



Annual Report 2025

Heidelberg Materials Bangladesh PLC.

Strategy 2030: Making a Material Difference

At Heidelberg Materials, our Strategy 2030: Making a Material Difference defines how we create sustainable long-term value for our customers, shareholders, employees, and society.

We are committed to profitable growth, innovation, and responsible leadership, while actively reducing the environmental and social impacts of our operations. By strengthening our position as one of the world's leading producers of heavy building materials, we aim to set new global benchmarks for sustainability and performance across our industry.

We actively contribute to addressing key global challenges, including climate change, demographic shifts, resource scarcity, and biodiversity loss. Our strategy integrates environmental responsibility with occupational health and safety, diversity and inclusion, and strong local community engagement, covering not only our own operations but also our entire value chain.

Across our approximately 2,600 locations worldwide, sustainability is embedded in our day to day business. We are determined to lead the decarbonization of our sector and to accelerate the transition to a circular economy.





Heidelberg Materials Bangladesh PLC. offers a diverse and sustainable range of cement solutions tailored to meet the evolving needs of modern construction and infrastructure development. Its product portfolio comprises Ordinary Portland Cement (OPC), Portland Composite Cement (PCC), Blast Furnace/Composite Cement (Multi-Purpose Cement), evoBuild and Sulphate Resistant Cement (SRC), marketed under the Company’s two highly reputed brands — **ScanCement** and **RubyCement**.

With a long-standing reputation for excellence, the Company has established itself as one of the leading cement manufacturers in Bangladesh. Through consistent product quality, technological advancement, and customer-focused solutions, Heidelberg Materials Bangladesh PLC. continues to earn the confidence of engineers, architects, consultants, developers, and construction professionals across the country. Over the years, the Company has proudly contributed to numerous landmark and flagship infrastructure projects across Bangladesh, reinforcing its position as a reliable partner in the nation’s development journey.

Demonstrating its continued commitment to innovation and technological advancement, Heidelberg Materials Bangladesh PLC. introduced PCC Max 52.5 N — the first and highest strength grade Portland Composite Cement (PCC) in Bangladesh developed in accordance with European EN standards. Delivering 52.5 N grade strength performance equivalent to CEM I category strength levels, the product represents a significant milestone in the country’s cement industry by combining the sustainability advantages of composite cement with superior strength and durability performance.

In addition, Sulphate Resisting Cement (SRC) 42.5 N, specifically designed to address the durability requirements of coastal belt regions and harsh concrete exposure environments. The product offers enhanced resistance against sulphate attack, making it particularly suitable for marine infrastructure, and aggressive environmental applications.

These innovations reflect the Company’s ongoing commitment to delivering advanced, sustainable, and high-performance construction solutions aligned with the evolving demands of modern infrastructure development.

The widespread acceptance and preference for our cement products are driven by the following key attributes:

- Strong and reliable concrete casting performance
- Enhanced long-term strength development
- Minimal chloride content for improved durability
- High resistance against sulphate attack
- Consistent product quality
- Improved workability and performance across diverse construction applications.

Stable Credit Rating



Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed the Surveillance Entity rating of Heidelberg Materials Bangladesh PLC. as "AA₂" (Pronounced as Double A Two), long term rating "Not applicable" and "ST-2" in the short term along with Stable outlook based on Audited financial statements (FYE 31/12/2025, 31/12/2024, 31/12/2023) and other relevant quantitative and qualitative information up to the date of rating declaration.

Date of rating : 06 May 2026
Validity : Up to 16 May 2027

Surveillance Entity
AA₂

Long Term
Not Applicable

Short Term
ST-2

Outlook
Stable



Letter of Transmittal

All shareholders of Heidelberg Materials Bangladesh PLC. (HMB)
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

Annual Report-2025 of Heidelberg Materials Bangladesh PLC. for the year ended 31 December 2025.

Dear Sir(s),

We are pleased to share HMB's Annual Report for the year 2025, 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 2025, along with accompanying notes.

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

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

Sultan Reaz Mahmud, ACS
Acting Company Secretary

What's inside?



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Country's strongest and first 52.5 N grade PCC cement





Financial Calendar

37th Annual General Meeting

- **23 April 2026 (Thursday)**
Release of price-sensitive information to regulators and shareholders.
- **21 May 2026 (Thursday)**
Circulation of Notice of 37th Annual General Meeting
- **01 June 2026 (Monday)**
Issuance of Annual Report-2025
- **18 June 2026 (Thursday)**
Day of 37th Annual General Meeting

