. The Chairman, subject to the line of questions and relevance, entertains questions raised at the AGM as long as there is sufficient time and they are not repetitive.

(4.2) Redressal of Investors' Complaints

Our Investor Relations department prioritizes addressing investor queries and complaints, ensuring fair treatment of all shareholders. HMB PLC. is committed to maintaining high standards in timely dissemination of relevant and material information. To ensure fairness and promote transparency, the company employs various effective mechanisms. For queries related to shareholdings, such as transfer, transmission, re-issue in case of loss or damage, payment of dividends including transfer to CMSF, and dividend tax certificates, please contact the following address:

Investors Relations Department

Heidelberg Materials Bangladesh PLC.
Symphony (7th Floor), SE(F) 9, Road No. 142, Gulshan Avenue (South), Dhaka-1212
Or
Email: share.bgd@heidelbergmaterials.com
Or
Phone No. +88-02-58811691, Ext. 304 & 305

Other details to communicate with our Investor Relations department are available at our company website.

The Investor Relations department acknowledges complaints and subsequently contacts investors to confirm their identity through Shareholders BOID/Folio ID, Shareholders name, Shareholders NID, Shareholders bank details, etc. After fully verifying the shareholders' details and nature of queries, the Investor Relations Department provides necessary support to the respective shareholders to ensure their satisfaction.

(5) Accountability and Audit

(5.1) Financial Reporting

The Board is committed to ensuring that a clear, balanced, and meaningful assessment of the Company's financial performance and prospects through the audited financial statements and the quarterly announcement of results are provided to shareholders and regulatory bodies. In this respect, the Board through the BAC, oversees the process and the integrity and quality of financial reporting, both annually and quarterly. The BAC, in this respect, assists the Board by reviewing the financial statements and quarterly announcements of results to ensure completeness, accuracy, and adequacy in the presence of external auditors and internal auditors before recommending the same for the Board's approval. The details of the Company's financial statements for FY24 can be found together with this Annual Report.

(5.2) Related Party Transactions (RPTs)

The Company has established an internal compliance framework to ensure compliance with regulations, particularly concerning related party transactions. Processes and procedures are in place to ensure that such transactions are conducted on terms no more favorable to related parties than to the public. This assessment considers factors such as pricing, contract rates, terms and conditions, required level of service and expertise, product and service quality, prevailing market prices and rates, industry norms and standards, and general practices of service providers with similar capacities and capabilities available in the open market. The annual internal audit plan includes a review of all related party transactions to verify that all necessary approvals have been obtained. Details regarding the number of related party transactions entered into during FY24 are disclosed in note no. 43 of the financial statements.

In conclusion, HMB PLC. is dedicated to upholding and exemplifying the best compliance practices in the industry. The core purpose of the Code is to cultivate a culture of good governance and ethical practices across all business domains. The Company is deeply committed to upholding the Group's impeccable reputation and strives to set a benchmark as a leader in good governance practices within the country.



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Sustainability Report

As a leading producer of building materials, we are aware of our responsibility to ensure natural resources are used sustainably. We are committed to efficient, environmentally friendly processes, and we develop innovative products and solutions. We aim to help tackle social, economic, and environmental challenges. Our efforts are concentrated on those issues to which we can make a significant contribution as a company.

Sustainability is one of the most transformative topics and an integral part of Heidelberg Materials Bangladesh PLC., which aligns with the Heidelberg Materials' Group strategy. It influences every business decision and is firmly anchored in our day-to-day business at our almost 3,000 locations. We are convinced that a modern sustainability strategy requires strong and ambitious targets combined with relevant key figures. After all, inaction is more expensive than action – this is the case for the effects of climate change, and other measures such as the continuous development and training of our employees.

Our overarching objective is to decarbonize our cement and concrete products by applying innovative technologies and sustainable practices. By consistently integrating sustainability into our value chains, we have been able to significantly expand our range of sustainable products and solutions in recent years. Heidelberg Materials' teams are working hard at developing and scaling new solutions. We communicate the added value of sustainable products to our customers through various events and communication formats. Additionally, we are involved in associations and networks to promote sustainability at all levels and together with other social stakeholders.

Material topics for a more sustainable future

Climate change

As one of the largest building materials manufacturers worldwide, we are aware of our special responsibility. A key focus of our climate strategy is the reduction of CO₂ emissions: Heidelberg Materials has set ambitious targets for reducing specific net CO₂ emissions to 400 kg per ton of cementitious material by 2030 and achieving net-zero emissions by 2050 latest.

Pollution

A key aspect of our environmental strategy is the reduction of air pollutants. In addition to CO₂ emissions, cement production also causes the release of dust and air pollutants such as sulphur oxides (SOX) and nitrogen oxides (NOX). Heidelberg Materials has implemented strict policies and measures to control the emission of these pollutants. By using innovative process technologies and emission reduction systems, we reduce air pollution and contribute to improving air quality.

Water and marine resources

Heidelberg Materials is committed to the protection and active management of water resources. We strive to minimize the impact of our business activities on natural water resources and monitor water use, especially in regions with water risks. We focus on individual, location-specific solutions to reduce water consumption and work closely with local communities to ensure fair water distribution. Water management plans and water recycling systems help us reduce our water consumption, especially in water-scarce regions, and minimize the environmental impact of our wastewater.

Circular economy

We are continuously expanding our portfolio of circular products to offer our customers more alternatives to standard concrete products. This includes the development of concrete mixtures with reduced clinker content and increased recycled content, as well as research into alternative binders. Particular attention is paid to the use of digital construction processes such as 3D-concrete printing, which enables material savings and reduces construction waste.

Own workforce

Another area of focus is compliance with human rights. Heidelberg Materials is committed to fully respecting the human rights of its employees. In addition to personal self-determination, this also includes the equal treatment of all employees, regardless of origin, ability, or belief. We do not tolerate child or forced labour.

Workers in the value chain

We recognise the importance of fair working conditions and respect for human rights, and we are actively committed to embedding these principles throughout our value chain. In this context, we pay close attention to the impact of our business activity on the workforce in the upstream and downstream value chains. We thus strive to create transparency in their working conditions and make sure human rights are respected along the entire value chain.

We want to be perceived as an innovative, sustainable, and diverse employer with a value-oriented corporate culture in which employees can reach their full potential while contributing to a better future for the entire industry. Our objective is to promote growth, team spirit, and mutual appreciation in order to ensure our mutual success and advance the Heidelberg Materials brand.

We thus keep our eyes focused on the entire range of ESG issues – after all, aspects such as occupational safety, responsible procurement, respect for human rights, and ensuring equal opportunities are crucial to lead our company in a forward-looking way. The health and well-being of our employees is the foundation of a productive and engaged workforce, and diverse teams make us stronger as a company. We continuously monitor the achievement of our sustainability commitments.



দেশের সর্ববৃহৎ সেতু
'পদ্মা সেতু'-র
মূল কাঠামো গড়ে উঠেছে শুধুমাত্র
স্ক্যানসিমেন্টের
শক্তিতে



সঠিক মান, স্ক্যানসিমেণ্টে গড়ুন আপনার স্বপ্নের নির্মাণ!

জার্মান
প্রযুক্তি

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Reports of the sub-committees of the Board of Directors

- Report of the Audit Committee
- Report of the Nomination and Remuneration Committee

Report of the Board of Directors

Report of The Audit Committee

For The Year 2024

The Audit Committee (the “Committee”) of Heidelberg Materials Bangladesh PLC., as a sub-committee of the Board of Directors, plays a crucial role in assisting the Board in fulfilling its oversight responsibilities diligently and with utmost care. The Committee assists the Board in ensuring that the financial statements present a true and fair view of the Company’s state of affairs and in establishing effective monitoring mechanisms within the business. The Committee’s responsibilities include risk management, good governance with a particular focus on ensuring compliance by management of the Company, with all applicable legislation and regulations.

Composition of the Committee

The Board in its 273rd Meeting held on 24 April 2025 has reconstructed the Audit Committee of the Company are as follows:

Name	Status with the Committee	Status with the Company
Mr. Nasir Uddin Ahmed, FCA, FCS	Chairman	Independent Director
Mr. Abdul Khalek, FCA	Member	Independent Director
Ms. Sim Soek Peng*	Member	Non-executive Director
Mr. Sebastian Schwörer*	Member	Non-executive Director

* Ms. Sim Soek Peng has stepped down from her position effective from 25 April 2025, and Mr. Sebastian Schwörer appointed as member of the Committee with effect from 25 April 2025.

The Company Secretary of the Board, acts as the Secretary of the Committee.

Meeting Attendance:

A total of four (4) meetings were held in 2024. The Company Secretary served as the Committee's secretary pursuant to the regulatory guidelines. The Managing Director, the Chief Financial Officer (CFO), and the Head of Internal Audit & Compliance were regular attendees at the meetings. When the Committee felt it was necessary, the members of the Board and the Management Committee, as well as representatives from the External Auditors, were invited to the meetings.

A record of attendance of the Board Audit Committee is furnished below:

Name	Status with the Committee	Audit Committee Meeting held in 2024			
		05.03.2024	22.04.2024	25.07.2024	14.10.2024
Mr. Nasir Uddin Ahmed, FCA, FCS*	Chairman	N/A	N/A	✓	✓
Mr. Abdul Khalek, FCA	Member	✓	✓	✓	✓
Ms. Sim Soek Peng	Member	✓	✓	✓	✓
Mr. Md. Shahjahan Majumder, FCA (Expired on 1 May 2024)	Member	✓	-	N/A	N/A

*Mr. Nasir Uddin Ahmed, FCA, FCS was appointed as a member of the Audit Committee effective from 16 July 2024.

Key Responsibilities of the Committee:

The detailed duties of the Committee are well-defined and approved by the Board of Directors. Its primary responsibilities are as follows:

- Reviewing and recommending to the Board the approval of the financial statements prepared by the management for statutory purposes;
- Monitoring the Company’s financial reporting and internal control systems;
- Reporting to the Board of Directors on internal audit findings as reported by Head of Internal Audit from time to time considering the significance of the issues;

- iv. Reviewing the efficiency and effectiveness of the internal audit function;
- v. Reviewing the findings and recommendations made by external auditors and proposing remedies to the Board of Directors.

The Committee's report has been prepared in accordance with Conditions 5(6)(a) and 5(7) of the Corporate Governance Code, as notified by the Bangladesh Securities and Exchange Commission (BSEC) on 3 June 2018 (the "Code"). At each Board meeting, the Committee briefs the Board of Directors on its meeting proceedings and keeps them informed of the following, if any:

- i. Conflicts of interests;
- ii. Suspected or presumed fraud, irregularities, or material defects identified in the internal control system;
- iii. Suspected infringements of laws, including securities-related laws, rules, and regulations; and
- iv. Any other matters that require immediate disclosure to the Board of Directors.

The Committee also monitors anything that could materially impact the financial condition and operational results. It discusses relevant findings with the Board and Management, seeking corrective actions if necessary. The Committee's work has reinforced the Company's commitment to the highest standards of integrity and ethical conduct by enhancing non-financial controls and governance structures.

The Audit Committee has reviewed the scope and methodology of the audits, along with the independence, objectivity, and qualifications of the external auditors. After reviewing the external auditors' work, the Committee concluded that the financial reporting was satisfactory and in compliance with generally accepted accounting principles as adopted in Bangladesh. The audit was also deemed to have been satisfactorily conducted. Regarding financial reporting, the Committee reviewed the Company's 2023 financial statements and concluded that all reported financial results have been presented in accordance with applicable standards, laws, and regulations. The Committee also reviewed the Company's self-assessment of Corporate Governance practices, based on a checklist provided by the Bangladesh Securities and Exchange Commission. The Committee was satisfied that the Company followed national standards for corporate governance.

Additionally, the Committee reviewed the Company's key enterprise-wide risk identification, assessment, and mitigation methodologies, processes, and management, aligning with the Heidelberg Materials Group's risk management framework and local risk issues. The Committee determined that the risk management approach was satisfactory, characterized by highly structured and well-defined risk categories. The Committee also noted the identification and review of major risks impacting the Company's operations and their anticipated effects in the upcoming years.

Moving forward into 2025, the Committee's key priorities will encompass maintaining oversight of the Company's risk management and internal control processes. Additionally, the Committee aims to sustain a strong risk management culture throughout the organization. Furthermore, the Committee will continue to monitor the progress of the Internal Audit Division in implementing "Risk-Based Audit" and ensuring the resolution of outstanding items from previous years.

Major Activities of the Committee during the year 2024.

In 2024, the Committee focused on, inter alia, the following activities:

- a. Overseeing the financial reporting process;
- b. Monitoring the choice of accounting policies and principles;
- c. Reviewing the internal audit plan for the year 2024 along with the risk-based auditing system;
- d. Monitoring the internal audit and compliance process and reviewing the internal audit and compliance report;
- e. Reviewing the draft financial statements and recommending them to the Board for consideration after holding a meeting with the representatives of the External Auditors;
- f. Reviewing and examining the annual audited financial statements for the year ended 31 December 2023 together with the Director's report thereon and recommending the same to the Board for approval;
- g. Reviewing the Quarterly & Half Yearly Financial Statements of the Company for the year 2024 to evaluate the Company's performance before submission to the Board for approval;

- h. Placing of compliance reports/minutes before the Board detailing the decisions taken/recommendations made by the Committee in various meetings for information/concurrence of the Board quarterly;
- i. Overseeing the hiring of the external auditors and determination of their audit fees, assessing the time required for the audit, and evaluating the performance of the statutory auditors and the corporate governance auditors for the year ending 31 December 2024;
- j. Reviewing the operating plan for 2024;
- k. Reviewing transfer and sale of the Company's car;
- l. Reviewing the credit facility agreement between Heidelberg Materials Bangladesh PLC. (HMB PLC.) and banks;
- m. Reviewing the payment of General services and Licenses fees due for the year 2023;
- n. Reviewing the disposal and sale of fixed assets;
- o. Reviewing the transfer and transmission of shares; and
- p. Reviewing the investment in FDR and Bangladesh Government Treasury Bonds, and other relevant issues.

Post-reporting events

A meeting of the BAC was held in 21 April 2025 to review and examine the annual audited financial statements for the year ended 31 December 2024, alongside the draft Directors' Report, and to receive the observations and opinions of the statutory auditors on these documents. The BAC was satisfied that the Company had maintained proper books of accounts as required by law and that the financial statements for 2024 fairly and accurately represented the Company's affairs for the relevant financial period. Consequently, the BAC recommended the audit report, audited financial statements for the year ended 31 December 2024, along with the draft Directors' Report, for approval by the Board. The Committee also reviewed the Management's Discussion and Analysis before disclosing it in the Annual Report-2024.



Nasir Uddin Ahmed, FCA, FCS
Chairman

Report of the Nomination And Remuneration Committee (NRC)

For The Year 2024

In compliance with the Corporate Governance Code 2018 (the “Code”), the Company formed a Nomination and Remuneration Committee on 15 October 2018 as a sub-committee of the Board of Directors. The primary responsibilities of the Committee are to assist the Board in the formulation and implementation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors and top-level executive.

Constitution of the NRC:

The Committee comprises of 3 (three) members including 1 (one) independent director and 2 (two) non-executive directors. The Chairman of the committee is an independent director. The Company Secretary acted as the Secretary to the Committee as per the Code.

Name	Status with the Committee	Status with the Company
Mr. Abdul Khalek, FCA	Chairman	Independent Director
Mr. Fong Wei Kurk	Mamber	Non-executive Director
Ms. Sim Soek Peng*	Member	Non-executive Director
Mr. Sebastian Schwörer*	Member	Non-executive Director

* Ms. Sim Soek Peng has stepped down from her position effective from 25 April 2025, and Mr. Sebastian Schwörer appointed as member of the Committee with effect from 25 April 2025.

Meeting Attendance:

The Committee held 4 (four) meeting in the year under review, satisfying both conditions 6(2)(h) and 6(4) of the Code.

The attendance of the members at meeting is documented as follows:

Name	Status with the Committee	NRC Meeting held in 2024			
		07.02.2024	30.05.2024	15.07.2024	15.10.2024
Mr. Abdul Khalek, FCA*	Chairman	N/A	√	√	√
Mr. Md. Shahjahan Majumder (Expired on 1 May 2024)	Chairman	√	N/A	N/A	N/A
Mr. Fong Wei Kurk	Member	√	√	√	√
Ms. Sim Soek Peng	Member	√	√	√	√

*Mr. Abdul Khalek, FCA was appointed as a member and elected as Chairperson of the Committee by resolution by circulation on 29 May 2024.

Role of the NRC:

The Nomination and Remuneration Committee’s jurisdiction, responsibilities and duties are well defined in the Terms of Reference (TOR) of the NRC in compliance with Condition 6(1)(c) of the Code. The Terms of Reference for the NRC are as follows:

- a. To formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend a policy to the Board relating to the remuneration of the directors and top-level executives, taking into account the following:
 - i. the level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate suitable directors and senior management to run the Company successfully.

- ii. the relationship of remuneration to performance should be clear and meets appropriate performance benchmarks; and
- iii. the remuneration to directors and top-level executives should involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- b. To devise a policy on the Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- c. To identify persons who are qualified to become directors and who may be appointed in top-level executive positions in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- d. To formulate the criteria for evaluation of the performance of independent directors and the Board;
- e. To identify the Company's needs for employees at different levels and determine their selection, transfer, or replacement and promotion criteria; and
- f. To develop, recommend and review annually the Company's human resources and training policies.

Activities that were carried out during the reporting period:

During the year under review, the Committee carried out the following activities:

- a. Evaluating the appointment of the Chairman and Managing Director of the Company and recommending their approval to the Board.
- b. Recommending the re-appointment of Directors on a rotational basis.
- c. Undertaking a comprehensive assessment and making a well-considered recommendation for the appointment of Mr. Nasir Uddin Ahmed, FCA, FCS as an Independent Director, ensuring corporate governance guidelines.
- d. Engaging in thorough deliberations to meticulously review proposed revisions to the Human Resources policy of the Company, with a keen focus on fostering an inclusive, supportive and productive work environment conducive to employee growth and organizational success.
- e. Exercising its oversight responsibilities by rigorously evaluating and subsequently ratifying the appointment of the Head of Procurement and Head of Logistics thereby ensuring that the individual possesses the requisite skills, expertise and vision to drive the Company's procurement and logistics strategies forward effectively.
- f. Evaluating the appointment of the Chief Financial Officer and Company Secretary, ensuring they possess the necessary skills, expertise, and vision to maintain the Company's performance and governance, and recommending their approval to the Board.

On behalf of the Nomination and Remuneration Committee



Abdul Khalek, FCA
Chairman

Report of the Board of Directors

For the year ended 31 December 2024

1. Introduction

The Board of Directors of Heidelberg Materials Bangladesh PLC. ("HMB PLC." or the "Company") is pleased to publish the Company's Annual Report 2024, which furnishes, inter alia, the independent auditors' report and audited annual financial statements for the financial year ended 31 December 2024 as well as other useful information of the Company. These will be presented to the Company's shareholders at the forthcoming Annual General Meeting (AGM), scheduled for 16 June 2025. Furthermore, in compliance with Section 184 of the Companies Act, 1994, and the Corporate Governance Code (the "Code") issued by the Bangladesh Securities and Exchange Commission (BSEC) on June 3, 2018, the Company has ensured that all requisite disclosures are incorporated in this report.

2. Statement of the Company's Affairs

During the year 2024, both global and national economies experienced significant volatility, marked by unprecedented challenges and shifts. Several key economic factors, such as political unrest due to student-led protests and the change of government, high inflation rate, depreciation of the taka against the US Dollar, major macroeconomic imbalances, supply chain disruptions, and geopolitical conflicts, shaped the financial landscape. Despite facing these challenges, the company was able to increase its net profit slightly compared to the previous year. The EPS increased to BDT 8.17 (FY 2024) from BDT 8.13 (FY 2023). However, sales revenue and gross profit decreased by 17.91% and 12.24%, respectively.

3. Cement Industry

Bangladesh's cement market experienced soft sales in 2024 due to political instability, rising production costs, and the suspension or deferment of major government infrastructure projects. These factors significantly constrained the industry's operational capacity, reducing it to less than half. Weaker demand had already manifested as a result of inflation, depletion of foreign currency reserves, and the taka's devaluation against the USD. Additionally, an intensifying price war among manufacturers seeking market share has further strained the sector. Despite the impressive combined capacity of 84 lakh tonnes per month across Bangladesh's 42 cement factories, the industry, which was propelled by rapid urbanization, industrialization, and government projects, now faces diminished demand and escalating costs. Though it experienced a steady Compound Annual Growth Rate (CAGR) of 6.7% from 2014 to 2024, economic and political volatility is expected to persist throughout the year.

4. Operations

4.1. Sales and Production

In 2024, Heidelberg Materials Bangladesh PLC. produced and distributed a total of 1.816 million tons of cement from its three strategically located plants in Kanchpur, Chittagong, and Mukterpur. This marks a 16.9% decline in total sales volume compared to 2023, reflecting the industry's broader challenges amid economic volatility and diminished market demand.

4.2. Price

We sincerely value our customers and rely on our unwavering commitment to quality and continuous innovation, which has strengthened our brand's reputation over time. The consistent performance of our cement has cultivated strong consumer confidence, enabling us to sustain a premium pricing position. Despite market challenges and intense competition, HMB PLC. has successfully maintained its status as a price leader in the industry.

4.3. Customer Service

At HMB PLC. we believe that genuine customer engagement extends beyond the mere sale and delivery of cement. Building enduring relationships and fostering sustainable growth necessitate a strong emphasis on responsive and efficient post-sales support. Timely and effective service not only adds substantial value but also enhances our market reputation.

Our dedicated and experienced sales and technical service teams proactively engage with customers, understanding their unique needs and providing tailored solutions. Through expert consultations and hands-on support, we reinforce our unwavering commitment to customer satisfaction, ensuring a seamless experience at every stage.

4.4. Marketing Activities

In 2024, we strategically concentrated our marketing efforts on promoting our innovative product, "Multi-Purpose Cement," under the esteemed brands "ScanCement" and "RubyCement." Utilizing a multi-pronged approach, we positioned this groundbreaking addition as a pivotal solution within our product portfolio while simultaneously reinforcing our brand's market presence.

- a. **Digital Marketing:** We implemented a robust strategy to boost product awareness and customer engagement in digital platforms. Through dynamic social media campaigns, we showcased our cement's superior strength, benefits, and its role in major infrastructure projects. Additionally, we leveraged the rebranding of Heidelberg Materials to enhance trust and credibility among our audience.
- b. **Demand Generation Initiatives:** To drive demand and enhance market awareness, we focused on personalized engagement with key influencers such as masons, homeowners, and engineers. Through interactive face-to-face meetings, we provided detailed product insights, highlighting the benefits and applications of Multi-Purpose Cement to ensure stakeholders' thorough understanding.
- c. **Elevating Brand Image:** We strategically aligned our brand with national landmarks like the Padma Bridge, Mayor Hanif Flyover, Cox's Bazar Railway Station, Padma Rail Link Bridge, and Karnaphuli Tunnel through targeted social media campaigns. Additionally, we incorporated these megaprojects into in-store marketing materials, such as festoon displays and leaflets, to forge a stronger emotional connection with consumers and reinforce our brand's industry leadership.

5. Key Initiatives In The Procurement & Logistics

2024 was a highly successful year for procurement and logistics operations, highlighted by the following achievements:

5.1. Introduction of Crane Operation in Jetty:

We implemented crane operations at our jetty, enhancing flexibility in the raw materials receiving process and significantly reducing costs.

5.2. Optimizing Local Raw Material Sourcing:

In 2024, we sourced a substantial amount of fly ash from local sources, including the Matarbari, Payra, and Rampal power plants. Utilizing locally sourced fly ash enhances environmental cleanliness, reduces our carbon footprint, and alleviates pressure on the country's foreign currency reserves by minimizing the need for imports.

6. Key Initiatives in the Manufacturing Process

HMB PLC. is recognized for its commitment to excellence in cement production and environmental stewardship by integrating advanced technology and processes. The company employs state-of-the-art technology throughout its manufacturing process, ensuring the highest levels of safety, hygiene, and quality compliance with national and global standards. Noteworthy achievements include a focus on reducing the carbon footprint through innovative production techniques, power-saving initiatives, and the incorporation of renewable energy sources such as solar power.

6.1. Utilization of Renewable Energy

We have launched two solar power projects: a 126 kWp system at our Mukterpur plant and total 540 kWp system at our Kanchpur plant. Together, these projects generate nearly 350 MWh per year and reduce CO2 emissions by 380 ton per year. This green energy initiative not only lowers greenhouse gas emissions but also cuts power costs. We remain committed to investing in clean energy solutions and process improvements to reduce emissions further and enhance our sustainability.

6.2. Enhancing Air Quality with Dust Collector Installation:

We installed a 6500m³/h capacity dust collector at the Muktarpur Plant, ensuring compliance with government regulations and maintaining an environmentally friendly facility. Additionally, high-performance pulse jet bag filters have been installed at every dropping point in the process and jetty areas. These filters play a significant role in reducing dust emissions in the cement production process.

6.3. Upgrading Raw Material Handling with New Bucket Elevator Installation:

A state-of-the-art bucket elevator with a capacity of 800 TPH has been installed at the Chittagong Plant, replacing the previous 300 TPH elevator. This upgrade enhances raw material unloading capacity and optimizes unloading costs.

6.4. Enhancing Riverway Delivery with Hoist Installation:

We installed an advanced hoist system at the Chittagong plant to enhance our river-based delivery process. This initiative promotes sustainable development and ensures a reliable cement supply to remote coastal areas where road infrastructure is not feasible.

6.5. Enhancing Safety with a Fall Protection System for Cement Bag Filler:

We developed an advanced fall protection system to prevent accidents during cement bag filling at the roto packer spout. This system ensures worker safety by preventing falls and accidents during the cement bag-filling process.

6.6. Implementing a Fall Arrester at the Cement Loading Point

We implemented a fall arrester system to safeguard against sudden falls from trucks, ensuring the safety of laborers during the bag stacking process.

6.7. Enhanced Safety Measures for Ball Mill Area:

We installed a safety barrier to ensure the protection of individuals moving below the ball mill. This measure enhances safety and safeguards everyone in the surroundings.

6.8. Installing Machine Guarding and Full-Body Safety in the Mechanical Workshop:

We have equipped each machine including lathe, shaper, milling, bending, and power saw machines with advanced guard systems. Additionally, full-body protective PPE is provided for hot work tasks such as grinding and welding.

6.9. Designated Walkway at Plants:

We established a dedicated safe walkway system with a safety net to prevent accidents during truck movements. To further ensure the safety of employees and others, we have also strategically installed convex mirrors.

7. Information Technology

Heidelberg Materials (HM) Group has successfully migrated its data center from the Singapore HUB to Microsoft Azure Virtual Cloud. This strategic move enhances operational efficiency, improves security, and allows employees to work flexibly from any location or device with internet access.

During the review period, the Company completed the following projects:

- a. Deployed infrastructure and supported remote operations and the Cement Expert System for process automation at the Chittagong plant.
- b. Rollout of SD-WAN technology to improve network performance and enhance security.
- c. Replaced Thin Client devices with Microsoft Azure Virtual Desktop for better accessibility and performance.
- d. Upgraded from Windows 10 to Windows 11 to enhance security.
- e. Established H2H data connectivity with a local bank for seamless transactions.
- f. Initiated digital tools integrated with mobile apps for dealers and sales teams, optimizing the cement ordering and delivery process and replacing traditional paper-based methods.

8. Directors' Declaration as to Financial Statements

In addition to preparing and presenting the financial statements, the Directors inform you that:

- The financial statements prepared by the Management of the Company present a true and fair view of the Company's state of affairs, the result of its operations, cash flows, and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been consistently applied in formulating the financial statements and accounting estimates are reasonable and prudent.
- The Financial Statements were prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).
- The CEO and the CFO have certified to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
- The CEO and the CFO have certified to the Board that they have reviewed the financial statements and believe that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- The CEO and the CFO have further certified to the Board that there was, to the best of their knowledge and belief, no transaction entered into by the Company during the year, which was fraudulent, illegal, or in violation of the Company's Code of Conduct.

9. Review of Financial Performance

The financial statements included in this Annual Report for the years ended 31 December 2024 and 31 December 2023 have been prepared in compliance with the International Financial Reporting Standards (IFRS) Accounting Standards, as issued by the International Accounting Standards Board (IASB). Appropriate accounting policies have been consistently applied in the preparation of these financial statements, and the accounting estimates have been made using reasonable and prudent judgment. During the year ended 31 December 2024, the Company produced 1,805K MT of cement, compared to 2,179K MT in the year ended 31 December 2023, representing a decline of 17.2%. Cement sales for the year stood at 1,816K MT, down from 2,185K MT in FY23, a decrease of 16.9%. Net sales revenue for FY24 amounted to BDT 14,740 million, compared to BDT 17,956 million in FY23, marking a decline of 17.9%. Gross profit was BDT 1,804 million in FY24 versus BDT 2,068 million in FY23. The Company reported a net profit of BDT 462 million in FY24, slightly higher than the BDT 459 million recorded in FY23. The improvement in overall profitability for 2024 was primarily driven by a reduction in income tax expense.

A summary of the financial performance of HMB PLC. for 2024 compared to 2023 is presented below:

Particulars	BDT'000	
	2024	2023
Net Revenue	14,740,223	17,955,715
Gross Profit	1,803,844	2,068,374
Operating Profit	703,752	886,830
Net Finance Expenses (-)/Income (+)	61,187	-61,010
Profit Before Tax	726,692	786,615
Income Tax Expenses	-264,903	-327,205
Profit After Tax	461,789	459,410
Earnings Per Share (EPS)	8.17	8.13

i) Un-appropriated Profit of HMB PLC. in 2024

Financial Results for the Year 2024:

(BDT '000)

Un-appropriated profit from previous period	3,066,612
Net Profit for the year after Tax	461,789
Payment of dividend	(141,259)
Total Funds available for appropriation	3,387,143

Directors' Recommended Dividend:

Dividend @ 25%	(141,259)
Un-appropriated profit carried forward to next year	3,245,884

ii) A summary of the Company's performance:

Particulars	2024	2023	+/- in %
Cement Production	1,804,545 MT	2,179,428 MT	-17.2%
Cement Sales	1,816,341 MT	2,185,153 MT	-16.9%

- Although there was a difference in sales volume between 2024 and 2023, the Net Sales Price per ton declined by BDT 102 due to competitors' price reduction. However, this decrease was offset by a reduction in the cost of goods sold. As a result, total net revenue declined by 17.9%.
- The Year-to-Date (YTD) Cost of Goods Sold per ton as of December 2024 decreased by BDT 121 compared to the previous year, primarily due to a reduction in the Cost and Freight (CFR) of raw materials in the international market.
- Due to significant interest income generated from investment in Banks or Government Bonds, net financial expenses in the previous year turned into net financial income in 2024, amounting to BDT 61.19 million, compared to a net financial expense of BDT 61.01 million in 2023.

iii) Brief Summary of Financial Position

Particulars	2024		2023		Growth Rate
	(BDT million)	Weight in Total Assets	(BDT million)	Weight in Total Assets	
Non-Current Assets	5,382	49%	5,595	44%	10.2%
Current Assets	5,619	51%	7,007	56%	-8.1%
Total Assets	11,001	100%	12,602	100%	-12.7%

Property, Plant, and Equipment

During the year, there was an addition of BDT 417 million in fixed assets to ensure the operating capability of the Company. The addition includes BDT 86 million in Land & Building, BDT 295 million in Plant and Machinery, and BDT 37 million in Furniture and Equipment.

Capital work-in-progress

Capital work-in-progress balance of BDT 52 million includes BDT 2 million for payment of Land & Building, BDT 44 million for Plant and Machinery, and Furniture and Equipment BDT 6 million.

Trade & Other Receivables

Trade and other receivables decreased to BDT 259 million from BDT 449.3 million compared to the previous year, reflecting a reduction of BDT 190.2 million. Additionally, the receivable collection period was significantly reduced to 6.41 days from 9.13 days. This improvement is attributed to a focused effort on collections, resulting in a faster conversion of receivables into cash.

Cash and Cash equivalents

Cash and cash equivalents comprise BDT 0.35 million in hand, BDT 419.24 million in bank accounts, and BDT 2,560.16 million in fixed deposits and government bonds. The significant decline in fixed deposits

was due to the settlement of external financing, which led to a reduction in borrowings by BDT 2,903 million. The company primarily utilizes borrowings to meet deferred LC payment obligations.

The "Comparative Financial Results" section on [page number 16] has summarized financial results for the previous five years, which demonstrates the Company's business performance throughout time.

10. Related Party Transactions

All the transactions entered into between the Company and its related parties during the financial year ended 31 December 2024 were in the ordinary course of business and on an arm's length basis. In [note no. 43] of the financial statements, a brief description of related party transactions is given, including the names of the respective related parties, the nature of the relationship with them, the nature of those transactions, and the value in the amount of such transactions.

11. Risks and Concerns

HMB PLC. has a well-defined internal control and risk management system to ensure that transactions are properly authorized, recorded, and reported. The system of internal control is sound in design and has been effectively implemented and monitored. The internal control system is supplemented by well-documented policies, guidelines, procedures, and reviews carried out by the Company's internal audit function, which submits reports to the Management and the Audit Committee of the Board. It covers the topics of measuring, assessing, and limiting risks. The points of focus of the risk management system are:

- a. Besides pursuing efficient risk management as per group guidelines, HMB PLC. is firmly committed to observing the Code of Business Conduct and compliance standards;
- b. Risk management coordination in Group Insurance;
- c. Corporate risk management by managers at the operational level;
- d. Direct information, reporting, and open communication of quantified risks between the Company's Management Committee and the Group Managing Board;
- e. Standard and regular reporting to the Group.

12. Protection of Minority Interest

The Board of Directors helps to play an active role in protecting the interests of the minority shareholders, especially in view of the majority shareholder exercising control over the Company. In the event of minority interests being adversely affected, the Board shall take immediate corrective actions after becoming aware of such a fact. The minority shareholders have been protected from abusive actions by, or in the interest of, the controlling shareholders acting either directly or indirectly and have effective means of redress.

13. Going Concern

The Company has adequate resources to continue its operations for the foreseeable future and therefore, the financial statements have been prepared on a going concern basis. Whilst the ongoing crisis caused by the political changes and changes in the exchange rate has affected businesses worldwide, the Management has assessed that there are at this point no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

14. Dividend

The dividend distribution policy of the Company (ANNEXURE-H) allows it to recommend a dividend that is commensurate with its performance and investment requirements as well as meet shareholders' expectations. The Board of Directors recommends a cash dividend of BDT 2.50/- (BDT two taka & fifty paisa only) per share for the year ended 31 December 2024.

15. Contribution to National Exchequer

The Company contributes a substantial amount to the National Exchequer by way of duties and taxes. Heidelberg Materials Bangladesh PLC. contributed BDT 2,911 million to the National Exchequer in 2024.

16. Auditors

M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants having office at BDBL Bhaban (Level-13), 12 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh, were appointed at the 34th Annual General Meeting (AGM) by the members of the Company. In the year under review, they have performed their audit work satisfactorily.

Based on their eligibility and the recommendation of the Board of Directors, it is proposed to re-appoint M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, as the Statutory Auditor at the 36th AGM of the Company for the year ending 31 December 2025. The proposed fee for their services is BDT 950,000.00 (BDT Nine Lac Fifty Thousand) only, and they will hold office until the conclusion of the forthcoming 37th Annual General Meeting of the Company.

17. Corporate Governance Compliance Auditors

The current Corporate Governance Compliance Auditors, M/s. Hoque Bhattacharjee Das & Co., Chartered Accountants, will retire at the 36th Annual General Meeting. M/s. Tasnuva Mahedi Bhola (TMB), Chartered Accountants expresses its willingness and consent to be appointed as the Corporate Governance Compliance Auditor for the year ended 31 December 2025. In accordance with the Corporate Governance Code, the appointment of Corporate Governance Compliance Auditors is subject to the approval of the members in the 36th AGM. The Board recommends appointment for M/s. Tasnuva Mahedi Bhola (TMB), Chartered Accountants as Corporate Governance Compliance Auditor for the year ending 31 December 2025 at a fee of BDT 40,000 (BDT Forty Thousand) only and to hold office until the conclusion of the next i.e. 37th Annual General Meeting of the Company.

18. Credit Rating:

The Company achieved an AA2 rating in the long term and an ST-2 rating in the short term for maintaining a strong and stable outlook for the year 2024 from the Credit Rating Agency of Bangladesh Limited (CRAB). This rating reflects the Company's strong financial position and its ability to meet its financial obligations effectively, providing investors and stakeholders with confidence in its operations and future prospects.

19. Directors Proposed for Re-Election

In accordance with Article 98(a) of the Articles of Association of the Company, one-third (1/3) of the Directors who have been longest in the office are supposed to retire from the office of Directors by rotation at the ordinary general meeting every year. This year Mr. Roberto Callieri, Mr. Fong Wei Kurk, and Mr. Juan Francisco Defalque are due for retirement at the upcoming AGM. Per Article 98(c) of the Articles of Association of the Company, the retiring directors are eligible for re-election. The brief resumes of the retiring directors are set out in the section on the Board of Directors profile on page [23].

20. Independent Directors

Mr. Abdul Khalek, FCA and Mr. Nasir Uddin Ahmed, FCA, FCS are acting as Independent Directors of the Company. Mr. Ahmed was appointed as an Independent Director by the Board upon the consent from the Bangladesh Securities and Exchange Commission (BSEC) and recommendation of the Nomination and Remuneration Committee, and his appointment is subject to the approval of the members at the ensuing AGM. There is a brief resume of him in this Annual Report under the Board of Directors profile.

21. Board Meeting and Attendance

In the section on "Statement on Corporate Governance," the number of Board meetings and attendance at those meetings for 2024 are reported.

22. Remuneration Paid to the Directors

A total of BDT 418,000 was paid by the Company as Board meeting attendance fees during the year. The remuneration of Directors has been mentioned in note no. [42.2] of the Financial Statements.