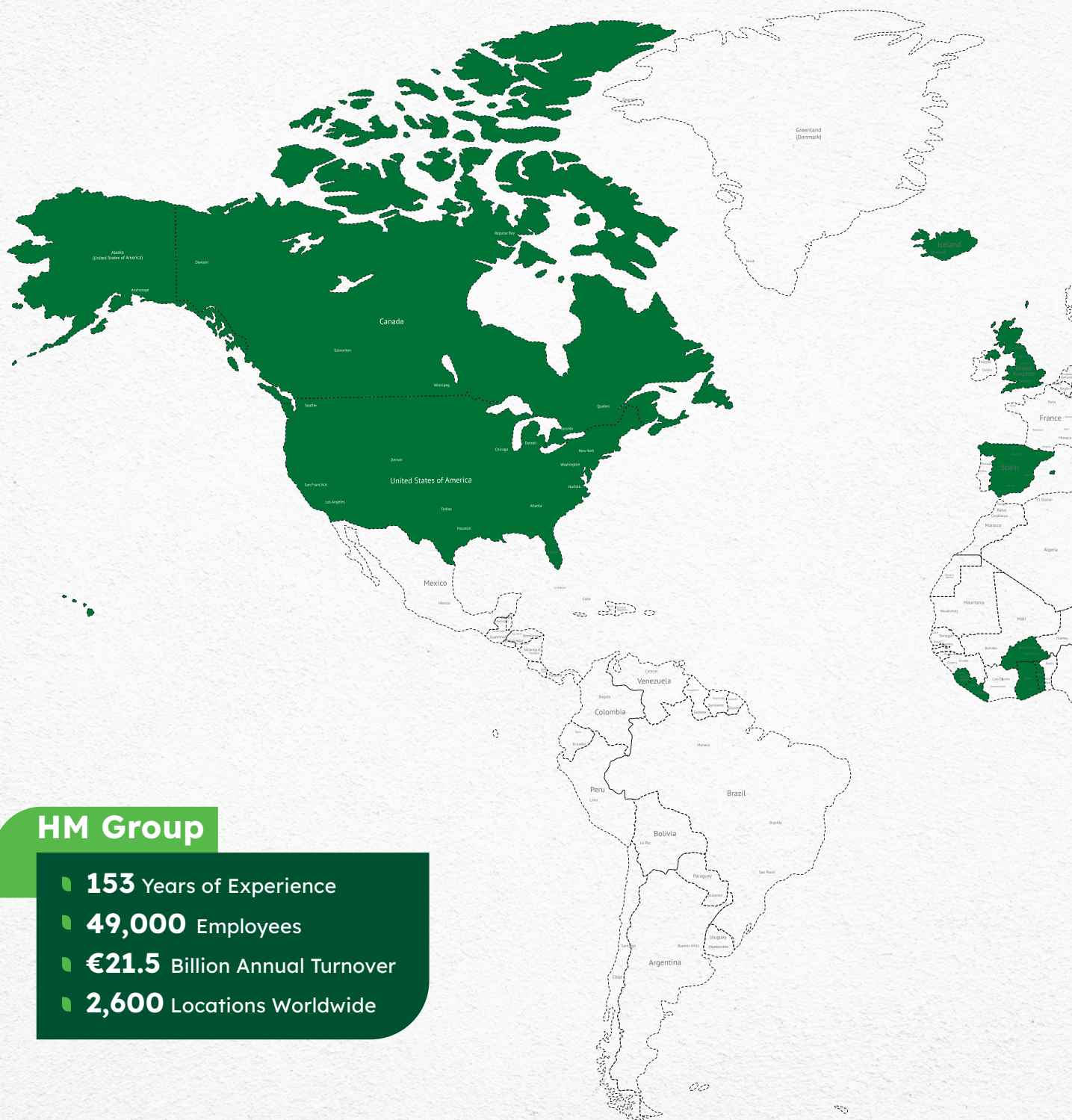
Record Date

- **20 May 2026 (Wednesday)**
Record date.

Disclosure of Quarterly and Annual Results

- **Q1 on 24 April 2025 (Thursday)**
Unaudited results for the 1st quarter ended 31 March 2025
- **Q2 on 24 July 2025 (Thursday)**
Unaudited results for the half-year ended 30 June 2025
- **Q3 on 23 October 2025 (Thursday)**
Unaudited results for the 3rd quarter ended 30 September 2025
- **Annual on 23 April 2026 (Thursday)**
Audited results for the year ended 31 December 2025

Global Presence



HM Group

- 153 Years of Experience
- 49,000 Employees
- €21.5 Billion Annual Turnover
- 2,600 Locations Worldwide



**Heidelberg Materials
Bangladesh PLC.**

Heidelberg Materials Bangladesh PLC. in Brief

Heidelberg Materials Bangladesh PLC. (HMB) stands as a leading manufacturer of top-notch cement in Bangladesh, proudly affiliated with the **Heidelberg Materials Group**, headquartered in Germany. The group has 153 years of experience producing cement and operates in more than 50 countries worldwide. It employs around 49,000 people across approximately 2,350 production locations, along with nearly 250 additional production sites operated through joint ventures. The Group reports an annual turnover of approximately €21.5 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 (CCCGCL)” 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.

Since pioneering Portland Composite Cement (PCC) in 2004, the Company has continued to strengthen its product leadership in Bangladesh. In 2023, it further expanded its portfolio with the introduction of Blast Furnace Cement / Composite Cement (Multi Purpose Cement), addressing evolving market and construction

needs. Alongside these innovations, the Company also manufactures Ordinary Portland Cement (OPC).

In line with its value added strategy, HMB introduced four new specialty cement products under its flagship brands ScanCement and RubyCement in 2025. The ScanCement range was enhanced with PCC Max and EvoBuild, and RubyCement was strengthened through the launch of PCC Max and Sulphate Resistant Cement (SRC), reinforcing the Company’s positioning across premium and specialized construction segments.

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.

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

2025	The Company launched four new specialty products under its flagship brands, ScanCement and RubyCement. The ScanCement portfolio was expanded with the introduction of PCC Max and evoBuild, and RubyCement added PCC Max and SRC to its product range.
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.

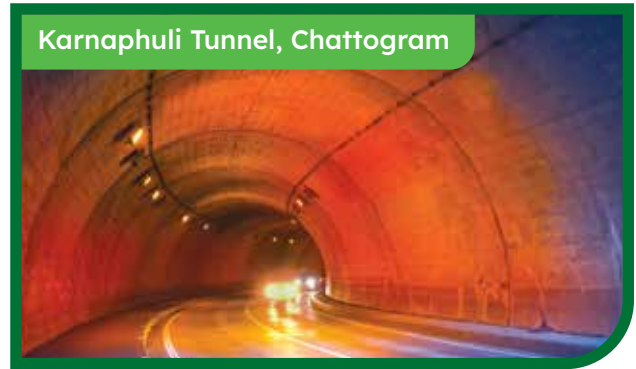
Prestigious Completed Projects:



Padma Multipurpose Bridge

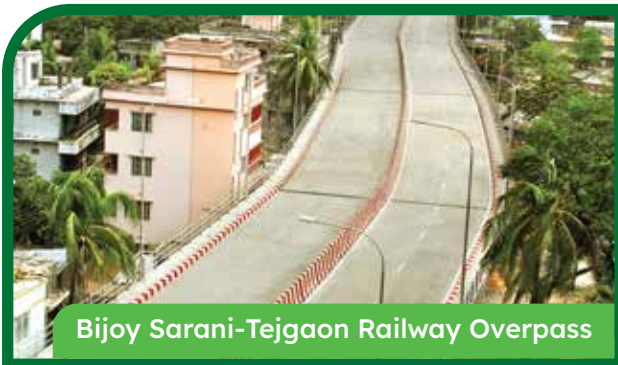
The 6150 meters long Padma Bridge is a multipurpose road-rail bridge across the Padma River in Bangladesh. It connects Louhajong, Munshiganj to Shariatpur and Madaripur, linking the south-west of the country to the northern and eastern regions. Padma Bridge was the most challenging construction project 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.



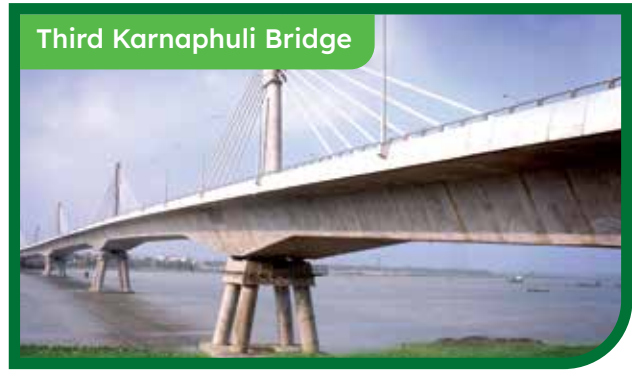
Mayor Mohammed Hanif Flyover

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.



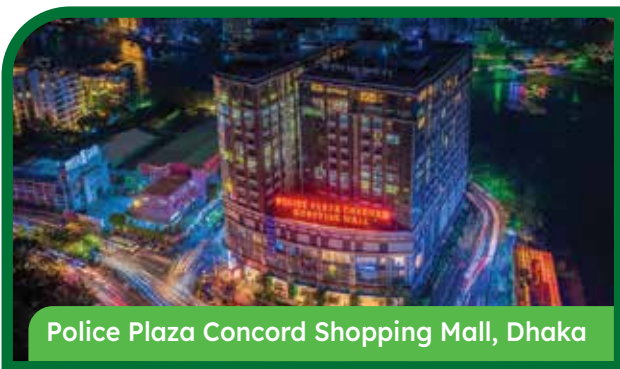
North South University

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, Narayangonj.

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.



Cox's Bazar Railway Station

Rail connectivity has linked Cox's Bazar-home to the world's longest sea beach-boosting tourism and trade. This landmark is built with the unparalleled strength of RubyCement.