23. Pattern of Shareholding

As per condition No. 1(5)(xxiii) of the Code, the pattern of shareholding (along with details of names) of parent/subsidiary/associate companies and other related parties, Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their respective spouses and minor children, as well as Executives and Shareholders holding 10% or more voting interest in the Company as at 31 December 2024 has been furnished herewith as [ANNEXURE-D.]

24. Management Discussion and Analysis

Management Discussion and Analysis regarding the Company's financial statements and operating results for the year ended 31 December 2024 have been provided herewith under [ANNEXURE-G] following condition No. 1(5)(xxv) of the Code.

25. Summary of Unclaimed Dividend

To remain compliant with the BSEC's (Capital Market Stabilization Fund) Rules, 2022 dated 1 June 2022, the Company's unclaimed cash dividends from the years 2020 and before were transferred to the Capital Market Stabilization Fund (CMSF), Account No. SND A/C 0010311521301 maintained with the Community Bank Bangladesh Ltd., Gulshan Corporate Branch, Dhaka. Unclaimed stock dividends (bonus shares) and rights shares were also transferred to CMSF's BO Account, which has the BOID number 1201530074571230.

For the years 2021 to 2023, dividend amounts were transferred to a dedicated dividend bank account, resulting in no unclaimed dividends remaining in our company's account. However, upon scrutinizing the last dividend bank account, we identified the following remaining amounts in the dividend accounts:

(BDT in Thousand)

Year	Rate of dividend	Unpaid/unclaimed dividend
2021	26%	1,720
2022	10%	687
2023	25%	1,371

26. Human Resources: Driving Growth Through People & Culture

In 2024, we achieved remarkable progress in enhancing our workforce and organizational culture to align with the company's strategic goals. With the support of the Executive Committee (ExCom) and our dedicated employees, the HR department was instrumental in cultivating a positive work environment, attracting top-tier talent, developing employee skills, and ensuring regulatory compliance.

We fostered a resilient, adaptive, and forward-thinking mindset through leadership engagement, effective communication, and specialized training programs. Innovation and growth were promoted, and the One-Team culture was reinforced through Cultural Dialogues and contributory initiatives. Additionally, we introduced a platform for employees to share ideas for continuous improvement.

We enhanced workforce diversity by hiring more women in direct sales and female engineers at our plants. We strengthened our talent pipeline through innovative recruitment strategies, including social media outreach, educational partnerships, and leveraging internal references, which improved our hiring efficiency.



HMB PLC. celebrating international women's day at the corporate office

Employee engagement was prioritized through events like celebrating international days, Pitha Utshob, birthdays, and 20-year Long Service Awards, fostering a sense of belonging. To strengthen team spirit, we organized initiatives such as the Cricket Festival, which brought together employees from various departments and plants.



We enhanced operational efficiency by optimizing security costs and reducing office rent expenses. We launched initiatives to digitalize HR processes and develop a customer-centric team. Compliance was reinforced through regular policy updates and HR system enhancements, with the successful implementation of Workday as a major milestone.

Looking ahead, we are dedicated to enhancing talent development, fostering diversity and inclusion, investing in HR technology, and prioritizing employee well-being. These efforts will drive business success and ensure that HMB PLC. remains a dynamic and future-ready organization.

26.1 Corporate Social Responsibility (CSR): Commitment To Sustainable Growth

Corporate social responsibility is an integral part of our business strategy. Our initiatives focus on infrastructure, environment, and education, ensuring sustainable community development while minimizing our environmental footprint.

In collaboration with Domino Foundation, we subsidized building materials for housing projects. Partnering with ASHAR-ALO, a school for special children run by the Bangladesh Navy, we contributed to constructing a canteen to enhance vocational training for 150 students with physical, intellectual, and mental challenges.

In 2024, we supported flood-affected communities, reinforcing our commitment to disaster relief and resilience. We provided safety gear, umbrellas, and food to those managing traffic, ensuring their well-being while they contribute to public safety.

Through these initiatives, HMB PLC. drives sustainable growth, social impact, and environmental stewardship, reinforcing our commitment to responsible business practices.

26.2 Occupational Health And Safety

We are dedicated to creating accident-free workplaces, aiming for zero fatalities and Lost-Time Injuries (LTIs) by 2030. Our commitment to health and safety is immediate and continuous, ingrained in our culture and operations. Since 2013, we've built a robust health and safety management system focused on governance, discipline, and continuous improvement. Regular assessments and audits ensure ongoing enhancements in safety performance.

In 2024, we invested heavily in safety culture, delivering 4,600 man-hours of training to employees and 3,300 man-hours to contractors, enhancing hazard awareness and compliance. We also conducted 1,300 man-hours of safety meetings and 34 mock drills, reporting over 4,000 safety observations through our global AID platform. Safety Week 2024, held from September 23-29, featured interactive sessions, competitions, and campaigns involving employees' families. Key messages from leadership reinforced the importance of safety, and the Dynamic Risk Assessment initiative was introduced to manage real-time risks. As we move towards our 2030 vision, we remain dedicated to making safety an instinctive and integral part of our workplace.



27. Corporate Governance Compliance Statement

The Board firmly believes in good governance and actively promotes and supports best practices in corporate governance. The Company recognizes that the long-term success of business operations depends on the effective implementation of sound Corporate Governance practices by, for instance, the effective segregation of duties and responsibilities to ensure transparency and accountability. HMB PLC. fulfills all the regulatory compliance requirements issued by the BSEC. We are pleased to confirm that the Company has complied with all the necessary guidelines under the Corporate Governance Code issued under the BSEC Notification dated 03 June 2018. The Compliance report, along with the necessary remarks/disclosure, is appended in the Directors' Report of the Company for the year 2024 at Annexures A to H. The Certificate of Compliance required under the said Guidelines, as provided by Hoque Bhattacharjee Das & Co., Chartered Accountants, is annexed to this report in ANNEXURE-B.

28. Acknowledgments

We are deeply grateful to our esteemed shareholders and colleagues for their invaluable support and guidance. We also extend our gratitude to the Government of the People's Republic of Bangladesh, stock exchanges, and other statutory bodies for their consistent support of our Company's endeavors. Additionally, we appreciate the unwavering support from our valued customers, associates, and bankers. We sincerely thank them for their continued faith and confidence in us.

On behalf of the Board of Directors


Ong Kian Hock Terence
 Managing Director


Md. Emdadul Haque, FCA
 Director and Chief Financial Officer


Md. Saikat Khan
 Company Secretary



Annexures

Annexure-A

[As per condition No. 1(5) (xxvi)]

Heidelberg Materials Bangladesh PLC. Declaration by Managing Director and CFO

Date: 24 April 2025

The Board of Directors
Heidelberg Materials Bangladesh PLC.
Symphony (6th & 7th Floor)
Plot# SE(F) 9, Road#142
Gulshan Avenue (South)
Dhaka-1212.

Subject: Declaration on Financial Statements for the year ended on 31 December 2024.

Dear Sirs,

Pursuant to condition no. 1(5)(xxvi) imposed vide the Commission's Ordinance No. BSEC/CMR-RCD/2006-158/207/Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange, 1969, we do hereby declare that:

1. The Financial Statements of Heidelberg Materials Bangladesh PLC. for the year ended on 31 December 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- i. We have reviewed the financial statements for the year ended on 31 December 2024 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


Ong Kian Hock Terence
Managing Director


Md. Emdadul Haque, FCA
Chief Financial Officer (CFO)

Annexure-B

[As per condition No. 1(5) (xxvii)]



Hoque Bhattacharjee Das & Co.
Chartered Accountants



Report to the Shareholders of Heidelberg Materials Bangladesh PLC. On compliance of the Corporate Governance Code For the year ended on 31 December 2024

We have examined the compliance status to the Corporate Governance Code by Heidelberg Materials Bangladesh PLC. for the year ended on December 31, 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006 158/207/Admin/80, dated June 3, 2018 and Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation there of as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSSs) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

1. The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission.
2. The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSSs) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
3. Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws;
4. The standard of governance in the Company is satisfactory.

Dated, Dhaka
23 April 2025

Signed for and on behalf of
Hoque Bhattacharjee Das & Co.
Chartered Accountants

Avijit Bhattacharjee FCA
Partner
Enrollment Number: 824

Dhaka Office:

Jebun Index Trade Centre (8th Floor), 191 Shaheed Syed Nazrul Islam Sarani, 04 Bijoy Nagar, Dhaka-1000, Bangladesh. M: 01710827485, 01713366656, Tel. +88-02-9355401

Chattogram Office:

Manzoor Building, 2nd Floor, Opposite of Dutch Bangla Bank Ltd., 67 Agrabad C/A, Double Mooring, Chattogram-4100, Bangladesh.

Annexure-C

As per condition No. 1(5)(xxvii)

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 and Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated 16 October 2023 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969):

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors			
1(1)	Size of the Board of Directors: shall not less than 5 and not more than 20	✓		
1(2)	Independent Directors			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors	✓		
1(2)(b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the Company	✓		
1(2)(b)(ii)	Not a sponsor/not connected with any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds 1% or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members are also not allowed to hold more than 1% shares of the total paid-up shares of the Company	✓		
1(2)(b)(iii)	Not an executive of the Company in immediately preceding 2 (two) financial years	✓		
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated Companies	✓		
1(2)(b)(v)	Not a member or TREC holder/director/officer of any stock exchange	✓		
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of any stock exchange or an intermediary of the capital market	✓		
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any concerned statutory audit firm or any firm that is already engaged with the Company	✓		
1(2)(b)(viii)	Not an independent director in more than 5 (five) listed companies	✓		
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution;	✓		
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude	✓		
1(2)(c)	Appointed by the Board of Directors and approved in the AGM;	✓		
	Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(d)	The post cannot remain vacant for more than 90 (ninety) days	✓		
1(2)(e)	The tenure of office shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		
	Provided that a former independent director may be reappointed for another tenure after a time gap of 3 years from his/her completion of consecutive two tenures. The independent directors shall not be subject to retirement by rotation	✓		
1(3)	Qualification of Independent Director			
1(3)(a)	shall be a knowledgeable individual with integrity and able to ensure compliance with relevant laws as well as able to make meaningful contribution to the business	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association			Not Applicable
1(3)(b)(ii)	Corporate leader usually top level executive not lower than CEO/MD/AMD/DMD/COO/CFO/Head of Finance or Accounts / CS / HIAC / Head of Administration and Human Resources or any other person who holds equivalent position and same level or ranked or salaried officials of a unlisted company having paid-up capital of Tk. 100.00 million or of a listed company or	✓		
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law			Not Applicable
1(3)(b)(iv)	University Teacher having educational background in Economics or Commerce or Business Studies or Law or			Not Applicable
1(3)(b)(v)	Professional including practicing advocate at least in the High Court Division of Bangladesh Supreme Court/CA/CMA /CFA/CCA/CS/equivalent qualification	✓		
1(3)(c)	Minimum 10 years of experience	✓		
1(3)(d)	Relaxation in special cases as to qualifications of independent director			Not Applicable
1(4)	Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company			
1(4)(a)	The position of the both shall be filled by different individuals	✓		
1(4)(b)	MD/ CEO shall not hold same position in any other listed company	✓		
1(4)(c)	Chairperson shall be shall be elected from non-executive directors	✓		
1(4)(d)	Clear defined roles & responsibilities for both of them	✓		
1(4)(e)	In the absence of regular chairperson, the other members shall elect a non-executive director to chair that particular meeting	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)	Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry	✓		
1(5)(ii)	The segment-wise or product-wise performance	✓		
1(5)(iii)	Risks and concerns	✓		
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	✓		
1(5)(vi)	A detailed discussion on related party transactions	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	✓		
1(5)(x)	Remuneration paid to the directors including independent directors	✓		
1(5)(xi)	Fairness of financial statements	✓		
1(5)(xii)	Maintenance of proper books of accounts	✓		
1(5)(xiii)	Adoption of appropriate & consistent accounting policies and estimates	✓		
1(5)(xiv)	Follow of IAS, IFRS in preparation of the financial statements and any departure there from has been adequately disclosed	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			Not Applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	shares held by Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	✓		
1(5)(xxiii)(b)	Report on shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxiii)(c)	Executives and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	✓		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	✓		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas and	✓		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	✓		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meeting of the Board of Directors: Meeting of the Board of Directors shall conduct Board meetings and record the minutes as per BSS	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct for the Chairman, other Board members and Chief Executive Officer	✓		
1(7)(b)	Availability of Code of Conduct on the website of the Company	✓		
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Same provisions shall be applicable for composition of the Board of the holding and the Board of the subsidiary			Not Applicable

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2(b)	At least one independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3	MD or CEO, CFO, Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3(1)(a)	Appointment of MD or CEO, CFO, HIAC and CS	✓		
3(1)(b)	Different individuals are in the position of MD or CEO, CFO, HIAC and CS	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC don't hold any executive position in any other company at the same time	✓		
	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission:			Not Applicable
	Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;			Not Applicable
3(1)(d)	Clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings: Attendance of MD or CEO, CS, CFO and HIAC in the meetings of the Board	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3(3)(a)(i)	Does not contain materially untrue statement and omit any material fact in the financial statements certified by MD & CFO	✓		
3(3)(a)(ii)	True & fair view of financial statements certified by MD & CFO	✓		
3(3)(b)	Certification of MD and CFO regarding financial statements	✓		
3(3)(c)	Annual Report contains certification of MD & CFO on financial statements	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
4	Board of Directors' Committee For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	An Audit Committee	✓		
4(ii)	A Nomination & Remuneration Committee	✓		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	Audit Committee as sub-committee of the Board	✓		
5(1)(b)	Assistance of the Audit Committee to the Board	✓		
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing	✓		
5(2)	Constitution of the Audit Committee:			
5(2)(a)	Audit Committee composition: at least 3 members	✓		
5(2)(b)	All members are to be non-executive directors except chairman of the board and one member shall be an independent director	✓		
5(2)(c)	Financial literacy & minimum 10 years' experience of members	✓		
5(2)(d)	Vacancy of office of audit committee member, in case of his/ her expiry or inability to hold office cause to lower the members number below 3, the Board shall fill up the vacancy within 60 (sixty) days.	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee:			
5(3)(a)	Board of Directors shall select 1 member of Audit Committee as Chairman of the committee, who shall be an Independent Director	✓		
5(3)(b)	In the absence of regular Chairperson of the audit committee, the remaining members may elect one of themselves as chairperson for that meeting and the reason of absence of regular chairperson shall be duly recorded in the minutes of the meeting			No such case in the reporting year.
5(3)(c)	In the absence of Chairperson, any other member of the Audit Committee shall be selected to be present in the Annual General Meeting (AGM) and reason for absence of the regular Chairperson of the AC shall be recorded in the minutes of the AGM.	✓		
5(4)	Meeting of the Audit Committee:-			
5(4)(a)	At least four meetings in a financial year	✓		
5(4)(b)	Quorum: two members or 2/3 of total audit committee member	✓		
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process	✓		
5(5)(b)	Monitor choice of accounting policies and Principles	✓		
5(5)(c)	Monitor Internal Audit & Compliance Process	✓		
5(5)(d)	Oversee hiring and performance of external Auditors	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)(e)	Meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval	✓		
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the board for approval	✓		
5(5)(h)	Review the adequacy of internal audit Function	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	✓		
5(5)(m)	Declaration of the Committee regarding utilization of the proceeds raised through IPO,RPO or Right Share Offer.	✓		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors	✓		
5(6)(a)(i)	Report on its activities	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests			No such case found
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularities or material defect identified in compliance process or financial statements			No such case found
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances			No such case found
5(6)(a)(ii)(d)	Any other matter shall be disclosed to the Board immediately			No such case found
5(6)(b)	Report on unreasonably ignored rectification to the Commission			No such case found
5(7)	Reporting to the Shareholders and General Investors	✓		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	NRC as a sub-committee of the Board	✓		
6(1)(b)	Assists the Board in formulating NRC policy	✓		
6(1)(c)	Clearly defined terms of reference of NRC	✓		
6(2)	Constitution of the NRC			
6(2)(a)	At least 3 members including an independent director	✓		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors.	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	✓		
6(2)(d)	The Board reserve the authority to remove and appoint any member of the Committee;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(e)	The Board shall fill the vacancy within 180 days in case of death, resignation, disqualification, or removal of any member	✓		
6(2)(f)	The Chairperson may appoint external expert for advice or suggestion	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee	✓		
6(2)(h)	Quorum: at least an independent director	✓		
6(2)(i)	No remuneration other than director fees/honorarium for any member	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	Chairman: an independent director	✓		
6(3)(b)	In the absence of regular Chairman, elected Chairman from other members			No such case in the reporting year.
6(3)(c)	Chairman's presence in annual general meeting to answer the queries of the shareholder	✓		
6(4)	Meeting of the NRC			
6(4)(a)	At least one meeting in a financial year	✓		
6(4)(b)	Any emergency meeting upon request by any member of the NRC	✓		
6(4)(c)	Quorum: Higher of two members or 2/3 of total members including at least one independent director	✓		
6(4)(d)	Proceedings of the meeting shall duly recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	✓		
6(5)	Role of the NRC			
6(5)(a)	Shall be independent and responsible or accountable to the Board and to the shareholders	✓		
6(5)(b)	shall oversee, among others, the following matters and make report with recommendation to the Board;	✓		
6(5)(b)(i)(a)	Remuneration shall be reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	✓		
6(5)(b)(i)(b)	Clear relationship among remuneration, performance & benchmarks	✓		
6(5)(b)(i)(c)	Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity	✓		
6(5)(b)(iii)	Identification of qualification of directors and recommendation for appointment and removal	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	✓		
6(5)(b)(v)	Identifying needs for employees and determine their selection, transfer or replacement and promotion criteria	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	✓		
6(5)(c)	Nomination and remuneration policy, the evaluation criteria and activities of NRC during the year in its annual report.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7	External or Statutory Auditors			
7(1)(i)	Not involved in appraisal or valuation services or fairness opinions	✓		
7(1)(ii)	Not involved financial information systems design and implementation	✓		
7(1)(iii)	Not involved in book-keeping or other services related to the accounting records or financial statements	✓		
7(1)(iv)	Not involved as broker-dealer services	✓		
7(1)(v)	Not involved in actuarial services	✓		
7(1)(vi)	Not involved in internal audit services or special audit services	✓		
7(1)(vii)	Not involved in any service that the Audit Committee determines	✓		
7(1)(viii)	Not involved in audit or certification services on compliance of corporate governance	✓		
7(1)(ix)	Not involved in any other service that creates conflict of interest	✓		
7(2)	No partner or his/ her family or employees of the external audit firms hold any share at least during audit work	✓		
7(3)	Auditors’ or their representative presence in the AGM	✓		
8	Maintaining a website by the Company			
8(1)	An official website linked with the website of the stock exchange	✓		
8(2)	A website functional from the date of listing	✓		
8(3)	Available detailed disclosures on its website as required under the listing regulations of the stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance			
9(1)	Compliance certificate on Corporate Governance Code of the Commission in the Annual Report.			The Certificate of Compliance obtained from Hoque Bhattacharjee Das & Co. is duly presented in the Annual Report
9(2)	The compliance auditor shall be appointed by the shareholders in the AGM			The appointment of Hoque Bhattacharjee Das & Co. as compliance auditor was duly approved by the shareholders in the 35th AGM
9(3)	Compliance status as Annexure-C in the directors’ report			Detailed status is given at Annexure - C and published in the Report.