Other On-going Projects:

- Cox's Bazar Airport Runway Extension
- Chattogram Outer City Ring Road
- Kalurghat-Chaktai Road Construction Project
- Hilton Hotel, Dhaka

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
- Shanta Pinnacle, Tejgaon

Performance at a Glance in 2025



Revenue
14,515,127
BDT in Thousand



Operating Profit
336,068
BDT in Thousand



Gross Profit
1,531,368
BDT in Thousand



Net Profit After Tax
200,618
BDT in Thousand



Profit Before Tax
384,554
BDT in Thousand



Earnings Per Share
3.55
BDT



Net Asset Value
73.92
Per Share BDT



Net Operating Cash Flow
(0.04)
Per Share BDT



Return On Assets
2.2%



Return On Equity
4.8%

Comparative Financial Highlights

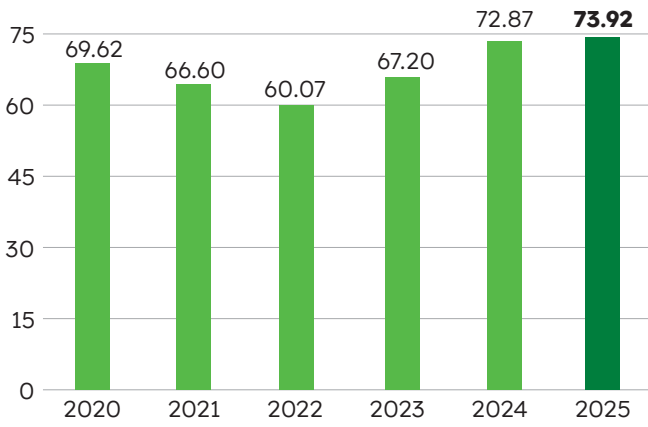
	Heidelberg Materials Bangladesh PLC.						Consolidated
Operating Results (Taka in Million)	2025	2024	2023	2022	2021	2020	2020
Net Revenues	14,515	14,740	17,956	16,767	14,328	10,521	11,681
Gross Profit	1,531	1,748	2,068	1,075	1,598	1,301	1,355
Income From Operations	336	704	889	-21	705	386	377
EBITDA	763	1,144	1,366	523	1,136	834	898
EBIT	316	666	847	-21	670	373	365
Net Income/(loss)	201	462	459	-233	475	-5	-81
Contribution to National Exchequer	3,559	2,911	3,687	3,110	4,149	2,417	2,678
Financial Results (Taka in Million)							
Net Cash Provided by Operating Activities	-2	2,049	1,231	215	1,116	998	1,499
Total Assets	9,325	11,001	12,602	8,780	9,235	9,144	9,452
Total Liabilities	5,149	6,883	8,805	5,386	5,471	5,210	5,604
Shareholders Equity	4,177	4,117	3,797	3,394	3,763	3,934	3,848
Net Working Capital	-566	-733	-1,268	-1,570	-981	-967	-994
Net Borrowings	-1,310	-1,790	-203	570	413	1,007	995
Capital Employed	4,663	4,596	4,241	4,230	4,878	5,484	5,419
Share information							
Market Capitalization (Million)	12,210	12,516	13,533	10,120	15,391	8,453	8,453
Issued Ordinary Shares (Million)	56.50	56.50	56.50	56.50	56.50	56.50	56.50
Per Share Data (Taka)							
Basic and Diluted Earnings Per Share	3.55	8.17	8.13	-4.13	8.41	-0.09	-1.43
Dividend Per Share	1.10	2.50	2.50	1.00	2.60	2.00	2.00
Total Assets Value Per Share	165.04	194.69	223.03	155.38	163.43	161.83	167.3
Net Assets Value Per Share	73.92	72.87	67.20	60.07	66.60	69.62	68.1
Market Value Per Share	216.10	221.50	239.50	179.10	272.40	149.60	149.60
Financial Ratio							
Liquidity Ratios							
Current Ratio	0.88:1	0.88:1	0.85:1	0.65:1	0.77:1	0.74:1	0.75:1
Quick Ratio	0.45:1	0.56:1	0.66:1	0.20:1	0.49:1	0.41:1	0.41:1
Operating Ratios							
Trade and Other Receivable Turnover Ratio	61.9	56.9	40.0	33.4	35.9	11.7	14.9
Inventory Turnover Ratio	6.5	6.3	10.0	7.8	6.3	7.8	7.4
Asset Turnover Ratio	1.6	1.3	1.4	1.9	1.6	1.2	1.2
Profitability Ratios							
Gross Margin Ratio	11%	12%	12%	6.4%	11.2%	12.4%	11.6%
Operating Income Ratio	2.3%	4.8%	4.9%	-0.1%	4.9%	3.7%	3.2%

	Heidelberg Materials Bangladesh PLC.						Consolidated
Profitability Ratios	2025	2024	2023	2022	2021	2020	2020
Net Income Ratio	1.4%	3.1%	2.6%	-1.4%	3.3%	0.0%	-0.7%
Return on Assets Ratio	2.2%	4.2%	3.7%	-2.7%	5.1%	-0.1%	-0.9%
Return on Equity Ratio	4.8%	11.2%	12.1%	-6.9%	12.6%	-0.1%	-2.1%
Net Operating Cash Flow to Net Profit Ratio	-1%	444%	268%	-92.0%	234.8%	-20,291.1%	-1,854.2%
Stockholder Ratios							
Earnings per Share	3.55	8.17	8.13	-4.13	8.41	-0.09	-1.43
Price Earnings (P/E) Ratio	60.9	27.1	29.5	-43.4	32.4	-1,719.3	-104.6
Dividend Yield Ratio	0.01	0.01	0.01	0.01	0.0	0.01	0.01
Dividend Payout Ratio	31%	31%	31%	-24.2%	30.9%	-2,298.5%	-139.8%
Solvency Ratios							
Times Interest Earned Ratio	N/A	N/A	2.94	-0.3	10.7	2.2	1.8
Debt to Equity Ratio	1.21	1.64	2.29	1.50	1.3	1.18	1.31
Bad Debt Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Ratios							
Net Gearing	N/A	N/A	N/A	0.17	0.1	0.26	0.26
EBITDA To Net Interest Cover (Times)	N/A	N/A	22.39	8.85	341.9	6.12	4.86
Net Borrowing to Assets (In Percentage)	N/A	N/A	N/A	6.49	4.47	11.01	11.00
Return on Capital Employed (In Percentage)	4.3	10.0	10.8	-5.5	9.7	-0.1	0.6
Number of Employees	324	332	339	343	343	274	349

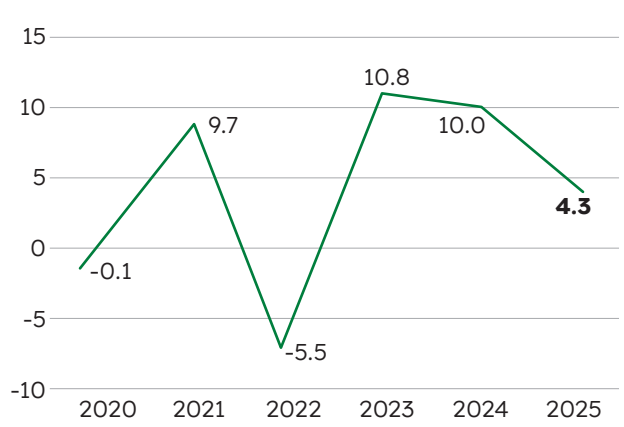


Graphs On Financial Highlights

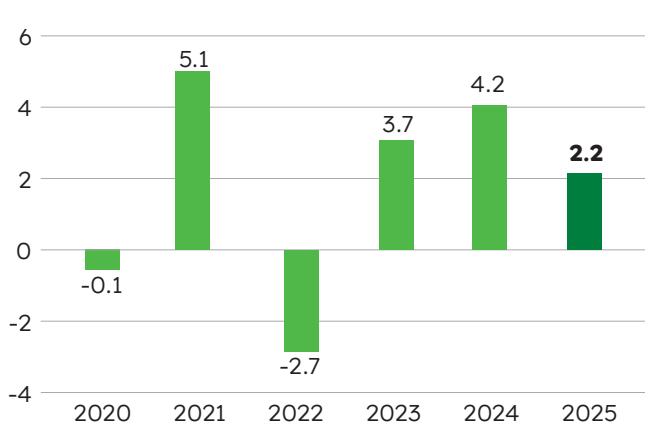
Net Asset Value Per Share (BDT)



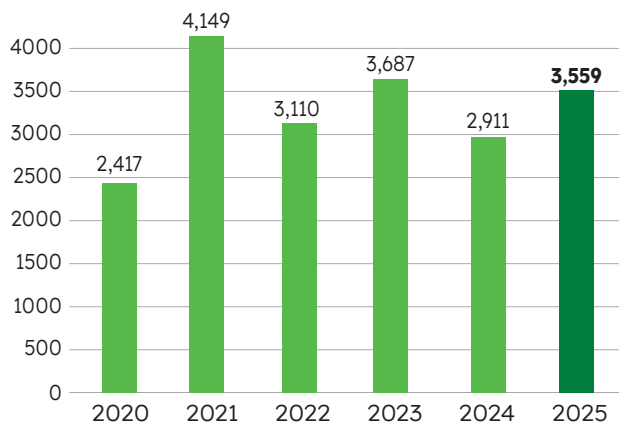
Return On Capital Employed (%)



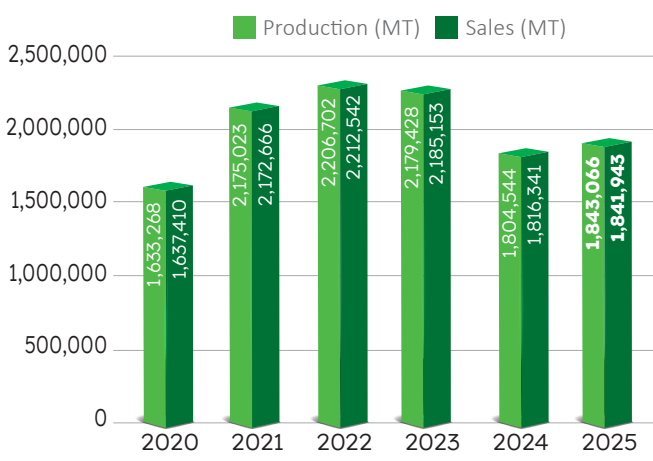
Return On Asset (%)



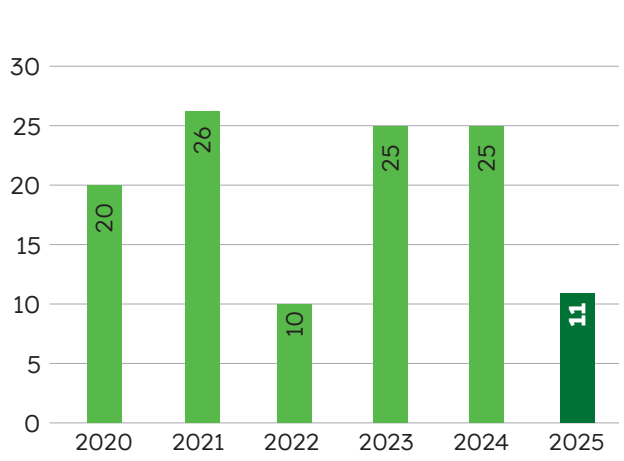
Contribution To National Exchequer (Million)



Production And Sales (MT)



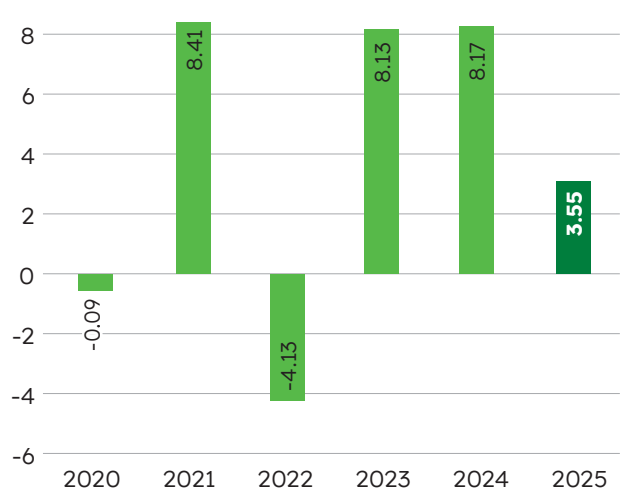
Dividend (%)



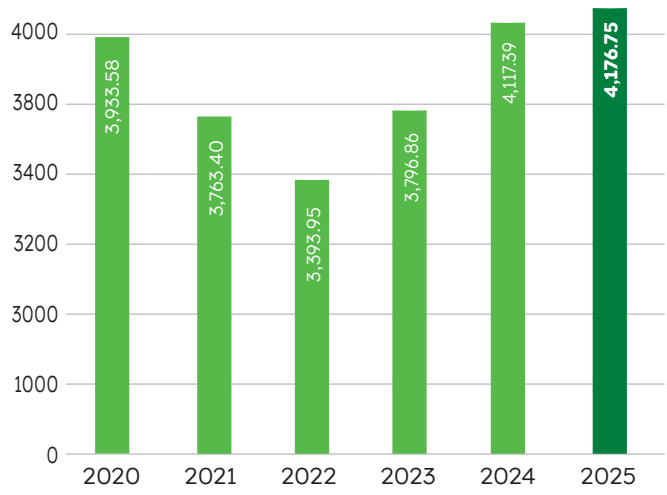
Including Emirates Cement Bangladesh Limited, the production and the sales of 2021 were 2,527,692 MT and 2,525,229 MT respectively.