Annexure-D

As per condition no. 1(5)(xxiii)

The pattern on shareholding as on 31 December 2024

a) Parent/Subsidiary companies and other related parties:

Name	Status	No. of Shares Held	Percentage
Heidelberg Materials Netherlands Holding B.V.	Foreign	22,493,020	39.81
Heidelberg Materials Asia Holding GmbH	Foreign	11,784,390	20.86

b) Directors/CFO/CS/HIAC and their spouse and minor children:

Name	Status	No. of Shares Held		
		Self	Spouse	Minor Children
Mr. Roberto Callieri (Nominee of Heidelberg Materials Netherlands Holding B.V.)	Chairman	Nil	Nil	Nil
Mr. Ong Kian Hock Terence (Nominee of Heidelberg Materials Netherlands Holding B.V.)	Managing Director	Nil	Nil	Nil
Mr. Abdul Khalek, FCA	Independent Director	Nil	Nil	Nil
Mr. Nasir Uddin Ahmed, FCA, FCS	Independent Director	Nil	Nil	Nil
Mr. Md. Abul Hossain (Nominee of Investment Corporation of Bangladesh)	Director	Nil	Nil	Nil
Mr. Juan-Francisco Defalque (Nominee of Heidelberg Materials Netherlands Holding B.V.)	Director	Nil	Nil	Nil
Mr. Fong Wei Kurk (Nominee of Heidelberg Materials Netherlands Holding B.V.)	Director	Nil	Nil	Nil
Ms. Sim Soek Peng (Nominee of Heidelberg Materials Asia Holding GmbH)	Director	Nil	Nil	Nil
Mr. Md. Saikat Khan	Company Secretary	Nil	Nil	Nil
Mr. Mamun-Ul-Hoque Chowdhury, CMA	Head of Internal Audit and Compliance	Nil	Nil	Nil

c) Shareholding status of top-5 salaried employees other than CEO/CFO/CS/HIAC:

Name	Position	No. of Shares Held
Mr. Kazi Md. Mainuddin Sayem	Director Sales and Marketing	Nil
Mr. Mohammad Alamgir	Director Human Resources	Nil
Mr. H.M. Fida Mahmud	Head of Logistics	Nil
Mr. Mohammad Ahmedul Karim	Head of Procurement	Nil
Mr. Syed Mohammad Jabed	General Manager- Plant Operation (Chattogram)	Nil

d) Shareholders holding 10% or more voting interest in the company:

Name	Status	No. of Shares Held	Percentage
Heidelberg Materials Netherlands Holding B.V.	Foreign	22,493,020	39.81
Heidelberg Materials Asia Holding GmbH	Foreign	11,784,390	20.86

Annexure-E

As per condition No. 6(5)(c)

Heidelberg Materials Bangladesh PLC. Nomination and Remuneration Policy (the “Policy”)

1. Preamble

Heidelberg Materials Bangladesh PLC. (the “**Company**”) is committed to excel in every sphere of its activity by attracting and retaining qualified, talented and experienced professionals through an efficient selection and evaluation mechanism.

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee (the “Committee”) on 15 October 2018 to perform the delegated functions and to formulate a policy for nomination, appointment and remuneration of directors (the “**Directors**”) and top level executives (the “**Top Level Executives**”) of the Company.

The terms of reference of the Committee are as follows:

To formulate the criteria for determining the qualifications, positive attributes and independence of a Director and recommend a policy to the Board relating to the remuneration of the Directors and Top Level Executives, taking into account the following:

- a. the level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate suitable directors and senior management to run the Company successfully;
- i. the relationship of remuneration to performance should be clear and meets appropriate performance benchmarks; and
- ii. the remuneration of Directors and Top Level Executives should involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate for the Company and its goals;
- iii. To devise a policy on the Board’s diversity taking into consideration age, gender, experience, ethnicity, educational background, and nationality;
- b. To identify persons who are qualified to become directors and who may be appointed in top level executive positions in accordance with the criteria laid down and recommend their appointment and removal to the Board;
- c. To formulate the criteria for evaluation of the performance of independent directors and the Board;
- d. To identify the Company’s needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- e. To develop, recommend and review annually the Company’s human resources and training policies.

In consequence thereof, the Company has developed this Policy in accordance with condition 6(1)(b) of the Corporate Governance Code notified by the Bangladesh Securities and Exchange Commission (BSEC) dated 3 June 2018 (the “**Code**”).

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to be appointed as Directors on the Board (including independent Directors) and those who may be appointed to fill the Top Level Executive positions. The Policy also sets out the guiding principles for determining the remuneration of Directors, Top Level Executives and other employees.

2. Definitions

“Board” means Board of Directors of the Company;

“HR Policy” means the human resources policy as framed by the Management which is applicable to all employees of the Company, as the same may be amended or modified from time to time;

“Independent Director” means a Director as defined under condition 1 of the Code, as amended from time to time;

“Remuneration” means any money or its equivalent is given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Ordinance, 1984;

“Top Level Executive” means personnel of the Company who are members of its core management team (the **“Management”**), including the Managing Director (MD) or Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Director Human Resources, Director Marketing and Sales, Director Purchasing and Logistics, Technical Director, Head of Internal Audit and Compliance (HIAC), Head of Legal and Corporate Affairs, Company Secretary (CS) or positions of equivalent level or rank; and

3. Scope

This policy is applicable to:

- Directors (Executive & Non-Executive, including Independent Directors)
- Top Level Executives

4. Criteria for identification of Directors and Top Level Executives

The Committee shall review potential candidates for appointment as Director and for filling Top Level Executive positions and give its recommendations to the Board. In evaluating the suitability of potential candidates the Committee may take into account factors, such as:

a. Qualifications for appointment as Director (Including Independent Directors)

- Personal and professional ethics, integrity and values;
- Educational and professional background;
- Leadership skills, standing in the profession;
- Business knowledge, relevant competencies and skills, and experience;
- Actual or potential conflicts of interest, if any;
- Any applicable provisions of the Companies Act, 1994 and the Rules made thereunder; and
- The requirements under condition 1 & 3(1) of the Code.

In particular, the Committee shall seek to appoint Directors with the following positive attributes:

b. Positive attributes of Directors (including Independent Directors)

- Individuals having eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- Individuals who hold sound financial or business literacy/skills;
- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and to effectively carry out duties and responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on

issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company; and
- To act within their authority to assist in protecting the legitimate interests of the Company, its shareholders and employees.

c. Independence of Directors

- Independent Directors shall meet the requirements set out under the Companies Act, 1994 read with the Rules made thereunder, as amended from time to time, and in particular conditions 1(2) & (3) of the Code.

d. Appointment of Top Level Executives

Top Level Executives shall:

- possess the required qualifications, experience, skills & expertise to effectively discharge their respective duties and responsibilities;
- practice and encourage professionalism and a transparent working environment; and
- adhere strictly to the Company's Code of Conduct and other compliance policies.

The Committee shall have the discretion to consider and fix any other criteria or norms for selection of the most suitable candidates. The Committee may also institute an inquiry into the background and qualifications of the potential candidates.

5. Board Diversity

The Committee in nominating candidates for appointment to the Board shall ensure sufficient diversity in representation in terms of age, gender, experience, ethnicity, educational background, and nationality.

6. Remuneration

In order to sufficiently attract, retain and motivate Executive Directors and Top Level Executives to run the Company successfully, the remuneration shall be comprised of fixed and performance based components as detailed below:

i) Fixed Remuneration

The fixed remuneration shall be determined for each grade of employees and Top Level Executives after taking into account the comparative remuneration profile with respect to industry scale of the Company's business, criticality of the position and competencies and experience of the person. It shall be the Company's endeavor to pay fixed remuneration which will:

- attract, retain and motivate professionals required to successfully run the Company;
- encourage people to perform to their highest potential;
- align the performance of the business with the performance of key individuals and teams within the Company;
- allow the Company to compete in each relevant employment market;
- ensure participation in Workers' Profit Participation Fund (WPPF) as per the Bangladesh Labour Code, 2006 and the Bangladesh Labour Rules, 2015.

ii) Performance Based Remuneration:

(a) Performance Management System (PMS)

The Company has a detailed and structured PMS. Based on the review of performance through the PMS process, the Company shall assess the employees' competencies, eligibility for promotion and salary increment. The MD shall from time to time decide the annual increments / mid-term revisions to be given

to employees as per the guidelines set out in this Policy and the Company's HR Policy. The MD is also authorized to approve the policies for giving loans/financial assistance to the employees.

(b) Variable Pay

The Company shall reward Executive Directors and Top Level Executives based on the Company's performance and their own individual performance to create a strong relationship between performance and remuneration. The percentage of performance based remuneration / variable pay in the total remuneration package of each employee shall be determined according to such employee's level in the organization so as to ensure that the remuneration package is fairly balanced to attract, retain and motivate skilled professionals.

The variable pay shall be divided into two parts, of which the first part would be dependent on the Company's performance which shall be measured in financial terms such as achievement of targeted EBIT or Net Profit during the previous calendar year. The other part shall depend upon the individual employee's performance against the targets set in the goal agreement with the Company. The weightage of the Company performance vis-a-vis individual performance in the variable pay may range from 40 to 60 percent depending upon seniority of the concerned employee in the organization structure.

There shall be a goal agreement setting out the annual objectives/targets of an individual employee cascading from the organizational goals. These annual objectives/targets shall be:

- Formulated clearly, i.e. goals must be described in a concrete, precise and comprehensible manner;
- Can be influenced, i.e. the employee must have a decisive influence on the goal's achievement;
- Realistic, fair and challenging, i.e. it must be possible for the employee to achieve a goal without being under-challenged or over-challenged; and
- Must be able to measure whether the goal has been achieved, i.e. by means of quantitative standards (key figures) or qualitative standards (quality criteria based on common definitions) defined and ascertained during target setting.

The aforesaid objectives shall strike a balance between short-term and long-term goals of the Company. The progress of the employees towards the achievement of the objectives shall be reviewed together with the employee's line manager at the appropriate time following the end of each calendar year.

The remuneration/sitting fees, as the case may be, for the Non-Executive / Independent Directors, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee/Board/shareholders.

7. Retirement Benefits

The Company shall comply with the applicable laws for payment of retirement benefits such as Provident Fund and Gratuity.

8. Termination Payments

Each employment contract shall set out in advance the notice period in case of resignation/termination of employment or the payment to be made in lieu thereof.

9. Review and Amendment

The Committee and the Board of Directors reserve the right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever.

Annexure-F

As per condition no. 46 of DSE Listing Regulation dated 30th June 2015



Other Regulatory Disclosures:

- The Company is aware of its various risks and concerns, mainly from the policy and regulatory fronts, and is prepared to meet those by systematic control.
- The Company's IPO was made in the Eighties. No further issue of any instrument was made during the year.
- From inception, the financial results of the Company have continued to grow as reflected in the yearly financial statements of the Company.
- As per IFRS/IAS presentation of Financial Statements, no items of income and expense are to be presented as extraordinary gain or loss in the financial statements. Accordingly, no extraordinary gain or loss has been recognized in the financial statements.
- No significant variations have occurred between the quarterly and annual financial results of the Company during 2024.
- During the year, the Company has paid a total amount of BDT 418K as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note No. 42 of the Financial Statements.
- All significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained.
- Key operating and financial data of the last five years have been presented in summarized form on page no. 16.
- The Company has declared a 25% cash dividend for the year 2024.

Annexure- G

[As per condition No. 1(5)(xxv)]

Management Discussion and Analysis of the Company's position and operation along with a brief discussion of changes in the financial statements for the year ended 31 December 2024.

In compliance with Condition No. 1(5)(xxv) of the Corporate Governance Code as issued by the BSEC vide its notification dated June 3, 2018; a brief Management analysis is given of the Company's position and operations and changes in the financial statements, among others, focusing, on the following issues:

1. Accounting Policies and estimation for preparation of financial statements: Accounting Policies and estimation for the preparation of financial statements have been detailed under Note No. 2 & 3 of the Audited Financial Statements.
2. Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flow for the current year with immediate preceding five years: See "Comparative Financial Highlights" on page no. 16.
3. Compare such financial performance or results and financial position as well as cash flows with peer industry scenario: HMB PLC. adopts calendar year as its financial year i.e. January to December of each year. Except for a peer company all other peer companies of the industry adopt July to June as their financial year. Hence, a good comparison with peer-listed companies is impractical. The data provided below has been extracted from their latest annual report. The financial results & financial position as on 30 June 2024, and 31 December 2024 have been considered.

(BDT in Million)

SI. No.	Items	31-Dec-24 HMB PLC.	31-Dec-24 LHB	30-Jun-24 CROWNCEMNT	30-Jun-24 MEGHNACEM	30-Jun-24 PREMIERCEM	30-Jun-24 CONFIDCEM	30-Jun-24 ARAMITCEM
1	Revenue	14,740	27,543	27,899	1,869	26,924	4,088	143
2	Gross Profit	1,804	8,245	4,215	416	4,202	600	(111)
3	Net Profit After Tax	462	3,819	1,001	(226)	741	749	(490)
4	Dividend							
	Cash	25%	38%	21%	No	21.50%	10%	No
	Stock	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	EPS (Taka)	8.17	3.29	6.74	(7.16)	7.04	8.68	(14.47)
6	NAVPS (Taka)	72.87	16.01	56.99	37.64	65.37	74.61	(18.90)
7	NOCFPS (Taka)	36.26	6.82	8.71	(39.06)	6.27	(3.36)	(7.77)

BDT= Bangladeshi Taka, HMB PLC. = Heidelberg Materials Bangladesh PLC., LHB = LafargeHolcim Bangladesh PLC., ARAMITCEM = Aramit Cement LTD., CONFIDCEM= Confidence Cement PLC, CROWNCEMNT= Crown Cement PLC., MEGHNACEM = Meghna Cement Mills PLC., PREMIERCEM= Premier Cement Mills PLC., EPS = Earnings Per Share, NAVPS = Net Asset Value Per Share, NOCFPS = Net Operating Cash Flows Per Share.

4. Briefly explain the financial and economic scenario of the country and the globe: The Directors' Report and the Chairman's Statement have explained the financial and economic scenario of the country and the global impact.
5. Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company: This issue has been elaborated in the Directors' Report as well as in Note No. 44B of the Financial Statements.
6. Future plan or projection or forecast for the company's operation, performance, and financial position, with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM: The shareholders shall be updated on the future plans at the Annual General Meeting and also by communications time to time.

Dated Dhaka, 24 April 2025


Ong Kian Hock Terence
Managing Director

Heidelberg Materials Bangladesh PLC. Dividend Distribution Policy

1. Preamble

Heidelberg Materials Bangladesh PLC. (“HMB PLC.” or the “Company”) is committed to driving superior value creation for all its stakeholders, with a focus on the future growth and long-term interests of the Company as well as its shareholders. With this in mind, the Board aims to pursue a progressive dividend policy.

The Company has developed its Dividend Distribution Policy (hereinafter referred to as the “Policy”) pursuant to the Bangladesh Securities Exchange Commission’s (BSEC) Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021. This Policy is published in the Company’s Annual Report as well as on its Official Website.

In considering any distribution of profits, the Board shall have regard to, inter alia, the Company’s business and growth strategies and plans, the Articles of Association of the Company as well as applicable provisions of the Companies Act, 1994 and Rules framed thereunder, BSEC Regulations, Tax Regulations, and other applicable legislation.

2. Definitions

“Act” means The Companies Act, 1994;

“AGM” means Annual General Meeting;

“Board” means the Board of Directors of HMB PLC.;

“Record Date” means the cut-off date established in order to determine which shareholders are eligible to receive a dividend or distribution;

“Shareholders” means Members whose names are registered in the Members’ Register of the Company;

“Shares” means Ordinary Equity Shares of the Company.

3. Objective

The objective of this Policy is to specify the criteria to be considered by the Board when declaring/recommending dividends for a financial year and to provide clarity to shareholders on the profit distribution of the Company and the circumstances under which shareholders may or may not expect a dividend.

4. Dividend Eligibility

As at the date of this Policy, the Company has no other classes of shares other than equity shares with value of BDT 10 each. Hence, shareholders will be considered eligible for dividends if their names appear in the members’ register of the Company on the Record Date as declared by the Board for a particular financial year.

5. Concept of Dividend

Dividend is the share of the profit that the Company decides to distribute amongst its shareholders. The profits earned by the Company can be retained in the business, distributed amongst the shareholders as Dividend, or a combination of the two. The Act allows the Company to declare and pay interim as well as final dividends. Interim dividend, where applicable, is the dividend declared by the Board of Directors between any two Annual General Meetings as and when considered appropriate.

6. Parameters to be Considered While Declaring Dividends.

6.1 The following financial parameters may be considered by the Board while recommending/declaring dividend:

a) Adequacy of profits calculated in accordance with the applicable provisions of the Act and Accounting Standards. The Board of Directors may, in exceptional circumstances, consider utilizing retained earnings for declaration of dividend subject to the provisions of the law.

b) The Board may consider the following financial parameters while recommending/declaring dividend, namely:

- Financial Performance for the year for which dividend is recommended;
- Accumulated Reserves;
- Earnings stability;
- Any interim dividend paid;
- Impact of dividend pay-out on Return on Equity;
- Future capital expenditure;
- Internal capital planning framework/policy;
- Cash flow position;
- Tax implications if any, on the distribution of dividends;
- Cost of raising funds from alternate sources of capital;
- Corporate actions including mergers/demergers, acquisitions, and additional investments including expansion plans and investment in subsidiaries/associates;
- Leverage profile and debt repayment schedules and, under exceptional circumstances, the amount of contingent liabilities;
- Such other factors and/or material events which the Board may consider.

6.2 The following non-financial factors may also be considered by the Board while recommending/declaring dividend:

- Shareholder expectations;
- Economic environment;
- Industry outlook;
- Inorganic growth plans;
- Stage of the business cycle;
- Dividend payout history;
- Trend of Interest rate and Monetary Policy;
- Reinvestment opportunities;
- The economic, legal and regulatory framework, government policies, etc.

7. Declaration of Dividend

The Board in each financial year has the absolute discretion to recommend dividends out of the year's profits after setting off carried over losses of the previous year(s) and depreciation not provided in the previous year(s) or out of any undistributed profits or any retained earnings subject to the approval of the shareholders at the Company's AGM. No dividend shall be declared or paid out of the capital reserve account or the revaluation reserve account or any unrealized gain or through reducing paid-up capital.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

Dividend pay-out is an important decision as it determines the share of profit to be distributed amongst the shareholders and share of profit to be retained in the business. A balance needs to be struck between appropriately rewarding shareholders through dividends and retaining profits to maintain a healthy capital adequacy ratio and support the future growth of the business. As such, shareholders may not normally expect to receive dividends under some of the following circumstances (which may not be exhaustive), subject to the discretion of the Board:

- Company needing funds for expansion, diversification, acquisition, deleveraging or capital expenditure;
- Where the Company has incurred losses or inadequacy of profits;
- Alternative forms of distribution such as share buyback;
- Challenging circumstances such as adverse economic cycles and industry projections, pressure on cash flows on account of various factors such as debt repayment, payments due to changes in legislative or tax framework etc.