Graphs On Financial Highlights

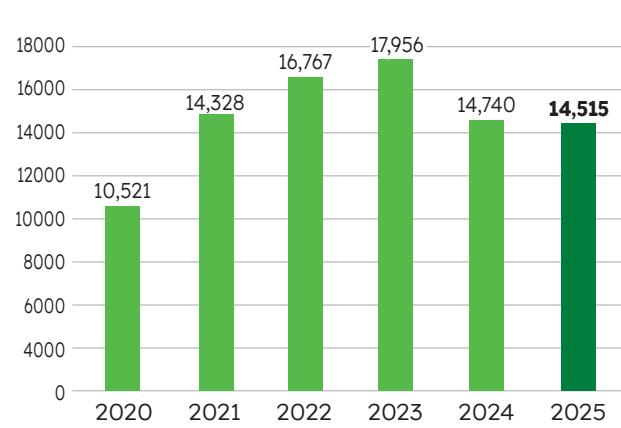
Earnings Per Share



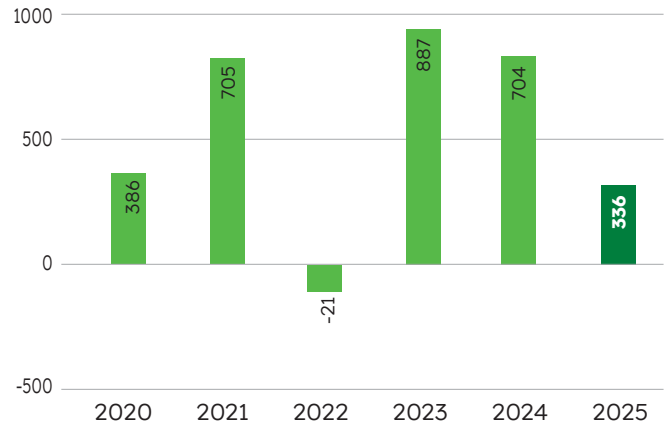
Net Assets (Million)



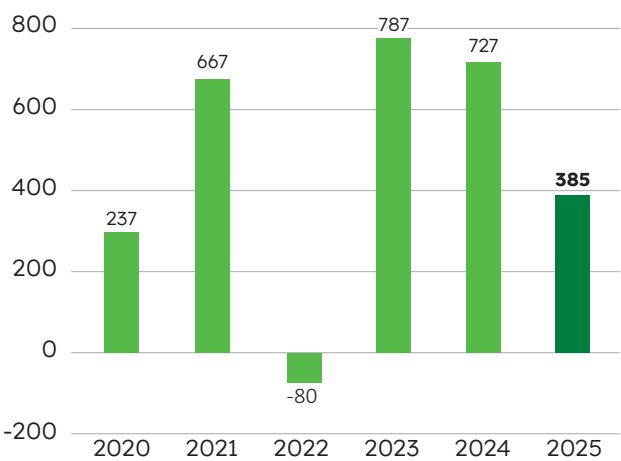
Total Revenue (Million)



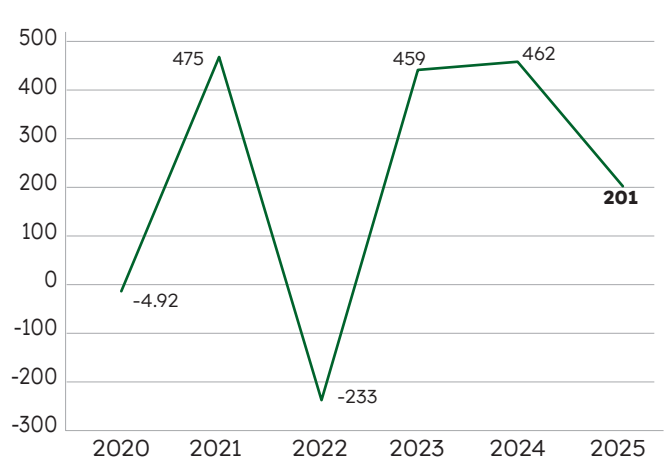
Operating Profit (Million)



Net Profit Before Tax (Million)



Net Profit/(Loss) After Tax (Million)



Notice of 37th Annual General Meeting (AGM)

A virtual meeting through a digital platform

NOTICE is hereby given to all the members of Heidelberg Materials Bangladesh PLC. that the 37th Annual General Meeting (AGM) of the Company will be held by using a digital platform on Thursday, 18 June 2026 at 10.00 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 2025 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 Ms. Syeda Durdana Kabir as an Independent Director.
4. To appoint Directors in place of Mr. Md. Emdadul Haque, Mr. Niranjana Chandra Debnath, and Mr. Sebastian Schwörer, who are retiring by rotation and being eligible have offered themselves for re-appointment.
5. To appoint Howladar Yunus & Co., Chartered Accountants, as the Statutory Auditor 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.
6. To appoint M/s. Tasnuva Mahedi Bholá (TMB), Chartered Accountants, as the Corporate Governance Compliance Auditor 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:

7. 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. 7

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. (the 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 2026. The Board of Directors recommends the above ordinary resolution for the members' approval.

By Order of the Board



Sultan Reaz Mahmud, ACS
Acting Company Secretary

Dated: 21 May 2026

Notes:

- The **'Record Date'** was on **20 May 2026**. 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 37th 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 37th 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 DP and BO accounts before the Record Date, i.e. 20 May 2026. 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 04 June 2026, 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 (member's 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 the record date, to the Company's share office on or before 04 June 2026. 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-2025 of the Company will be sent to the shareholders' respective e-mail addresses. However, interested shareholders may collect hard copies of the Annual Report-2025 from the Company's share office by submitting a written request. The soft copy of the Annual Report-2025 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 Nasir Uddin Ahmed, FCA, FCS Syeda Durdana Kabir	Directors Fong Wei Kurk Sebastian Schwörer Niranjan Chandra Debnath Juan-Francisco Defalque Md. Emdadul Haque, FCA	
Managing Director Ong Kian Hock Terence			
Board Committee			
Audit Committee	Nasir Uddin Ahmed, FCA, FCS (Chairman) Sebastian Schwörer (Member) Syeda Durdana Kabir (Member)	Sultan Reaz Mahmud, ACS (Secretary)	
Nomination & Remuneration Committee	Nasir Uddin Ahmed, FCA, FCS (Chairman) Fong Wei Kurk (Member) Sebastian Schwörer (Member)	Sultan Reaz Mahmud, ACS (Secretary)	
Executive Committee	Ong Kian Hock Terence Md. Emdadul Haque, FCA Mohammad Alamgir Sameer Zakaria	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 S. M. Rakibul Hasan	Acting Company Secretary Sultan Reaz Mahmud, ACS
Registered Office	Mouza - Tatki, Post Office - Tarabow, Tarabow Pouroshava, P.S.- Rupgonj Dist.- Narayangonj		
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.- Narayangonj	Chattogram Plant: South Haliashahar, 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	M/s. Tasnuva Mahedi Bhola (TMB) Chartered Accountants	Address: Tropical Noor Tower (Level # 09), 40 Kazi Nazrul Islam Avenue, Kawran Bazar Commercial Area, Dhaka-1215	
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 PLC. 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: 62 years
Nationality: Italian
Date of Appointment: 06 March 2024
Length of Service in the HM Group: 36 years
Date of Last Re-election: 16 June 2025
Membership in Board Committee: Nil
Eligibility for Retirement by Rotation in the 37th AGM: No



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: 59 years
Nationality: Singaporean
Date of Appointment: 01 September 2024
Length of Service in the HM Group: 21 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. 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.