The Management shall apprise the Board of the relevant facts and figures to facilitate prudent dividend declaration.

8. Utilization of Retained Earnings

Retained earnings may be utilized for declaration of dividend (interim/final), issuance of stock dividend/bonus shares, repayment of debt, capital expenditure, organic and/or inorganic growth plans, general corporate purposes (including contingencies), and such other purposes as may be permitted under the Act and other applicable regulations.

9. Parameters With Regard to Various Classes of Shares

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per their shareholding. The Policy may be revisited as and when any new classes of shares are issued.

10. Income Tax Impact on Dividend Declaration

Bangladesh Income Tax law provides for additional tax charges to a listed company that retains more than 70% of its net after-tax profit earned in any year. According to the said provision if the Company retains or transfers more than 70% of its after-tax profit to reserves or any other fund, an additional 10% tax shall be payable on such retained or transferred fund. Moreover, in order to encourage cash dividend, the tax law requires that if in any income year, the stock dividend declared by the company exceeds the cash dividend, an additional 10% tax shall be imposed on the whole amount of stock dividend declared or distributed.

11. Management of Unclaimed Dividend

The management of unclaimed dividends will be governed by the rules and regulations issued by the Bangladesh Securities and Exchange Commission.

12. Mode of Payment of Dividend

Dividend payments may be made through the following modes:

- a. Using Bangladesh Electronic Funds Transfer Network (BEFTN) for shareholders holding shares in dematerialized form; and
- b. Issuing Dividend Warrant for shareholders who hold shares in rematerialized/paper form.

13. Review & Modification of Dividend Distribution Policy

This Policy may be reviewed and revised periodically when considered necessary by the Board. Where a Dividend is proposed to be declared based on parameters other than those mentioned in this Policy, such changes shall be disclosed along with the accompanying rationale.

14. Disclaimer

This Policy may not be construed as either soliciting investments in the Company's securities or assuring guaranteed returns (in any form whatsoever) for investments made in the Company's securities. The Policy serves as a guide for the Board. The decision of the Board concerning the amount of dividend proposed shall be conclusive.

In the event of any conflict between the Policy and the existing statutory regulations, the statutory regulations shall prevail.

15. Policy Approval and Effective Date

This Policy was approved by the Company's Board of Directors in its meeting held on 27 July 2021 and became effective from such date.

Awards



Green Factory Award 2024

The Green Factory Award in Bangladesh is an initiative by the Ministry of Labour and Employment to recognize factories that excel in environmentally friendly operations. In 2023, 29 factories across 12 different sectors were honored with this award. This recognition highlights the significant strides these factories have made towards sustainability and operational excellence.

The award ceremony took place on April 28, 2024, in Dhaka. The event was part of the National Occupational Health and Safety Day celebrations, emphasizing the importance of safe and eco-friendly industrial practices. It's inspiring to see such initiatives promoting sustainability and environmental responsibility.



Heidelberg Materials Bangladesh PLC. was awarded the Green Factory Award for 2023 by the Ministry of Labour and Employment of the People's Republic of Bangladesh. The Managing Director and the Director of Legal, along with other distinguished members from the Company, have received the Award.



Auditor's Report & Financial Statements

Independent Auditor's Report

**To the Shareholders of Heidelberg Materials Bangladesh PLC.
(previously known as HeidelbergCement Bangladesh Limited)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Heidelberg Materials Bangladesh PLC. (previously known as HeidelbergCement Bangladesh Limited) (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Revenue recognition and valuation of receivables	
<p>The Company generates revenue by selling cement primarily through both local sales and some deemed export.</p> <p>In 2024, the Company earned BDT 14,740 million in revenue, which is 17.91% lower than the previous year's revenue of BDT 17,956 million. The reduction in revenue was primarily driven by the lower quantity of sales and reduction in unit price.</p> <p>To ensure that revenue recognition is appropriate, management carefully evaluates the collectability of credit sales to customers. The Company has implemented policy of requiring advance payment from dealer sales, which has helped to improve the realizability of revenue.</p> <p>Due to inherent risk associated with determination of revenues and recovery of accounts receivable balance as well as</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none">▪ understanding of the key controls related to the contracts with customers, goods delivery and invoicing process, and sanctioning of discount and commissions;▪ Assessment of the five step model for revenue recognition adopted by the Company in line with IFRS 15: Revenue, including cut-off point to satisfy performance obligation.▪ Credit approval process and assigning credit limit to a customer including collection of security related documents to mitigate/minimize loss in customer default;▪ Periodic balance confirmation from debtors;

<p>difficulties in forecasting future loss in case of default by debtors this area require significant estimate and judgment.</p> <p>Therefore, we have considered this area as a key audit matter.</p>	<ul style="list-style-type: none"> ▪ Monitoring process for overdue receivables; and ▪ The Company's policy of creating provision against overdue receivables and periodic write off in line with IFRS 9. <p>Our substantive procedures in relation to the assessing valuation of receivables comprises the following:</p> <ul style="list-style-type: none"> ▪ Reconciliation of debtors ageing list to the general ledger; ▪ Conducting cut-off testing at the year-end; ▪ Reviewing subsequent receipt of receivables balance; ▪ Comparing current year rebate accruals to the prior year and issuance of credit notes post year-end; and ▪ Recalculation of provision for trade receivables as required by IFRS 9 and compared against actual write off/loss on repossession in prior periods.
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See note number 3.15, 8 and 24 for details

Valuation of inventories

<p>The Company's financial statements as at 31 December 2024 reflects a total inventory of BDT 2,068 million (2023: BDT 1,591 million). It is worth noting that the inventories are measured at the lower of cost and net realizable value, as per the relevant accounting standards.</p> <p>Given the nature of the inventories, which includes bulk quantities such as clinker, gypsum, slag, limestone, fly ash, and cement, the measurement process requires specialized expertise. Therefore, the management has engaged external professionals to accurately measure the quantity of the inventory at year-end.</p> <p>Inventories are carried at the lower of cost and net realisable value (NRV). As a result, management has applied judgement in determining the appropriate values for inventories which may be slow-moving or obsolete and need to apply impairment provision creating valuation risk.</p> <p>While excess holding of inventories could impact efficient use of working capital similarly lower level of inventories can result in stock outs or irregular supply to the market.</p>	<p>We evaluated the design and implementation of key inventory controls operating across the Company. We also reviewed management's process of identifying slow-moving and obsolete inventories and determining net realizable value of the inventories. Apart from that, we conducted the following activities:</p> <ul style="list-style-type: none"> ▪ We attended and observed physical inventory counts and reviewed the reconciliation process of the count results to the inventory records maintained in the system. ▪ reviewing the survey reports of inventories prepared by the external experts, considering competence of the experts, adequacy of their work and the methods and judgment used by them; ▪ We reviewed the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; ▪ evaluating the Company's accounting treatment of the changes in the prices of raw materials, including the appropriateness of the related disclosures in the financial statements.
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<p>Furthermore, the Company reported raw and packing materials consumption of BDT 10,787 million (2023: BDT 13,745 million) for the current year, representing a 21.51% reduction over the previous year which is consistent with lower sales volume during the same period.</p> <p>Therefore, this area we have considered as a key audit matter.</p>	<ul style="list-style-type: none"> ▪ We compared the net realizable value on test basis through a review of subsequent period sales and the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete. <p>We discussed with management about their sales forecasting procedures and ordering of stocks, and inquired about remedial action taken in case of access or shortage of inventories due to difference in forecast and actual results.</p>
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See note number 3.07 and 7 for details

Valuation of property, plant and equipment (PP&E) including impairment assessment of other items of PP&E

<p>PPE is a significant asset category for the Company, and its carrying amount as at the year-end is BDT 4,826 million (2023: BDT 4,809 million). The Company's PPE comprises various types of assets, including land, buildings, machinery, and equipment. The Company's financial statements recognize PPE at cost, and subsequent to initial recognition, PPE is carried at cost less accumulated depreciation and impairment losses.</p> <p>The valuation of PPE requires significant management judgment and estimation, including determining the useful lives of assets, assessing the residual values, and estimating the cost of dismantling/assets retirement obligation.</p> <p>Additionally, there is an inherent risk of misstatement in the valuation of PPE due to the complexity and diversity of the asset category.</p> <p>As the Company is profitable and achieved expected capacity utilization, there is no overall impairment at CGU level.</p>	<p>Our audit procedures for recognition and valuation of proper plant and equipment (PPE) included:</p> <ul style="list-style-type: none"> ▪ obtaining an understanding of the Company's policies and procedures for the recognition and valuation of PPE including the initial recognition of assets, useful lives and residual values of assets, and the assessment of impairment losses; ▪ evaluating the design and operating effectiveness of the Company's internal controls over PPE recognition and valuation; ▪ reviewing and testing the Company's PPE balance to ensure its accuracy and completeness; ▪ testing the accuracy and completeness of PPE additions, disposals, and impairment assessment charges to ensure that all transactions are properly recorded in the accounting system; ▪ reviewing the Company's maintenance records to ensure that the repairs and maintenance expenses are correctly classified as operating expenses and that any significant repairs are capitalized as part of the PPE; ▪ conducting physical verification of fixed assets on test basis to verify the existence in line with the fixed asset register and relevant documents; ▪ review capital work in progress and check whether assets are transferred from CWIP to PP&E timely basis upon completion and ready to use.
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See note number 3.03 and 5 for details

Legal, regulatory and other compliance matters

The Company has several legal proceedings, claims and inquiries pending that expose it to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.

- Furthermore, as a listed entity, the Company has to maintain compliance with the requirements of the Bangladesh Securities and Exchange Commission (BSEC) including the rules, listing regulations, corporate governance code and other directives issued from time to time.

Finally, the income tax department has requested for certain transfer pricing related documents from the Company in relation to the tax assessment year 2023-2024, which the Company has duly submitted to tax authority.

We obtained an understanding of the Company's key controls over the legal compliance process. To get more insights we performed following procedures:

- enquired the Company's internal legal council for all significant litigation and regulatory matters;
- assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information;
- assessed the Company's provisions and contingent liabilities disclosure;
- reviewed the controls related to Corporate Governance compliance and reporting compliance as per BSEC guidelines;
- obtaining legal confirmation from the panel of legal advisors of the Company to assess the risk of uncertainty on disputes.
- assessed the Company's compliance with the BSEC directive dated 14 January 2021 on unclaimed dividend by checking, among other matters, the list of shareholders with unclaimed dividend, bank statements and procedures taken to pay the unclaimed dividends.
- We read the notice of income tax authority and also reviewed the documents/information submitted by the Company.
- We also checked the approval of certain related party transactions at the AGM as required by BSEC notification no BSEC/CMRRCD/2009-193/10/Admin/11 8 date 22 March 2021.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 3, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.


We communicate with those charged with governance regarding, among other matters, the

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, we also report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii. the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account; and
- iv. the expenditures incurred were for the purpose of the Company's business.



Sabbir Ahmed FCA, Partner

ICAB Enrolment No: 770

Hoda Vasi Chowdhury & Co

Chartered Accountants

FRC Enlistment No: CAF-001-057

Dhaka, 24 April 2025

DVC No: **2504240770AS439700**

Heidelberg Materials Bangladesh PLC.

Statement of Financial Position

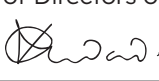
For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

	Notes	2024 BDT '000	2023 BDT '000
Assets			
Non-current			
Intangible assets	4	53,258	66,565
Property, plant and equipment	5	4,826,109	4,809,929
Right- of- use assets	5.03	450,396	517,250
Capital works-in-progress	6	51,985	201,615
Total non-current assets		5,381,748	5,595,358
Current			
Inventories	7	2,067,701	1,590,884
Trade and other receivables	8	259,009	449,257
Advances, deposits and prepayments	9	312,935	670,908
Cash and cash equivalents	10	2,979,438	4,295,692
Total current assets		5,619,083	7,006,742
Total assets		11,000,831	12,602,100
Equity and liabilities			
Equity			
Share capital	11	565,036	565,036
Reserve	12	141,607	141,607
General reserve		15,000	15,000
Dividend equalization fund		8,600	8,600
Retained earnings		3,387,143	3,066,612
Total equity		4,117,386	3,796,856
Liabilities			
Non-current			
Suppliers' credit blocked	13	2,565	2,565
Quasi equity loan	14	122,636	122,636
ADP loan	14.01	12,699	12,699
Provision for Jetty dismantling		128,000	115,696
Finance lease liabilities	16	140,471	170,240
Deferred tax liability	18	125,262	107,084
Total non-current liabilities		531,633	530,920
Current			
Trade and other payables	19	4,962,564	3,885,588
Bank overdraft	10.01	-	101,039
Borrowings	15	1,189,703	3,992,085
Finance lease liabilities	16	29,769	53,268
Provision for workers' profit participation fund	20	38,247	41,401
Current income tax liability	22	131,529	200,943
Total current liabilities		6,351,812	8,274,324
Total liabilities		6,883,445	8,805,244
Total equity and liabilities		11,000,831	12,602,100

These financial statements should be read in conjunction with annexed notes.
For and on behalf of the Board of Directors of Heidelberg Materials Bangladesh PLC.


Ong Kian Hock Terence
Managing Director


Md. Emdadul Haque, FCA
Director & Chief Financial Officer
See our annexed report of same date


Md. Saikat Khan
Company Secretary

Dhaka: Bangladesh
Dated: 24 April, 2025
DVC: 2504240770AS439700

Hoda Vasi Chowdhury & Co
Chartered Accountants


Sabbir Ahmed, FCA
Partner
Enrollment No.: 0770

Heidelberg Materials Bangladesh PLC.

Statement of Profit or Loss and Other Comprehensive Income


For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

	Notes	2024 BDT '000	2023 BDT '000
Revenue	24	14,740,223	17,955,715
Cost of goods sold	25	(12,936,379)	(15,887,341)
Gross profit		1,803,844	2,068,374
Other operating income and expenses	26	4,683	15,435
Warehousing, distribution and selling expenses	27	(475,491)	(512,666)
Administrative expenses	28	(629,284)	(682,118)
Operating profit/(loss)		703,752	889,025
Net finance income/ (expenses)	29	61,187	(61,010)
Profit before contribution to WPPF		764,939	828,016
Contribution to workers' profit participation fund	20	(38,247)	(41,401)
Profit/(loss) before tax		726,692	786,615
Tax expense:			
Income tax expense	22.01	(246,725)	(518,862)
Deferred tax income/ (expense)	18.02	(18,178)	191,657
Profit/(loss) for the year		461,789	459,410
Other comprehensive income for the year		-	-
Total comprehensive income for the year		461,789	459,410
Earnings per share (EPS)			
Basic and diluted earning per share	31	8.17	8.13

These financial statements should be read in conjunction with annexed notes.
For and on behalf of the Board of Directors of Heidelberg Materials Bangladesh PLC.


Ong Kian Hock Terence
Managing Director


Md. Emdadul Haque, FCA
Director & Chief Financial Officer
See our annexed report of same date


Md. Saikat Khan
Company Secretary

Dhaka: Bangladesh
Dated: 24 April, 2025
DVC: 2504240770AS439700

Hoda Vasi Chowdhury & Co
Chartered Accountants


Sabbir Ahmed, FCA
Partner
Enrollment No.: 0770

Heidelberg Materials Bangladesh PLC.

Statement of Changes in Equity

For the year ended 31 December 2024


(expressed in thousands of Bangladeshi taka, except per share amounts)

Particulars	Share capital	Reserve	General reserve	Dividend equalization fund	Retained earnings	Total
Balance as at 01 Jan 2023	565,036	141,607	15,000	8,600	2,663,706	3,393,949
Payment of dividend for 2022					(56,504)	(56,504)
Net profit for the year	-	-	-	-	459,410	459,410
Balance as at 31 Dec 2023	565,036	141,607	15,000	8,600	3,066,612	3,796,856
Balance as at 01 Jan 2024	565,036	141,607	15,000	8,600	3,066,612	3,796,856
Payment of dividend for 2023					(141,259)	(141,259)
Net profit for the year	-	-	-	-	461,789	461,789
Balance as at 31 Dec 2024	565,036	141,607	15,000	8,600	3,387,143	4,117,386

These financial statements should be read in conjunction with annexed notes.
For and on behalf of the Board of Directors of Heidelberg Materials Bangladesh PLC.



Ong Kian Hock Terence
Managing Director



Md. Emdadul Haque, FCA
Director & Chief Financial Officer
See our annexed report of same date



Md. Saikat Khan
Company Secretary

Heidelberg Materials Bangladesh PLC.

Statement of Cash Flows

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

	Notes	2024 BDT '000	2023 BDT '000
Cash flows from operating activities			
Collection from customers	32.01	14,931,843	18,026,208
Cash received from other operating income		5,981	(3,844)
Cash paid to suppliers	32.02	(10,094,560)	(13,917,997)
Cash paid for operating expenses	32.03	(2,539,486)	(2,440,477)
Net exchange gain/(loss)		(1,720)	2,749
Interest income		333,449	234,904
Interest expenses		(270,542)	(293,165)
Income tax paid	33	(316,139)	(377,489)
Net cash flow generated from operating activities (a)		2,048,826	1,230,888
Cash flows from investing activities			
Acquisition of non-current assets	34	(267,709)	(209,082)
Proceed from sale of non-current assets	35	578	3,631
Net cash used in investing activities (b)		(267,132)	(205,452)
Cash flows from financing activities			
Proceeds from bank loan UPAS		(2,802,382)	3,992,085
Repayment of bank loan		-	(799,961)
Repayment of lease liabilities		(53,268)	(86,177)
Unclaimed dividend transferred to CMSF		-	(31,660)
Payment of dividend	36	(141,259)	(135,180)
Net cash flow used in financing activities (c)		(2,996,909)	2,939,108
Net increase/(decrease) in cash and cash equivalents (a+b+c)		(1,215,215)	3,964,544
Opening cash and cash equivalents		4,194,654	230,109
Closing cash and cash equivalents*		2,979,438	4,194,654

* Cash and cash equivalents includes bank overdraft that are repayable on demand and form an integral part of cash management.

These financial statements should be read in conjunction with annexed notes.
For and on behalf of the Board of Directors of Heidelberg Materials Bangladesh PLC.



Ong Kian Hock Terence
Managing Director



Md. Emdadul Haque, FCA
Director & Chief Financial Officer



Md. Saikat Khan
Company Secretary

See our annexed report of same date

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

For the year ended 31 December 2024

1.00 Company and its activities

1.01 Company profile

A project named Chattogram Cement Factory was established under Central Ordinance No. XXXVIII of 1962. The factory started production of Portland cement on 30 June 1974. The installed production capacity was 300,000 MT per annum. The Project was thereafter incorporated as a private limited company named Chattogram Cement Clinker Grinding Co Ltd (CCCGCL) on 30 June 1979 which was placed under Bangladesh Chemical Industries Corporation (BCIC) with effect from 1 July 1982. This Company (CCCGCL) was converted into a public limited company in February 1989 after revaluation of assets as well as finalization of its net worth.