Nasir Uddin Ahmed, FCA, FCS

Independent Director

Age: 64 years

Nationality: Bangladeshi

Date of Appointment: 16 July 2024

Date of Last Re-election: N/A

Membership in Board Committee: BAC & NRC

Mr. Nasir Uddin Ahmed has over 39 years of professional experience as a Chartered Accountant across cross-industrial environments, including tobacco, textile, and FMCG companies. Mr. Ahmed's specialty is 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 British American Tobacco Bangladesh Company Limited, and Coats Bangladesh Limited. Since 2011, he has been practicing with MABS & J Partners, Chartered Accountant, as Additional Managing Partner.

He served as Director of Bangladesh Commerce Bank Ltd., Dhaka Stock Exchange PLC., Bangladesh Telecommunications Company Limited, and Bangladesh Institute of Capital Market. He was also an Independent Director of LEADS Corporation Limited, Bangladesh Submarine Cables PLC., Color City Ltd., Popular Pharmaceuticals PLC., and Shahjalal Islami Bank PLC.

DIRECTORSHIP OF OTHER COMPANIES:

- Robi Axiata PLC.
- Duncan Brothers (Bangladesh) Ltd.
- R-ventures PLC.
- SME Foundation



Syeda Durdana Kabir

Independent Director

Age: 55 years

Nationality: Bangladeshi

Date of Appointment: 15 October 2025

Date of Last Re-election: N/A

Membership in Board Committee: BAC

Ms. Kabir has over 27 years of experience across major multinational corporations, including regional HR leadership roles at Nestlé in Malaysia, Singapore, and Central & West Africa. Has successfully driven organizational design, talent management, diversity and inclusion, employee value proposition, change management, and data analytics initiatives in complex, multicultural environments.

Ms. Kabir completed her Executive Master of Business Administration (EMBA) degree from North South University and obtained a Master of Arts (MA) degree in English from the University of Dhaka. Her qualifications also include certifications as a Gallup Clifton Strength Coach (UK), a 360-degree Coach, and a Certified Mental Wellbeing First Aider.

Currently, Ms. Kabir serving as the Human Resources Director at Unilever Bangladesh Limited since 2023.

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



Fong Wei Kurk

Director

Age: 49 years

Nationality: Singaporean

Date of Appointment: 29 January 2014

Length of Service in the HM Group: 14 years

Date of Last Re-election: 16 June 2025

Membership in Board Committee: NRC

Eligibility for Retirement by Rotation in the 37th AGM: No

Mr. Fong completed his graduation 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 & acquisition deals, energy-related transactions, and outbound deals. He completed the Cornell University CXO Leadership Program in 2025. He will complete his MBA from the Singapore Management University in August 2026. He joined the Heidelberg Materials Group in 2012 and is currently working as Area Director, Legal & Compliance, Asia-Pacific.

DIRECTORSHIP OF OTHER COMPANIES:

- Heidelberg Materials Butra Sdn. Bhd.
- Asia Cement Public Company Limited
- Heidelberg Materials Asia Pte. Ltd.
- Alliance Construction Materials Limited

Sebastian Schwörer

Director

Age: 36 years

Nationality: German

Date of Appointment: 25 April 2025

Length of Service in the HM Group: 10 Years

Date of Last Re-election: N/A

Membership in Board Committee: BAC & NRC

Eligibility for Retirement by Rotation in the 37th AGM: Yes

Mr. 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. Mr. Schwörer 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



Niranjana Chandra Debnath

Director

Age: 57 years

Nationality: Bangladeshi

Date of Appointment: 10 March 2025

Date of Last Re-election: N/A

Eligibility for Retirement by Rotation in the 37th AGM: Yes



A seasoned banker and finance professional Mr. Niranjana Chandra Debnath holds comprehensive experience in financial management, strategic planning, corporate governance, risk management and capital markets. Mr. Debnath completed his post graduation in Accounting from University of Chattogram with First Class and holds multiple professional qualifications including FCMA (ICMAB), CGMA and CMA (CIMA-UK). He is also a Diplomaed Associate (DAIBB) 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 in different countries in Europe and Asia.

Mr. Debnath joined the Investment Corporation of Bangladesh (ICB) as its Managing Director in February 2025. Previously, he had served Rajshahi Krishi Unnayan Bank (RAKUB) as Managing Director, Sonali Bank PLC as Deputy Managing Director & Chief Anti-Money Laundering Compliance officer (CAMLCO) and BASIC Bank Ltd. as Deputy Managing Director & Chief Financial Officer (CFO). Mr. 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. Currently Mr. Debnath holds the office of directorship in Heidelberg Materials Bangladesh PLC. and in the following companies:

DIRECTORSHIP OF OTHER COMPANIES:

- British American Tobacco Bangladesh Company Limited
- Unilever Consumer Care Limited
- United Power Generation & Distribution Company Limited
- National Tea Company Limited
- ACME Laboratories Limited
- Apex Footwear Limited
- Apex Tannery Limited
- Central Depository Bangladesh Limited (CDBL)
- Credit Rating Information and Services Limited (CRISL)
- The Peninsula Chittagong PLC.



Juan-Francisco Defalque

Director

Age: 62 years

Nationality: Belgian

Date of Appointment: 23 July 2015

Length of Service in the HM Group: 36 years

Date of Last Re-election: 16 June 2025

Membership in Board Committee: Nil

Eligibility for Retirement by Rotation in the 37th AGM: No

Mr. Defalque completed Post Graduation in Mining Engineering from Catholic University of Louvain-la-Neuve, Belgium in 1982-1987. He has worked for about 36 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 Tunggul Prakarsa Tbk.
- Asia Cement Public Company Limited
- Zuari Cement Limited
- Gulbarga Cement Limited

Md. Emdadul Haque, FCA

Director & Chief Financial Officer

Age: 41 years
Nationality: Bangladeshi
Date of Appointment: 10 March 2025
Length of Service in the HM Group: 14 years
Date of Last Re-election: N/A
Membership in Board Committee: N/A
Eligibility for Retirement by Rotation in the 37th AGM: Yes



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.



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



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.

It is my privilege to present to you the Annual Report of Heidelberg Materials Bangladesh PLC. (HMB) for the year ended 31 December 2025. On behalf of the Board of Directors, I extend my sincere appreciation to our shareholders, customers, employees, partners, and regulators for their continued confidence in our Company during a year characterized by both renewed opportunities and complex macroeconomic challenges.

In 2025, Bangladesh's construction sector demonstrated encouraging resilience amid persistent global uncertainties, foreign currency constraints, inflationary pressures, and evolving geopolitical dynamics. Despite these external headwinds, HMB delivered steady operational performance, strengthened its market presence, and continued to position itself as a leader in sustainable and innovative building materials.

Our focus on operational excellence, cost discipline, digitalization, and prudent risk management enabled us to navigate a volatile environment while safeguarding margins and service quality. Demand from key public infrastructure projects and selective private sector recovery contributed positively, although the overall market remained competitive.

Heidelberg Materials (HM) Group continues to progress toward its global net zero ambition. In line with this commitment, our operations advanced during the year through greater use of alternative raw materials, clinker factor optimization, and efficiency improvements that reduced carbon intensity. We also strengthened health, safety, and environmental standards across our facilities and enhanced engagement with regulators and industry associations to promote responsible and sustainable practices.