The Company commenced commercial production of its another unit in Kanchpur with effect from 1 November 1999. The production capacity of this unit is 600,000 MT. On 10 April 2008, Kanchpur plant installed second mill with capacity of 450,000 MT per annum, and on August 2019 Kanchpur Plant installed third mill with capacity of 472,000 MT per annum. Acquired Mukterpur plant production capacity is 660,000 MT. The total production capacity of Heidelberg Materials Bangladesh PLC. (HMBPLC) stands at 3,510,000 MT per annum.

The Company in its 5th Extraordinary General Meeting of shareholders held on 3 October 2002 approved the scheme of Amalgamation of Scancement International Limited and Scancement Bangladesh Limited with Chattogram Cement Clinker Grinding Co. Limited, presently known as Heidelberg Materials Bangladesh PLC. The Hon'ble High Court Division of the Supreme Court of Bangladesh sanctioned the approval of the above Scheme of Amalgamation by an order dated 11 January 2003.

The Company in its 8th Extraordinary General Meeting of shareholders held on 25 February 2020 approved the scheme of Amalgamation of Meghna Energy Limited (MEL) with Heidelberg Materials Bangladesh PLC (HMBPLC/the Company). The Hon'ble High Court Division of the Supreme Court of Bangladesh sanctioned the approval of the above Scheme of Amalgamation by an order dated 22 July 2020.

The Company in its 9th Extraordinary General Meeting of shareholders held on 02 May 2021 approved the scheme of Amalgamation of Emirates Cement Bangladesh Limited (ECBL) and Emirates Power Company Limited (EPCL) with Heidelberg Materials Bangladesh PLC. The Hon'ble High Court Division of the Supreme Court of Bangladesh sanctioned the approval of the above Scheme of Amalgamation by an order dated 24 October 2021. ECBL cement plant is situated at East Mukterpur, Munshiganj, Bangladesh with annual production capacity of 660,000 MT cement. EPCL Power plant is situated at East Mukterpur, Munshiganj, Bangladesh. The Company went into production from June 2005 with production capacity of 10 MW.

The registered office of the Company is situated in Tatki, P.O.: Jatramora, Union: Tarabaw, P.S.: Rupganj, Narayanganj. The address of the operational headquarter is at Symphony, Plot: SE (F) 9, Road 142, South Avenue Gulshan 1 Dhaka. Its shares are listed with Dhaka Stock Exchange Limited and Chattogram Stock Exchange Limited.

The number of employees at the year end was 332 (2023: 339).

1.02 Nature of business

The principal activities of the Company throughout the year continued to be manufacturing and marketing of gray cement under two brands namely, Ruby and Scan Cement.

2.00 Basis of preparation

2.01 Statement of compliance

These financial statements of the Company have been prepared in accordance with IFRS accounting standards as issued by International Accounting Standard Board (IASB), applicable sections of the Companies Act 1994, the Financial Reporting Act 2015 and the Securities and Exchange Rules 2020.

2.02 Components of financial statements

The financial statements comprise of the following:

- i. Statement of financial position, as at 31 December 2024
- ii. Statement of profit and loss and other comprehensive income, for the year ended 31 December 2024
- iii. Statement of changes in equity, for the year ended 31 December 2024
- iv. Statement of cash flows, for the year ended 31 December 2024
- v. Notes to the financial statement

2.03 Date of authorisation

The board of directors of the Company has authorised these financial statements for issue on 24 April 2025.

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

For the year ended 31 December 2024

2.04 Basis of measurement

These financial statements have been prepared under the historical cost convention, except the followings :

1. Inventories at lower of cost and net realizable value
2. Lease obligations at present value of minimum lease payments
3. Accounts receivable at net of provision for doubtful debts

2.05 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (BDT), which is both functional and presentational currency of the Company.

2.06 Going concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no materials uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, despite as at 31 December 2024 the Company has net current deficit of BDT 732,729k due to borrowings, non- repayments of technical know-how fees for 2023 and 2024 and a reduction in advances, deposits and prepayments management has considered the going concern assumption as appropriate.

2.07 Fair value

As fair value is a market based measurement, when measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible though entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant while measuring fair value. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

2.08 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation and judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Note 4 & 5	useful life of property, plant & equipment and intangible assets
Note 5.03	rights -of- use assets
Note 7	provision for inventory obsolescence
Note 8	Impairment loss/gain on trade receivable
Note 17	measurement of defined benefit obligations: key actuarial assumptions
Note 18	recognition of deferred tax liabilities: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised
Note 19	trade and other payables
Note 22	current income tax liabilities

2.09 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

For the year ended 31 December 2024

2.10 Reporting period

The financial reporting period of the Company covers one year from 01 January to 31 December and consistently applied.

2.11 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services within a particular economic environment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company regards its Board of Directors as its chief operating decision maker, as the Board is responsible for allocating resources, assesses performances, and makes strategic decision. The Company is primarily engaged in the manufacturing and selling of similar type of products and the Board monitors performance of the Company as a whole. However, for top line monitoring, revenue/sales quantity by plant is monitored. Hence, the Company is only reporting location/plant wise revenue segments in Note # 24.

2.12 Application of standards

The following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) accounting standard issued by IASB as adopted by ICAB are applicable for the financial statements for the year under review:

IAS 1 Presentation of financial statements
IAS 2 Inventories
IAS 7 Statement of cash flows
IAS 8 Accounting policies, changes in accounting estimates and errors
IAS 10 Events after the reporting period
IAS 12 Income taxes
IAS 16 Property, plant and equipment
IAS 19 Employee benefits
IAS 21 The effects of changes in foreign exchange rates
IAS 23 Borrowing costs
IAS 24 Related party disclosures
IAS 32 Financial instruments: Presentation
IAS 33 Earnings per share
IAS 36 Impairment of assets
IAS 37 Provisions, contingent liabilities and contingent assets
IAS 38 Intangible assets
IFRS 7 Financial instruments: Disclosures
IFRS 8 Segment reporting
IFRS 9 Financial instruments
IFRS 13 Fair value measurement
IFRS 15 Revenue from contracts with customers
IFRS 16 Leases

3.00 Material accounting policies

The accounting policies adopted are consistent with those of the previous financial year. Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the value of assets and liabilities as reported.

3.01 Foreign currency translation

Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates." Exchange rate difference at the statement of financial position date are charged/credited to statement of profit or loss account.

The rate of relevant foreign exchange at year-end:

Currency	2024	2023
1 US Dollar = BDT	109.54	103.14
1 EURO = BDT	120.92	110.41

3.02 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

For the year ended 31 December 2024

3.02.1 Financial assets

The Company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, accounts receivable, and long term receivables and deposits.

3.02.2 Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities include loans and borrowings, accounts payable and other payables.

3.02.3 Impairment of Financial assets

i) Financial assets

IFRS 9 requires an assessment of expected credit losses ("ECL") for evaluating whether assets carried at amortised cost are impaired.

The first stage of the evaluation requires an assessment of expected credit losses (ECL), which represent the possibility of default over the next 12 months. When a significant increase in credit risk has occurred, the financial asset is transferred to stage 2 and the ECL will be calculated using the possibility of default over the expected life of the financial instrument. When there is objective evidence that a financial asset is impaired, the financial asset will be transferred to stage 3 and lifetime ECL will be calculated.

The Company measures ECL for the following category of financial assets that are not measured at fair value through profit and loss.

Trade and other receivables

Expected credit losses for trade receivables are estimated using the simplified approach of lifetime ECL based on a combination of write-off history, aging analysis and ability to make immediate repayment. These simplifications eliminate the need to calculate the 12-month ECL and to assess when a significant increase in credit risk has occurred, as required under a three-stage approach.

For other receivables, the Company measures ECL using the three-stage approach.

While cash and cash equivalents carried at amortised cost, are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

ii) Non-financial assets

The carrying value of the non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income.

3.03 Property, plant and equipment

3.03.1 Recognition and measurement

Tangible fixed assets are accounted for according to IAS-16 "Property, Plant and Equipment" at historical cost or revaluation less accumulated depreciation and the capital work-in-progress is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalized by adding it to the related property, plant and equipment.

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

For the year ended 31 December 2024

3.03.2 Subsequent costs

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. In compliance with the provisions of the Companies Act 1994, adjustment is made to the original cost of fixed assets acquired through foreign currency loan at the end of each financial year by any change in liability arising out of expressing the outstanding foreign loan at the rate of exchange prevailing at the date of balance sheet.

3.03.3. Depreciation

Depreciation is charged on straight-line method consistent with the Company's depreciation policy. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives. In respect of acquisition of fixed assets, depreciation is charged when assets is available for use and no depreciation is charged at the date of de-recognition or the assets is fully depreciated.

The rates of depreciation for the current and comparative years are as follows:

Category of assets	2024	2023
Buildings	3% - 5%	3% - 5%
Plant and machinery	5% - 10%	5% - 10%
Furniture and equipment	10% - 20%	10% - 20%
Transport and vehicles	10% - 20%	10% - 20%

3.04 Intangible assets

Intangible fixed assets are accounted for according to IAS-38 "Intangible Assets." Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Intangible assets include acquired computer software capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

3.05 Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each date of statement of financial position. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

3.06 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

For the year ended 31 December 2024

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

ii. Short-term leases and leases of low-value assets

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

3.07 Inventories

Inventories are measured at lower of cost and net realizable value in accordance with IAS-2 "Inventories." The cost of inventories includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Inventories consist of raw materials, finished goods, packing materials and stores and spares.

Category of inventory	Basis of valuation
Raw and packing materials	At weighted average cost
Finished goods	At cost
Stores, accessories and spares	At weighted average cost
Goods-in-transit	At cost incurred till the statement of financial position date

3.08 Trade and other receivables

Trade and other receivables consists of unpaid bills receivable from customers carried at their original invoice amount, stated net of provision for doubtful debts. The Company initially recognizes trade and other receivables at nominal value which is the fair value of the consideration given in return. After initial recognition these are carried at nominal value less impairment losses due to uncollectible of any amount so recognized. To calculate provision for impairment on receivables, the Company is following 'Simplified Approach' as allowed under IFRS 9: Financial Instruments.

3.09 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and other short term highly liquid investments with original maturities of three months or less and bank overdrafts which were held and available for use by the company without any restriction, and there was insignificant risk of changes in value of these current assets.

3.10 Borrowings

Borrowings are classified into both current and non-current liabilities. In compliance with the requirements of IAS-23 "Borrowing Cost," borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.11 Liabilities

Liabilities are broadly classified into current and non-current.

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

For the year ended 31 December 2024

3.11.1. Trade and other payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company.

3.11.2. Provision, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If a transfer of economic benefit is no longer probable the provision should be reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure required to settle the obligation.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

Contingent liabilities

A contingent liability arises when a past event may lead to an entity having a liability in the future but the financial impact of the event will only be confirmed by the outcome of some future event not wholly within the entity's control. A contingent liability should be disclosed in the financial statements unless the possible outflow of resources is thought to be remote.

Contingent assets

A contingent asset is a potential asset that arises from past events but whose existence can only be confirmed by the outcome of future events not wholly within an entity's control. A contingent asset should be disclosed in the financial statements only when the expected inflow of economic benefits is probable.

3.12 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income (profit and loss statement) in accordance with IAS-12 "Income taxes."

3.12.1 Current tax

The Company qualifies as a "Publicly Traded Company" as defined in income tax laws. The applicable tax rate for the Company is 20% and hence provision for taxation has been made on this basis which is in compliant with the Finance Act 2024 and newly enacted Income Tax Act 2023.

3.12.2 Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. The deferred tax asset/income or liability/expense does not create a legal obligation to, or recoverability from, the income tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.13 Share capital

Only ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings.

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

For the year ended 31 December 2024

3.14 Employee benefit

3.14.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.14.2 Defined contribution plan (provident fund)

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognized Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognized by the National Board of Revenue (NBR).

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

3.14.3 Defined benefit plan (Gratuity)

The Company maintains a recognized gratuity scheme for all its eligible permanent employees. As per terms of contract the gratuity obligation, for employees who joined before amalgamation in their former Chattogram Cement Clinker Grinding Company Ltd, is last two months' basic salary or wages drawn and for employees who joined after amalgamation, one and half month's basic salary applicable at the time of their respective cessation of employment for each completed year of service.

3.14.4 Workers' Profit Participation Fund

The Company has provided for WPPF in terms of section 234(1)(b) of Bangladesh Labor (Amendment) Act 2013, 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under Bangladesh Workers' Welfare Foundation Act, 2006.

3.14.5 Group insurance benefit

The permanent employees of the company are covered under a group term insurance scheme, premium for which is being charged to profit or loss statement.

3.15 Revenue recognition (IFRS 15 Revenue from Contracts with Customers)

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, the Company follows the five-step model as below:

- a. Identify the contract with a customer
- b. Identify the performance obligations in the contract
- c. Determine the transaction price
- d. Allocate the transaction price to the performance obligations in the contract and
- e. Recognize revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized for the contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. As a consequence, for those contracts for which the company is unable to make a reasonable estimate of return, revenue is expected to be recognized sooner than when the return period lapses or a reasonable estimate can be made.

Based on the Company's assessment, the timing of revenue recognition from sale of goods are broadly similar. Therefore, the Company does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these sales.

3.16 Finance expenses

Finance expenses comprise bank interest and other charges. All finance expenses are recognized in the profit and loss statement along with interest income from fixed deposit and from saving or current account.

3.17 Related party disclosure

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related disclosures have been provided in note 43.

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

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3.18 Advertising and promotional expenses

All costs associated with advertising and promotional activities are charged out in the year it is incurred.

3.19 Research, development and experiment costs

These are usually absorbed as revenue charges as and when incurred, in line with IAS 38: Intangible Assets.

3.20 Stocks write off/down

It includes the cost of writing off or writing down the value of redundant or damaged or obsolete stocks, which are dumped and/or old stock.

3.21 Repair, upkeep and maintenance charges

These are usually charged as revenue charges.

3.22 Basis of allocation of depreciation

Basis allocation of depreciation in different overheads are as follows:

Manufacturing, labor and overhead	75%
Warehousing, distribution and selling expenses	15%
Administrative expenses	10%

3.23 Earnings per share

The Company presented diluted (when dilution is applicable) earnings per share (EPS) data for its ordinary shares according to IAS-33 "Earning Per Share."

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.24 Statement of cash flows

Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 2020.

3.25 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the balance sheet date are reflected in the financial statements. Material events after the balance sheet date that are not adjusting events are disclosed in the note 48.

3.26 Operating environment

The Company's operating environment during the year ended 2024 were impacted by a number of major global geo-political events and conflict, volatile fuel and commodity prices, unpredictable foreign exchange and interest rate etc. Most of these events also had significant impact on the local economic environment affecting the Company's operations. From time to time, the Government of Bangladesh has issued various directives to manage impacts from these events which the Company has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and factor these issues into the decision making process.

3.27 Standard issued but not yet effective

A number of new standards and amendments to standards are effective for annual period beginning on 1 January 2024 which have been duly adopted. However, none of these new and/or amended standards have any significant impact on the Company's financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 31 December 2024 and earlier application is permitted. However, the Company has not yet assessed possible impact of these new and/or amended standards on the Company's financial statements.

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4.00 Intangible assets

Particular(s)	Software	Total
Cost		
At 01 January 2023	102,844	102,844
Addition	1,768	1,768
Balance as at 31 December 2023	104,612	104,612
Amortization		
At 01 January 2023	24,809	24,809
Charge during the year	13,238	13,238
Balance as at 31 December 2023	38,047	38,047
Net book value (WDV) at 31 December 2023	66,565	66,565
Cost		
At 01 January 2024	104,612	104,612
Addition	-	-
Balance as at 31 December 2024	104,612	104,612
Amortization		
To 01 January 2024	38,047	38,047
Charge during the year	13,307	13,307
Balance as at 31 December 2024	51,354	51,354
Net book value at 31 December 2024	53,258	53,258

5.00 Property, plant and equipment

Particular(s)	Land and building	Plant and machinery	Furniture and equipment	Transport and vehicle	Total
Cost					
At 01 January 2023	3,982,289	7,030,081	216,539	117,203	11,346,112
Additions	15,588	162,831	22,002	12,453	212,874
Disposal	(3,065)	(5,157)	(19,329)	(13,023)	(40,574)
Balance as at 31 December 2023	3,994,812	7,187,755	219,212	116,633	11,518,412
Depreciation					
At 01 January 2023	1,381,037	4,709,051	176,531	66,660	6,333,278
Charge during the year	102,169	283,552	12,597	13,883	412,201
Disposal	(1,515)	(5,157)	(19,298)	(11,026)	(36,996)
Balance as at 31 December 2023	1,481,691	4,987,446	169,829	69,517	6,708,483
Net book value at 31 December 2023	2,513,121	2,200,309	49,382	47,116	4,809,929
Cost					
At 01 January 2024	3,994,812	7,187,755	219,212	116,633	11,518,412
Additions	85,958	294,743	36,638	-	417,339
Disposal	-	(254)	(7,399)	(8,651)	(16,304)
Balance as at 31 December 2024	4,080,771	7,482,243	248,451	107,982	11,919,447
Depreciation					
At 01 January 2024	1,481,691	4,987,446	169,829	69,517	6,708,483
Charge during the year	103,309	265,284	29,318	-	397,911
Disposal	-	(254)	(6,784)	(6,018)	(13,056)
Balance as at 31 December 2024	1,585,000	5,252,476	192,363	63,499	7,093,338
Net book value at 31 December 2024	2,495,771	2,229,768	56,087	44,483	4,826,109

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Notes to the Financial Statements

For the year ended 31 December 2024

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5.01 Break-up of addition to property, plant and equipment

Particular(s)	2024	2023
Land and building		
Non-factory building	85,958	15,588
	85,958	15,588
Plant and machinery		
Equipment apparatus and accessories	196,421	57,030
Electrical installation	79,293	95,814
Tools and equipment	19,030	9,987
	294,743	162,831
Furniture and equipment		
Furniture and fixture	1,309	2,807
Sundry assets	1,842	-
Computer	24,503	6,185
Office equipment	8,983	13,010
	36,638	22,002
Transport and vehicles		
Pick up van/vehicle	-	12,453
	-	12,453
	417,339	212,874

5.02 Details of disposal of property, plant and equipment

Particular(s)	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Mode of disposal
Plant and machinery	254	254	-	300	Company policy/ Retirement
Furniture and equipment	7,399	6,784	615	278	Company policy/ tender
Transport and vehicles	8,651	6,018	2,633	-	Company policy/ tender
Total 2024	16,304	13,056	3,248	578	
Total 2023	40,574	36,996	3,578	3,631	Company policy/ tender

5.03 Right- of- use assets

A. Leases as lessee

Particular(s)	RoU land and buildings	RoU transport and vehicles	Total
Cost			
At 01 January 2023	684,766	200,886	885,652
Additions	42,152	-	42,152
Disposal	-	(12,150)	(12,150)
Balance as at 31 December 2023	726,918	188,736	915,654
Depreciation			
At 01 January 2023	168,037	137,407	305,445
Charge during the year	55,239	37,721	92,960
Disposal	-	-	-
Balance as at 31 December 2023	223,276	175,128	398,404
Net book value at 31 December 2023	503,642	13,608	517,250
Cost			
At 01 January 2024	726,918	188,736	915,654
Additions	-	-	-
Disposal	-	-	-
Balance as at 31 December 2024	726,918	188,736	915,654
Depreciation			
At 01 January 2024	223,276	175,128	398,404
Charge during the year	53,246	13,608	66,854
Disposal	-	-	-
Balance as at 31 December 2024	276,522	188,736	465,258
Net book value at 31 December 2024	450,396	-	450,396

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B. Leases as lessor

The Company does not provide any lease facility to other entity.