We firmly believe that sustainable construction will be a defining differentiator in the coming decade. As part of a global organization committed to "building a better future," we are accelerating our journey toward low carbon products and circular solutions in Bangladesh.

In 2025, we expanded our digital customer engagement platforms, improved supply chain responsiveness, and enhanced our distribution network. Our goal remains to deliver consistent product quality and a superior customer experience, values that have defined our brand for decades. Through innovative product development, improved logistics capabilities, and strengthened technical support, HMB continues to serve as a trusted partner for builders nationwide.

Our employees remain the backbone of our success. We continued investing in capability development, leadership growth, workplace culture, and wellbeing. Safety remains our non-negotiable priority, and we are proud that 2025 marked another year of strong safety performance, reflecting our commitment to "Zero Harm."

While the macroeconomic environment is expected to remain challenging, we anticipate gradual stabilization in the construction sector as public infrastructure activity strengthens and investor confidence improves. Leveraging our global expertise, strong brand heritage, and sustainability leadership, HMB is well-positioned to capture future opportunities.

I extend my gratitude to the Board of Directors for their guidance, to our Executive Committee for their steadfast leadership, and to our employees for their dedication and resilience. I also thank our shareholders, customers, suppliers, and partners for their unwavering trust in Heidelberg Materials Bangladesh PLC.

Together, we look forward to building a stronger, greener, and more sustainable future for Bangladesh.

A handwritten signature in black ink, appearing to read "Roberto Callieri". The signature is stylized and fluid.

Roberto Callieri

Chairman
Heidelberg Materials Bangladesh PLC.

Message from the Managing Director

Dear Valued Shareholders and Esteemed Stakeholders,

It is my privilege to address you as we reflect on a year defined by resilience, disciplined execution, and a clear commitment to long-term value creation. Your continued confidence in Heidelberg Materials Bangladesh PLC. (HMB) has been instrumental in navigating a complex operating environment and sustaining our strategic momentum. Together, we have reinforced the strength of our business fundamentals while advancing our vision of delivering sustainable and responsible growth.

During the year, both the global and Bangladesh economies experienced significant volatility, shaped by unprecedented challenges. These included the transition under an interim government, persistently high inflation, underlying macroeconomic imbalances, and ongoing geopolitical tensions. Together, these factors weighed on overall economic activity and created a demanding operating environment for businesses across the country. Despite these headwinds, HMB demonstrated stability and strategic discipline, underscoring the resilience of our business model and the commitment and professionalism of our people.

In 2025, the Company successfully generated a net profit, with earnings per share (EPS) recorded at BDT 3.55. While total cement sales volume increased modestly by 1.41 percent year on year, revenue declined by 1.53 percent, primarily due to lower average selling prices per bag amid intense competition in the market, which continued to exert pressure on margins. These results reflect prudent cost management and operational focus in an exceptionally competitive environment. The Company further strengthened its financial discipline by implementing robust cost control measures, resulting in a significant reduction in fixed costs and improved operational efficiency.

For the year ended 31 December 2025, the Company produced 1,843 thousand metric tons (KMT) of cement, compared to 1,805 KMT in 2024, representing an increase of 2.1%. Cement sales totaled 1,842 KMT, up from 1,816 KMT in the previous year. Net sales revenue in FY2025 stood at BDT 14,515 million, compared to BDT 14,740 million in FY2024. Gross profit amounted to BDT 1,531 million, while net profit after tax was BDT 201 million.

The financial statements for the year ended 31 December 2025 have been prepared in full compliance with International Financial Reporting Standards (IFRS) as issued by the IASB. Accounting policies have been applied consistently, and estimates are based on prudent and reasonable judgment.

Operational excellence remained a core focus throughout the year. Through targeted efficiency initiatives, disciplined cost control, and enhanced asset reliability, we worked to mitigate external cost pressures while maintaining consistent product quality and service standards for our customers. In parallel, we continued to leverage process optimization and digital tools to improve decision making across the value chain, strengthening the foundation for greater agility and productivity in the years ahead.

Stakeholder engagement remained a priority. We strengthened collaboration with regulators, industry



associations, and local communities to promote responsible business practices and support the sustainable development of Bangladesh's construction sector. We believe our license to operate is built not only on economic contribution, but also on transparency, ethical conduct, and meaningful social and environmental impact.

In 2025, we strengthened our safety culture by reinforcing Visible Felt Leadership and promoting a proactive safety mindset. The integration of artificial intelligence into Health and Safety, including driver monitoring systems, automated robotic truck loading, and digitalized Health and Safety reporting, enhanced risk management and reduced human exposure. As we progress toward the Heidelberg Materials Group vision, we remain committed to embedding safety as an instinctive part of our workplace culture.

Our people are at the heart of everything we do. I would like to acknowledge the dedication, professionalism, and resilience demonstrated by our employees throughout the year under challenging conditions. Continued investment in capability development, leadership, and a strong health and safety culture ensures that we remain well-positioned to address future challenges and opportunities.

Looking ahead, while the external environment is expected to remain dynamic, we are confident in our strategic direction. We remain committed to driving operational excellence and improving energy efficiency, broadening our portfolio of sustainable and value added products, advancing digital transformation across the value chain, reinforcing financial discipline and strong governance, and delivering sustainable long term value for our shareholders and stakeholders. These priorities are firmly aligned with Heidelberg Materials' global strategy and our commitment to responsible growth in Bangladesh.

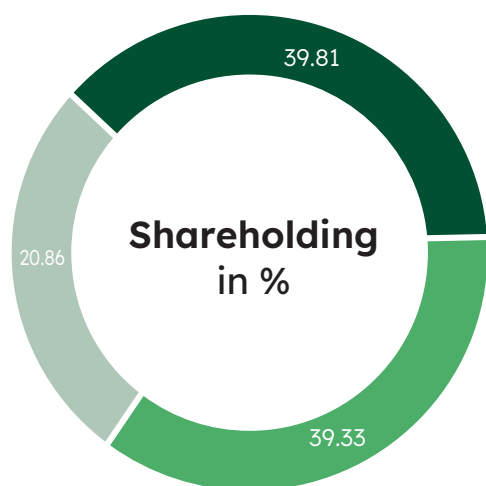
On behalf of the Board of Directors and the Executive Committee, I thank you for your continued confidence and support.


Ong Kian Hock Terence
Managing Director

Shareholding Position

Break-up of total shareholding

Shareholders	Year-2025
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 2025			31 December 2025		
	No. of shareholders	Total holding	Percentage	No. of shareholders	Total holding	Percentage
0 - 5,000	9459	3,089,182	5.47	8471	2,448,324	4.33
5,001 - 50,000	229	3,493,364	6.18	179	3,038,597	5.38
50,001 - 200,000	34	2,978,176	5.27	30	2,654,017	4.70
200,001 - 500,000	9	3,026,562	5.36	7	2,404,885	4.26
500,001 - 10,000,000	6	9,638,886	17.06	6	11,680,347	20.67
10,000,001 - 56,503,580	2	34,277,410	60.66	2	34,277,410	60.66
Total	9,739	56,503,580	100.00	8,695	56,503,580	100.00

Top Ten Shareholders of the Company as on 31 December 2025

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	330,000	.58

Internal Control & Risk Management

Internal control

Heidelberg Materials Bangladesh PLC. operates a robust internal management control framework that underpins effective governance and operational discipline. The framework integrates annual operational planning, ongoing management accounting and performance monitoring, structured management meetings, regular Board oversight, and systematic Group reporting. Central to this framework is the annual budgeting process, which is developed through careful assessment of macroeconomic trends, market conditions, and cost drivers. Approved budgets translate into clear objectives for operational units, enabling disciplined departmental planning, performance alignment, and effective target settings.