	Particular(s)	2024	2023
5.04	Allocation of depreciation expense		
	Manufacturing, labor and overheads (note 25.04)	348,574	378,871
	Warehousing, distribution and selling expenses (note 27)	69,715	75,774
	Administrative expenses (note 28)	46,477	50,516
		464,765	505,161

6.00 Capital works-in-progress

Particular(s)	Intangible Assets	Land and Buildings	Plant and Machinery	Furniture and Equipment	Total
At 01 January 2023	-	49,134	158,041	-	207,175
Addition	924	27,345	86,594	17,348	132,211
Capitalized during the year	(924)	(10,431)	(109,068)	(17,348)	(137,771)
At 31 December 2023	-	66,048	135,567	-	201,615
At 01 January 2024	-	66,048	135,567	-	201,615
Addition	-	22,030	202,955	42,723	267,709
Capitalized during the year	-	(85,958)	(294,743)	(36,638)	(417,339)
At 31 December 2024	-	2,120	43,779	6,086	51,985

7.00 Inventories

Particular(s)	2024	2023
Raw materials	1,137,156	579,865
Finished goods	73,553	146,692
Packing materials	122,297	163,516
Stores and spares	780,043	714,599
	2,113,050	1,604,671
Provision for slow moving stores and spares	(45,349)	(13,786)
	2,067,701	1,590,884

8.00 Trade and other receivables

A. Trade receivables

Considered good	208,999	400,619
Considered doubtful	80,556	80,556
	289,556	481,176

B. Other receivables

Third party	35,009	45,171
Inter-company	15,000	3,467
	50,010	48,637
Allowance for expected credit loss	(80,556)	(80,556)
	259,009	449,257
Receivable covered under security	271,375	462,034
Outstanding for a period exceeding six months.	89,409	107,364

Trade and other receivables were stated at their nominal value. Adequate provision has been made for all identifiable doubtful receivables.

Trade and other receivables were accrued in the ordinary course of business and no amount was due by the Directors (including Managing Director), managers and other officers of the company and any of them severally or jointly with any other person.

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9.00 Advances, deposits and prepayments

Particular(s)	2024	2023
Advance paid to suppliers and employees	26,256	50,453
Letter of Credit (LC) margin	20,895	387,357
Security and other deposits	252,010	225,321
Prepayments	13,774	7,777
	312,935	670,908

10.00 Cash and cash equivalents

Particular(s)	2024	2023
Cash in hand	35	48
Cash at bank in current accounts	60,167	14,319
Short term bank deposits (STD)	359,072	264,368
Fixed deposits receipts (FDR)	1,636,958	4,016,958
Government treasury bill	923,206	-
	2,979,438	4,295,692

FDR includes an amount of BDT 16,958 thousand (2023: 16,958 thousand) held under lien in favor of Customs Authority.

10.01 Bank Overdraft

Particular(s)	2024	2023
In current account with Standard Chartered Bank	-	101,039
Closing cash and cash equivalents as disclosed in statement of cash flow	2,979,438	4,194,654

11.00 Share capital

11.01 Authorized share capital

The total authorized number of ordinary shares is 100 million with a face value of BDT 10 per share. The face value of shares were changed to BDT 10 from BDT 100 as per the decision taken in 7th Extra-Ordinary General Meeting (EGM), held on 27 November 2011, to comply with the Bangladesh Securities and Exchange Commission order no. SEC/CMRRCD/2009-193/109 dated 15 September 2011.

Particular(s)	2024	2023
100,000,000 ordinary shares of BDT 10 each	1,000,000	1,000,000

11.02 Issued, subscribed and paid-up capital

Particular(s)	2024	2023
36,358,870 ordinary shares of BDT 10 each fully paid up	363,588	363,588
20,144,710 ordinary shares of BDT 10 each issued as fully paid-up bonus shares	201,448	201,448
	565,036	565,036

11.03 Percentage and value of shareholdings

Particular(s)	Percentage (%)		2024	2023
	2024	2023		
Foreign shareholders				
Heidelberg Materials Netherlands Holding B.V.	39.81%	39.81%	224,930	224,930
Heidelberg Materials Asia Holding GmbH	20.86%	20.86%	117,844	117,844
	60.67%	60.67%	342,774	342,774

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(expressed in thousands of Bangladeshi taka, except per share amounts)

Particular(s)	Percentage (%)		2024	2023
	2024	2023		
Bangladeshi shareholders				
General public	10.79%	13.07%	60,988	73,870
Company's employees	0.18%	0.18%	1,031	1,031
Investment Corporation of Bangladesh (ICB)	16.11%	12.49%	91,030	70,581
Other financial institutions	12.25%	13.59%	69,213	76,780
	39.33%	39.33%	222,262	222,262
	100.00%	100.00%	565,036	565,036

11.04 Classification of shareholders by holding

Particular(s)	Number of shareholders	
	2024	2023
Less than 5000 shares	9,459	9,917
5001 to 50,000 shares	229	226
50,001 to 200,000 shares	34	38
200,001 to 500,000 shares	9	8
500,001 to 10,000,000 shares	6	6
Over 10,000,000 shares	2	2
	9,739	10,197

11.05 Option on un-issued shares

There is no option on un-issued share capital

12.00 Reserve

Particular(s)	2024	2023
Balance as at 1 January	141,607	141,607
Balance as at 31 December	141,607	141,607

The amalgamation reserve is resulted from amalgamation transactions. It is not available for dividend distribution.

13.00 Suppliers' credit blocked

Particular(s)	2024	2023
Balance as at 1 January	2,565	2,565
Balance as at 31 December	2,565	2,565

Suppliers' credit-blocked BDT 2,565 thousand represents the value of mechanical spares etc. supplied by the contractor M/s Five's Coil Bebbcock, France against French grant as replacement of damages caused to the conveyor belt being constructed by it. The value of supplies at FF 499,578 was converted at ruling exchange rate as on 30 June 1988. BCIC had claimed the amount and debentures were issued towards repayment of the amount (note 14.1).

14.00 Quasi equity loan

Particular(s)	2024	2023
Fixed assets revaluation surplus	104,122	104,122
Government equity contribution	20,000	20,000
	124,122	124,122
Foreign currency devaluation	(1,486)	(1,486)
	122,636	122,636

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	Particular(s)	2024	2023
14.01	At the time of transfer of 51% shares, held by BCIC, to T.K. Oil Refinery Limited during June 1993, the Company issued 13.5% Debenture for BDT. 137,900 thousand to BCIC in repayment of the following dues:		
	Suppliers' credit (note 13)	2,565	2,565
	Quasi equity loan (note 14)	122,636	122,636
	ADP loan	12,699	12,699
		137,900	137,900

The trust deed was registered on 24 June 1993 but the concerned properties have not been mortgaged and charged have not been created as per requirement of sections 115 of Companies Act 1913. The minority shareholders (40%) filed a case with sub-judge court, Dhaka against issue of debentures. The judgment was in favor of minority shareholders, which means that the entire liability will not be payable to BCIC. The Government appealed to high court and the judgment was again in favor of minority shareholders. The judgment and order of the High Court Division was challenged by the Government before Appellate Division of the Supreme Court and the Appellate Division vide its judgment and order dated 10.05.2007 allowed the appeal and set aside the judgment and order of the High Court Division dated 07.12.1999. Subsequently, the Government has filed pending Money Suit No. 32 of 2009 in the Court of Joint District Judge, 4th Court, Dhaka against the Company claiming BDT. 437,600,148 only including debenture interest.

15.00 Borrowings

	Particular(s)	2024	2023
	Short term UPAS loan	1,189,703	3,992,085
		1,189,703	3,992,085

UPAS loan was created for settlement of inventory import bills. The interest rate of UPAS loan is variable.

16.00 Finance lease liabilities

	Particular(s)	2024	2023
	Long-term liabilities from finance lease (non-current portion)	140,471	170,240
	Long-term liabilities from finance lease (current Portion)	29,769	53,268
		170,240	223,508

Maturity analysis of lease liabilities

	No later than one month	20,212	28,588
	Later than one month and not later than three months	4,423	9,282
	Later than three months and not later than one year	5,134	15,397
	Later than one year and not later than five years	84,561	89,364
	More than five years	55,910	80,876
		170,240	223,508

17.00 Retirement benefit obligations (gratuity)

The Company's policy related to employees gratuity is stated in note - 3.14.3. In 2017, the Company has established a separate trust for management of gratuity obligation. As per the actuary report of 2021 the Company has contributed 13.3% (2018: 11.50%) of basic salary as its contribution to gratuity fund. The Company made latest actuarial valuation of fund as at 31st December 2024.

	Principal actuarial assumption	2024	2023
	Discount rate	7%	7%
	Expected return of fund assets	7%	7%
	Rate of expected increase in salaries	6%	7%

18.00 Deferred tax liability

	Particular(s)	2024	2023
	Opening balance	107,084	298,742
	Provision/ (reversal) made during the year	18,178	(191,657)
		125,262	107,084

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For the year ended 31 December 2024

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18.01 Deferred tax by type of temporary differences that resulted in deferred tax (assets) or liabilities

Particular(s)	2024	2023
Property, plant and equipment	221,525	202,423
Provision for lease liability	(68,719)	(67,841)
Provision for inventories	(11,432)	(11,387)
Provision for doubtful debts	(16,111)	(16,111)
	125,262	107,084

18.02 Movement in deferred tax liabilities

Particular(s)	Net balance at 01 Jan 2024	Recognized in Profit or loss	Net balance at 31 Dec 2024
Property, plant and equipment	202,423	19,102	221,525
Provision for Lease Liability	(67,841)	(878)	(68,719)
Provision for Inventories	(11,387)	(45)	(11,432)
Provision for doubtful debts	(16,111)	(0)	(16,111)
	107,084	18,178	125,262

19.00 Trade and other payables

Particular(s)	2024	2023
Trade payables (*)	2,530,377	1,094,153
Creditors for other finance (note 19.01)	379,193	198,044
Creditors for revenue expenses (note 19.02)	1,753,294	2,293,691
Interest accrued	299,700	299,700
	4,962,564	3,885,588

* BDT 63,810 thousands provided against import and supplementary duties covered by bank guarantees.

19.01 Creditors for other finance

Particular(s)	2024	2023
Security deposits	26,700	24,580
VAT deduction at source	26,258	24,430
Tax deduction at source	251,579	36,213
Receivable to employees provident fund	(7,427)	(8,103)
Inter company payables	-	14,808
Payable for capital expenditure	32,525	23,033
Others	49,558	83,083
	379,193	198,044

19.02 Creditors for revenue expenses

Particular(s)	2024	2023
Revenue charges	757,559	795,241
Employees remuneration	86,391	68,200
Group License fee	182,972	131,805
Technical know-how fee (note 19.03)	726,372	1,298,444
	1,753,294	2,293,691

19.03 The Technical Know-How and Technological Transfer Agreements are replaced with effect from January 1, 2022 by two new agreements, namely the "General Services Agreement" with Heidelberg Material Asia Pte Ltd. and the "Master License Agreement" with Heidelberg Material AG. According to the replaced agreements, @ 0.92% (year 2023 @ 0.85%) of HMBPLC's net sales less the costs of raw materials, additives, and clinker would be used as licensing fees, and @ 1.8% of HMBPLC's net sales will be used as service fees.

20.00 Provision for workers' profit participation fund

Provision for liabilities and charges includes provision for Worker's Profit Participation Fund (WPPF) of BDT 38,247 thousand. Year 2023 was BDT 41,401 thousand. This represents 5% of net profit before charging WPPF (note 3.14.4).

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21.00 Unclaimed dividend

Particular(s)	2024	2023
Opening balance	-	110,336
Addition during the year	141,259	56,504
Paid to shareholders	(141,259)	(135,180)
Fund transfer to CMSF	-	(31,660)
	-	-

In compliance with Bangladesh Securities and Exchange Commission (BSEC) Directives No. BSEC/CMRRCD/2021-386/03, there is a separate bank account for the payment of dividend for each year. Detailed information of shareholders relating to unclaimed dividend is properly maintained. Up to 2024 the Company transferred total BDT 222,937 thousand, out of this during year 2024 have transferred BDT 2,137 thousand to CMSF.

22.00 Current income tax liability

Particular(s)	Note	2024	2023
A. Income tax liability			
Opening balance		578,432	59,570
Current year tax liability	22.01	246,725	518,862
		825,157	578,432
B. Income tax assets			
Opening balance		377,489	-
Tax refund*		-	19,895
Paid during the year		316,139	357,594
		693,628	377,489
Income tax liability (A-B)		131,529	200,943
22.01 Income tax expense			
Current year income tax expense	30	315,552	511,815
Addition/ (adjustment) from AY 2021-22		(68,827)	7,047
Income tax liability (A-B)		246,725	518,862

*During the year 2023, final assessment of the Income Year 2018 has been completed with tax refund of BDT 19,895 thousand.

23.00 Contingent assets, liabilities and commitments

Contingent assets

In accordance with the resolution passed by the BCIC Board of Directors in its meeting held on 08 September 1986, land property owned by the Company measuring 48.09 decimal was transferred to BCIC at a lump sum price of BDT 10,000 thousand. BCIC did not make any payment. The Company raised claim for BDT 35,500 thousand from BCIC including BDT 25,500 thousand as interest.

Contingent liabilities and commitments

- Law suits are filed both against the Company and by the Company, lying at different stages of appeal at different courts, decisions of which are still pending. The Company has assessed the possible outcomes of the cases against it and is of the opinion that these might not go against the company. Partial provisions against the eligible law suits have already been taken under note 19.02 'Revenue charges'.
- According to the purchase deeds, HMBPLC holds 14.6050 acres and 0.33 acres of land at the Kanchpur Plant. It was properly mutated into a single document with the name of the Company's predecessor, Scan Cement International, in 2000. Currently, 0.785 acres of land fall under the proceedings of the record division of land but the management of the Company believes a quick resolution of these proceedings is in the Company's favor.

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Particular(s)	2024	2023
iii) Guarantees:		
Guarantees issued by the Company's banker with 100% margin form of FDR for import duty and supplementary duty	16,958	16,958
Guarantees issued by the Company's banker for security deposits and others	186,802	186,802
iv) Financial commitments:		
Confirmed irrevocable letters of credit _ Note 38	14,233,506	12,615,467
v) Capital expenditure authorized but not contracted for	24,531	20,375
vi) Capital expenditure authorized and committed for	88,683	172,956
	14,550,479	13,012,558

24.00 Revenue

Particular(s)	2024	2023
	Chattogram	Dhaka
	Mukterpur	
Domestic	4,577,258	7,368,178
Export	2,794,786	14,735,306
	4,917	17,948,985
	4,577,258	7,368,178
	2,794,786	14,740,223
	14,740,223	17,955,715

25.00 Cost of goods sold

Opening stock of raw and packing materials (note 25.01)	723,959	1,224,425
Raw and packing materials purchased (note 25.01)	11,322,894	13,244,923
Closing stock of raw and packing materials (note 25.01)	(1,259,454)	(723,959)
Raw and packing materials consumed	10,787,399	13,745,389
Manufacturing, labor and overheads (note 25.04)	2,075,842	2,088,911
Cost of production	12,863,240	15,834,300
Opening stock of finished goods	146,692	199,733
Closing stock of finished goods	(73,553)	(146,692)
	12,936,379	15,887,341

25.01 Raw and packing materials consumed

Opening inventory:

Clinker	223,169	743,453
Gypsum	92,388	80,542
Iron slag	42,773	126,312
Limestone & other	118,603	74,028
Fly ash	84,774	51,642
Packing materials	162,252	148,448
	723,959	1,224,425

Purchase:

Clinker	7,809,057	8,666,967
Gypsum	357,111	433,324
Iron slag	1,035,882	1,238,398
Limestone & other	505,064	891,925
Fly ash	875,007	1,100,244
Packing materials	740,774	914,064
	11,322,894	13,244,923
Raw & packing materials available for consumption	12,046,853	14,469,348

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

Particular(s)	2024	2023
Closing inventory:		
Clinker	(806,414)	(223,169)
Gypsum	(81,973)	(92,388)
Iron slag	(91,765)	(42,773)
Limestone and other	(62,678)	(118,603)
Fly ash	(94,327)	(84,774)
Packing materials	(122,297)	(162,252)
	(1,259,454)	(723,959)
Raw and packing materials consumed	10,787,399	13,745,389

25.02 Particulars in respect of opening stock, sales and closing stocks of finished goods

	Opening stock		Closing stock		Sales-net	
	Qty-M.T	BDT	Qty-M.T	BDT	Qty-M.T	BDT
Year 2024	23	146,692	11	73,553	1,816	14,740,223
Year 2023	28	199,733	23	146,692	2,185	17,955,715

25.03 Analysis of raw materials consumption (figures in thousand)

	2024		2023	
	Qty-M.T	BDT	Qty-M.T	BDT
Raw materials				
Clinker	1,077	7,225,811	1,305	9,187,252
Gypsum	84	367,526	98	421,479
Iron slag	268	986,890	312	1,321,938
Limestone and others	139	560,989	174	847,350
Fly ash	236	865,453	291	1,067,111
Packing materials ('000 Pcs)	33,365	780,729	38,879	900,259
	10,787,399		13,745,389	

25.04 Manufacturing, labor and overheads

Particular(s)	2024	2023
Employee benefits		
Salaries, wages and bonus	222,555	216,067
Welfare and other benefits	24,817	25,319
	247,372	241,386
Power and fuel costs	906,391	896,053
Depreciation expense (note 5.04)	348,574	378,871
Stores and spares consumed	193,430	165,300
Cost of consumables	116,501	113,102
Repairs and maintenance	115,851	132,837
Insurance	15,631	13,786
Telephone and mobile bill	1,436	1,695
Traveling and conveyance	3,328	3,967
Rent, rates and taxes	22,726	29,354
Entertainment	11,152	10,146
Security guard	41,394	41,054
Uniform, liveries and other administrative expenses	52,054	61,361
	2,075,842	2,088,911

26.00 Other operating income and expenses

Berth hire charge	828	3,264
Scrap sales and sundry recoveries	6,525	10,910
Profit/ (loss) on sale of tangible assets	(2,670)	1,261
	4,683	15,435

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

27.00 Warehousing, distribution and selling expenses

Particular(s)	2024	2023
Employee benefits		
Salaries, wages and bonus	107,191	94,967
Welfare and benefits	13,055	10,733
	120,246	105,700
Depreciation expense (note 5.04)	69,715	75,774
Freight, loading, unloading and others	74,274	72,215
Advertisement expenses	74,443	141,718
Business promotion expenses	61,619	64,257
Traveling and conveyance	13,297	11,328
Vehicle running expense	26,207	12,203
Rent, rates and taxes	30,328	25,382
Telephone and mobile bill	2,334	1,917
Bad debt written-off	-	685
Bad debt provision released	-	(685)
Office supplies and Printing & stationary	996	1,295
Repairs and maintenance	1,113	421
Entertainment & others	920	455
	475,491	512,666

28.00 Administrative expenses

Personnel Cost:		
Salaries, wages and bonus	120,744	102,002
Welfare and benefits	27,668	25,570
	148,412	127,572
Depreciation expense (note 5.04)	46,477	50,516
Amortization of intangible assets (note 4)	13,307	13,238
Rent, rates and taxes	13,744	10,509
Traveling and conveyance	4,314	8,278
Telephone and mobile bill	1,226	1,364
Annual General Meeting expenses	1,426	870
Technical know-how fee (note 19.03)	265,324	323,203
Group license fee (note 19.03)	79,121	74,532
Legal and professional charges	10,313	23,624
Entertainment	8,703	7,561
Repairs and maintenance	7,213	7,171
Office supplies and Printing & stationary	1,603	1,491
Bank charges	3,121	5,981
Electronic data processing expense	4,537	5,061
Audit fee	1,400	1,250
Recruitment costs	39	993
Electricity	1,813	1,591
Vehicle running expense	11,305	12,591
Newspaper and periodicals	46	67
Subscription on others	1,320	1,220
Other administrative expenses	4,519	3,437
	629,284	682,118

29.00 Net finance income/ (expenses)

Interest income on bank deposits	332,633	234,834
Other Interest income	816	70
Interest expenses for finance lease liability-RoU	(13,527)	(17,080)
Interest expenses for Citi Bank N.A term loan	-	(7,312)
Interest expenses for import loan and others	(244,710)	(263,829)
Finance expense from change in discount rate	(12,304)	(4,943)
	62,907	(58,261)
Net exchange gain/(loss)	(1,720)	(2,749)
	61,187	(61,010)

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

30.00 Income tax expense

The corporate tax rate applicable for the Company is 20% for the year 2024 (2023: 20%) as a "Publicly Traded Company". Current year tax provision has been accounted for at BDT 315,552 (2023: BDT 511,815) thousand.

Reconciliation of tax expense with accounting profit and applicable tax rate:

Particular(s)	2024%	2023%	2024	2023
Profit/(loss) before tax			726,692	786,615
Income tax @ statutory rate	20.0%	20.0%	145,338	157,323
Inadmissible expenses & minimum tax paid u/s 163	23.4%	45.1%	170,213	354,492
Current tax charges	43.4%	65.1%	315,552	511,815

As per the new Income Tax ACT 2023, being a cement manufacturer Heidelberg Materials Bangladesh PLC (HMBPLC) is required to pay the minimum tax u/s 163 subject to the higher of (a) at the rate of 0.6% of total gross receipts u/s 163[5 Ka SI-5], (b) tax deducted at source for corporate sales u/s 89, tax paid at import stage u/s 120; tax deducted at source of bank interest income u/s 102. (c) at the corporate tax rate is 20% on taxable income.

The Company recognized estimated current tax expense of BDT 315,552 thousand.

31.00 Earnings per share

Particular(s)	2024	2023
Profit /(Loss) after tax for the year	461,789	459,410
Weighted average number of shares outstanding at the end of the year	56,504	56,504
	8.17	8.13

The calculation of the basic earnings per share is made in accordance with IAS-33, dividing the profit for the year by weighted average number of the shares issued.

Basic earnings

This represents earnings for the year attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of shares outstanding at the end of the year:

This represents the number of ordinary shares outstanding at the year beginning of the year plus the number of ordinary shares issued during the year.

Earning per share (diluted)

No diluted earnings per share is required to be calculated for these years as there was no scope for dilution.

32.00 Notes to the Statement of Cash Flows

The statement of cash flow shows the Company's cash and cash equivalents changed during the year through inflows and outflows. Cash flows statement has been prepared as per IAS-7 using the Direct Method.

Net cash inflow from operating activities arrived after adjusting operating expenses paid, interest and taxes paid during the year.

Net cash used in investing activities includes cash outflow for purchase of property, plant and equipment after adjusting sale proceeds.

Net cash inflow/(outflow) financing activities mainly for proceeds of term and short term bank loan and payment of dividend.

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

32.01 Collection from customers

Particular(s)	2024	2023
Revenue	14,740,223	17,955,715
Opening balance of accounts receivable	400,619	471,112
Closing balance of accounts receivables	(208,999)	(400,619)
	14,931,843	18,026,208

32.02 Cash paid to suppliers

Cost of material and spare parts consumption	11,530,784	13,577,323
Opening balance of trade payables	1,094,153	1,434,828
Closing balance of trade payables	(2,530,377)	(1,094,153)
	10,094,560	13,917,997

32.03 Cash paid for operating expenses

Paid on labor and overhead less stores and spares consumed	1,522,808	1,408,605
Paid Warehousing distribution and selling	405,776	436,891
Paid on Administrative expense	569,500	594,981
Paid on Contribution to WPPF	41,401	-
	2,539,486	2,440,477

33.00 Income tax paid

During the year the company has paid BDT 316,139 thousand (2023: BDT 377,489 thousand) as income tax.

34.00 Acquisition of non-current assets

This relates to outflow of cash and cash equivalents for acquisition of non-current assets.

35.00 Proceed from sale of non-current assets

Plant and machinery	300	230
Furniture and equipment	278	401
Transport and vehicles	-	3,000
	578	3,631

36.00 Payment of dividend

In 2024, the Company paid dividend BDT 141,259 thousand (2023: BDT 166,840 thousand) including payment to Capital Market Stabilization Fund (CMSF) amount of BDT 2,137 thousand.

37.00 Reconciliation of operating cash flow to net profit for the year

Particular(s)	2024	2023
Operating activities		
Profit/(loss) before tax	726,692	786,615
Depreciation of property, plant and equipment	464,765	505,161
Amortization of intangible assets	13,307	13,238
loss/(Profit) on sale of Fixed Assets	2,668	(1,261)
(Increase)/Decrease in inventories	(476,816)	414,080
(Increase)/Decrease in Trade and other receivable	190,248	52,475
(Increase)/Decrease in advance, deposits and prepayments	357,973	(506,169)
Increase/(Decrease) in Trade & other payables	1,076,976	297,893
Increase/(Decrease) in Provision for WPPF	(3,154)	41,401
Increase/(Decrease) in Jetty Dismantling provision	12,306	4,943
Income tax paid	(316,139)	(377,489)
Net cash flow generated from operating activities	2,048,826	1,230,888

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

38.00 Bank facilities

Particular(s)	2024	2023
The Company has got the following credit facilities from banks		
Letter of credit		
Standard Chartered Bank	4,528,875	4,528,875
Citibank N.A.	1,554,631	1,423,965
Bank Asia PLC	500,000	500,000
BRAC Bank PLC	1,950,000	700,000
Prime Bank PLC	950,000	950,000
National Credit and Commerce Bank PLC	600,000	600,000
Southeast Bank PLC	1,500,000	1,262,627
Eastern Bank PLC.	950,000	950,000
United Commercial Bank PLC	1,700,000	1,700,000
	14,233,506	12,615,467
Short term loan facilities		
Standard Chartered Bank	300,000	300,000
Prime Bank PLC	50,000	50,000
BRAC Bank PLC	50,000	-
Eastern Bank PLC	50,000	50,000
	450,000	400,000
Bank Guarantee opened ended		
Standard Chartered Bank	63,000	63,000
	63,000	63,000
	14,746,506	13,078,467

Securities:

The above mentioned limits are secured by Letter of Hypothecation, Demand Promissory Note and Letter of Continuation.

39.00 Expenditure incurred on employees

	Number of Employees	
	2024	2023
Employment through out the year in receipt of remuneration aggregating BDT 36,000 or more per year	332	339
	332	339

Salaries, wages and benefits (Note 25.04, 27 and 28)

Employee remuneration includes all types of benefits paid and provided both in cash and kind other than the re-imbursement of expenses incurred for the Company's business.

40.00 Expenditure in equivalent foreign currency

Particular(s)	2024	2023
Foreign travel for Company's business purpose	3,487	5,901
	3,487	5,901

40.01 Remittances of foreign currency

	2024		2023	
Particular(s)	No. of shares	BDT '000	No. of shares	BDT '000
Dividend				
Heidelberg Materials Netherlands Holding B.V.	22,493,020	50,609	22,493,020	72,877
Heidelberg Materials Asia Holding GmbH	11,784,390	25,042	11,784,390	36,060
Total dividend	34,277,410	75,651	34,277,410	108,938
		75,651		108,938

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

41.00 Value of Imports-at CIF basis

Particular(s)	2024	2023
Raw materials	7,570,804	9,857,798
Capital Goods	105,609	39,419
Store & Spares	131,881	274,369
	7,808,293	10,171,585

42.00 Remuneration of Directors, Managers and Officers

42.01 Managerial Remuneration - Managers and Officers

Salary and bonus	265,618	247,820
Retirement benefits	14,248	13,479
Provident fund	10,460	9,827
Medical	10,417	5,474
Other	3,221	2,434
	303,965	279,034

42.02 Paid to Directors

Board meeting fee	17	16
TA/DA	402	386
	418	402

43.00 Related party transactions

During the year the Company carried out a number of transactions with related parties in the normal courses of business and "on an arms length basis." The name of the related parties, the nature of the transactions and their balance at year end have been set out below:

Sl. No.	Name of the related party	Nature of relationship	Nature of the transaction	Transaction during the year		Receivable/ (payable) at closing date	
				2024	2023	2024	2023
1	Heidelberg Materials Asia Pte. Ltd	Group Entity	Technical Service	265,324	323,203	(719,354)	(1,298,444)
2	Heidelberg Materials AG	Group Entity	Group license fee	69,133	74,532	(164,847)	(131,805)
			Brand license fee	14,289	-	(14,289)	-
			Payment of expenses	2,602	1,190	(3,836)	(1,565)
3	PT Indocement Tungal Prakarsa Tbk.	Group Entity	Payment of expenses	590	3,167	(7,018)	(6,429)
4	Heidelberg Materials Asia Pte. Ltd	Group Entity	Recovery of expenses	(1,287)	(2,035)	1,287	3,467
5	Heidelberg Materials Butra Sdn Bhd.	Group Entity	Recovery of expenses	(7,585)	1,792	7,585	-
6	HC Green Trading Limited	Group Entity	Gypsum	-	(4,126)	-	-
7	HC Trading Malta Ltd.	Group Entity	Clinker	-	(3,430)	-	-
8	HM Trading Global (APAC) Pte. Ltd.	Group Entity	Clinker	3,809,300	2,464,350	(1,628,214)	6,129
			Limestone	189,999	56,697	(56,599)	(298,695)
			Slag	241,766	112,485	(141,770)	-
			Gypsum	162,733	-	(133,389)	-

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

During 2024, It envisaged that the transaction(s) entered into with the related parties, whether individually and/or in the aggregate would exceed the stipulated threshold of 10% (ten percent) of the annual turnover of the Company as per the audited financial statements for the period ended 31 December 2024 during the ensuing financial year of the Company i.e. the year ended 31 December 2024. In this connection, the approval of the shareholders was sought for the said related party transaction(s) in the Company's Annual General Meeting (AGM) held on Wednesday, 08 May 2024 and the shareholders approved the same.

The Ultimate parent entity of the Company is Heidelberg Materials AG incorporated in Germany.

44.00 Financial instruments – Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

		Carrying amount		Fair value	
31 December 2024	Note	Financial assets at amortized cost	Other financial liabilities	Total	Total
Financial assets not measured at fair value					
Trade and other receivables	8	259,009	-	259,009	259,009
Cash and cash equivalents	10	2,979,438	-	2,979,438	2,979,438
		3,238,447	-	3,238,447	3,238,447
Financial liabilities not measured at fair value					
Borrowings	15	-	1,189,703	1,189,703	1,189,703
Trade and other payables	19	-	4,962,564	4,962,564	4,962,564
		-	6,152,267	6,152,267	6,152,267
31 December 2023					
Financial assets not measured at fair value					
Trade and other receivables	8	449,257	-	449,257	449,257
Cash and cash equivalents	10	4,295,692	-	4,295,692	4,295,692
		4,744,949	-	4,744,949	4,744,949
Financial liabilities not measured at fair value					
Bank overdraft	10	-	101,039	101,039	101,039
Borrowings	15	-	3,992,085	3,992,085	3,992,085
Trade and other payables	19	-	3,885,588	3,885,588	3,885,588
		-	7,978,712	7,978,712	7,978,712

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, short term investment, trade and other receivables, bank overdraft, loans and borrowings, trade and other payables because their carrying amounts are a reasonable approximation of fair values.

B. Financial risk management

i. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Trade and other debtors are mainly related to the company's customers. The company's exposure to credit risk on accounts receivables is mainly influenced by the customers.

The company establishes an allowance for doubtful debts that represents its estimate of incurred losses in respect of trade and other receivables.

At 31 December, the maximum exposure to credit risk for trade and other receivables are as follows:

Particular(s)	2024	2023
Trade and other receivables	339,566	529,813
Provision for Impairment	(80,556)	(80,556)
Total Trade and other receivables	259,009	449,257

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of the financial obligation and accordingly arranging for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the parent company in the form of shareholder's loan/capital contribution.

The followings are the contractual maturities of non derivative financial liabilities:

31 December 2024	Carrying amount	Contractual cash flows					
		Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade payables -(note 19)	2,530,377	(2,530,377)	(2,530,377)	-	-	-	-
Creditors for other finance (note 19.01)	379,193	(329,893)	(329,893)	-	-	-	-
Creditors for revenue expenses (note 19.02)	1,753,294	(2,052,898)	(2,052,898)	-	-	-	-
Interest accrued (note 19)	299,700	(299,700)	-	-	-	-	(299,700)
Borrowings (note 15)	1,189,703	(1,189,703)	(1,189,703)	-	-	-	-
	6,152,267	(6,402,571)	(6,102,871)	-	-	-	(299,700)

31 December 2023

Trade payables - (note 19)	1,094,153	(1,094,153)	(1,094,153)	-	-	-	-
Creditors for other finance (note 19.01)	198,044	(198,044)	(198,044)	-	-	-	-
Creditors for revenue expenses (note 19.02)	2,293,691	(2,293,691)	(2,293,691)	-	-	-	-
Interest accrued (note 19)	299,700	(299,700)	-	-	-	-	(299,700)
Bank overdraft (note 10.01)	101,039	(101,039)	(101,039)	-	-	-	-
Borrowings (note 15)	3,992,085	(3,992,085)	(2,786,525)	(1,205,560)	-	-	-
	7,978,712	(7,978,712)	(6,473,452)	(1,205,560)	-	-	(299,700)

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

iii. Market risk

Market risk is the risk that changes in market prices, such as changes in foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings incurred in foreign currencies. The Company's foreign currency transactions are denominated in USD.

Interest rate risk

The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rate. At 31 December, the interest rate profile of the Company's interest bearing financial instruments was:

Particular(s)	Note	Carrying amount	
		2024	2023
Borrowings (variable rate)	15	1,189,703	3,992,085
Bank overdraft (fixed rate)	10.01	-	101,039
		1,189,703	4,093,124

45.00 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

46.00 Segment and capacity

The Company provides cement to customers across the country. Business activities in which it engages and the economic environments in which it operates are of similar nature. Its business is not segmented by products or geographical areas and its operating result is viewed as a whole by its management. Hence, segment information is not relevant for the Company.

Heidelberg Materials Bangladesh PLC.

Notes to the Financial Statements

For the year ended 31 December 2024

(expressed in thousands of Bangladeshi taka, except per share amounts)

47.00 Capacity and production

Particular(s)	Installed capacity	Actual production	
	Single shift	Multiple shifts as applicable	
	Qty-M.T.	2024	2023
Line of business			
Gray cement - Kanchpur	1,547,000	895,557	1,143,204
Gray cement - Chattogram	1,303,000	568,106	631,079
Gray cement - Mukterpur	660,000	340,881	405,145
	3,510,000	1,804,544	2,179,428

48.00 Events after the reporting period

48.01 Proposed dividend

During the year the Board of Directors in its meeting held of 24 April 2025 proposed cash dividend of 25% (2023: 25%).

The proposed dividend is not recognized as a liability at the balance sheet date in accordance with IAS-10 "Events after the reporting period."

IAS 1 "Presentation of Financial Statements" also requires that dividend proposed after the reporting period but before the financial statements are authorized for issue, be disclosed either on the face of balance sheet as a separate component of equity or in the notes to the financial statements. Accordingly the company is disclosing its proposed dividend in notes to the financial statements.

The provision of the Companies Act 1994 require that dividend stated to be in respect of period covered by the financial statements and that are proposed or declared after the balance sheet date but before approval of the financial statements should be either adjusted or disclosed. Considering the requirements of IAS and Companies Act 1994 dividend proposed have been disclosed in the financial statements and not shown as a liability.

49.00 Net operating cash flows per share (NOCFPS)

Net operating cash flows	2,048,826	1,230,888
Weighted average number of ordinary shares outstanding	56,504	56,504
	36.26	21.78

49.01 Net assets value (NAV) per share

Net assets as at 31 December (represented by shareholders' equity)	4,117,386	3,796,856
Weighted average number of ordinary shares outstanding	56,504	56,504
	72.87	67.20

50.00 General

50.01 Previous year's phrases and figures have been re-arranged, wherever necessary to conform to the presentation of financial statements for the year under review.

50.02 Figures appearing in these financial statements have been rounded-off to the nearest Thousand BDT.

Form of Proxy

I/We..... (Name)

of.....(Address)

being a shareholder of Heidelberg Materials Bangladesh PLC. (the “Company”) hereby appoint,

Mr./Ms.....(Name)

of..... (Address) as my/our

proxy to attend on my/our behalf at the 36th Annual General Meeting of the Company to be held on

Monday, 16 June 2025 and at any adjournment thereof or any poll that may be taken in consequence

hereof and to vote on my/our behalf as he/ she thinks fit on all resolutions.

As witness my/our hand this day..... 2025

Signed (Shareholder)	Folio/BO No.																		
----------------------	--------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Member Phone No:

Signed (Proxy)	Folio/BO No.																		
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Note:

The proxy form, duly filled in and stamped, must be submitted at the Corporate Office of the Company not less than 48 hours before the time fixed for the meeting.

Heidelberg Materials Bangladesh PLC.

Corporate Office

Symphony (6th & 7th Floor), Plot No. SE(F) 9
Road No. 142, Gulshan Avenue (South), Dhaka-1212
Tel: 88-02-58811691, Fax: 88-02-58812584
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Chattogram Factory

South Haliashahar, G.P.O Box No. 372, Chattogram-4204
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Registered Office & Kanchpur Factory

Mouza: Tatki, Post Office: Jatramora, Union: Tarabow
Police Station: Rupgonj, Dist: Narayanganj
Tel: 88-02-58815602, Fax: 88-02-58815598

Mukterpur Factory

East Mukterpur, Munshiganj