To ensure uniformity across the Group, standardized performance indicators are applied and reported across all units. Regular reports covering financial performance, sales volumes, and production metrics—supported by analyses of operational results and working capital to monitor cash flow—are reviewed in structured management meetings. These forums enable performance tracking against targets, assessment of business outlooks, and the timely definition of strategic actions.

Measures for identifying, assessing, and limiting risks

At HMB, risks are systematically identified and assessed at the transactional level based on their potential impact and likelihood. Appropriate control measures are designed and implemented accordingly. Transactions exceeding defined value or complexity thresholds are subject to formal approval protocols. In addition, organizational controls—such as segregation of duties in key functions—and continuous variance analysis between planned and actual financial results are applied to mitigate risk. Accounting IT systems are further safeguarded through robust access controls to prevent unauthorized use.

The established control and risk management systems cannot guarantee accurate and complete accounting with absolute certainty. 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 Company's overall risk profile is determined through a consolidated assessment of individual and aggregated risks, and based on this evaluation, the Board is not aware of any risks that could, individually or collectively, threaten the Company's going concern. HMB maintains a strong financial position supported by adequate liquidity reserves, while independent external assessments further strengthen the evaluation of its risk environment. Fully aware of both opportunities and risks inherent in its operations, the Company's control and risk management framework enables it to pursue growth opportunities while maintaining a balanced risk posture, with the standardized groupwide system ensuring that material risks with potential adverse impacts are identified and addressed at an early stage.

Identification and assessment of risks

Risk identification at HMB is conducted on a regular basis through a decentralized approach involving management at various levels, supported by group level functional teams. This process is informed by ongoing analyses of macroeconomic trends, industry specific developments, and other relevant sources of risk information.

Appropriate thresholds for reporting material risks have been established for HMB, considering the Company's specific operating environment. In line with the Group's risk model and defined risk categories, risks are assessed based on a minimum probability of occurrence of 10% and their potential impact. The risk framework also covers non financial factors, including those related to reputation and strategic positioning. Where risks cannot be reliably quantified, qualitative assessments are applied, classifying risks by severity, ranging from low impact to those that may threaten the Company's continuity.

In addition to periodic risk assessments, an ad hoc reporting mechanism is driven in response to sudden or significant risk events. Such events may arise from political developments, financial market volatility, or natural disasters, ensuring timely escalation and appropriate management response.

Risk Management

HMB's approach to risk management is closely aligned with its overall business strategy, which focuses on long term sustainability, value creation, and business continuity. While certain risks are inherent to normal operations, the Company is committed to identifying, assessing, and managing them through a structured and disciplined approach. Responsibility for risk management lies with both the Management Committee and the Board, supported by active involvement from management across all levels. Risks are consciously accepted where they comply with legal and ethical standards and are balanced against potential opportunities. The integration of risk and opportunity management is embedded in coordinated planning and monitoring systems implemented across the Group.

The Executive Committee of HMB is responsible for establishing and overseeing the internal control and risk management framework, while the Board retains ultimate accountability of the established systems. The Board Audit Committee regularly reviews the system to ensure its continued effectiveness. Group-level guidelines provide clear structures defining roles, responsibilities, and reporting lines within the risk management process.

A comprehensive set of policies, including a Code of Conduct and other guiding principles, supports the consistent implementation of risk management practices across the organization. The standardized framework is aligned with the Group's strategic direction and incorporates financial planning, operational controls, and structured risk management processes, all integrated into the Company's organizational and operational systems.

The key components of the risk management framework include:

- 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 its commitment to responsible corporate governance, HMB places strong emphasis on sustainability and compliance-related risks. Key focus areas include environmental protection, resource efficiency, biodiversity conservation, and responsible business conduct. The Company recognizes environmental stewardship, climate protection, and sustainable resource management as critical drivers of long term value and future growth. Compliance with applicable laws, regulations, and internal policies is firmly embedded in the Company's culture and represents a core responsibility of all employees. Any breach of legal or internal requirements may result in regulatory sanctions and could adversely impact the Company's strategic, operational, and reputational standing.

To ensure compliance with legal and internal standards, HMB has implemented a strong and effective compliance program aligned with Heidelberg Materials Group directives. The program includes awareness materials, a dedicated compliance hotline, and comprehensive employee training delivered through advanced digital learning platforms. These initiatives focus on key risk areas such as antitrust and competition law, as well as anti-corruption regulations. In addition, a structured framework for the ongoing assessment and mitigation of corruption risks and potential conflicts of interest has been established and is being progressively implemented.

In conclusion, HMB has established a robust and integrated internal control and risk management framework, underpinned by structured planning, continuous monitoring, and standardized processes. Sustainability and compliance are embedded as core principles of the Company's long-term strategy. Through proactive risk management, a comprehensive compliance framework, and ongoing evaluation, HMB seeks to safeguard its operations, protect its reputation, and uphold its commitment to environmental stewardship and social responsibility. The Company remains committed to fostering a culture of accountability, transparency, and ethical conduct across all levels, supporting sustainable growth and long term value creation for stakeholders.



Statement on Corporate Governance

Statement on Corporate Governance

At Heidelberg Materials Bangladesh PLC. (HMB), 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'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 (BSECCCG), 2018 (the Code)

HMB 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 2025 (FY25). 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 FY25, we have included a detailed table in Annexure-C, as per regulatory requirements. This table serves to clarify HMB'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 Directors
- Five (5) Non-executive Directors

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, 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).

During the year 2025, 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	02	No
Mr. Ong Kian Hock Terence	Managing Director	04	04	Yes
Mr. Abdul Khalek, FCA (Retired on 22 July 2025)	Independent Director	02	02	Yes
Mr. Nasir Uddin Ahmed, FCA, FCS	Independent Director	04	04	Yes
Ms. Syeda Durdana Kabir (Appointed on 15 October 2025)	Independent Director	01	01	N/A
Mr. Fong Wei Kurk	Director	04	04	No
Mr. Sebastian Schwörer (Appointed on 25 April 2025)	Director	02	02	No
Mr. Niranjana Chandra Debnath (Appointed on 10 March 2025)	Director	03	03	Yes
Mr. Juan-Francisco Defalque	Director	04	04	No
Mr. Md. Emdadul Haque, FCA (Appointed on 10 March 2025)	Director	03	03	Yes
Ms. Sim Soek Peng (Retired on 25 April 2025)	Director	02	01	N/A

(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 remains accountable to the public for the timely disclosure and publication of all price-sensitive and material information in accordance with BSEC regulations. These responsibilities are overseen by the Company Secretary, who ensures compliance with applicable regulatory requirements.

(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 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 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 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 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. Md. Emdadul Haque, Mr. Niranjana Chandra Debnath, and Mr. Sebastian Schwörer 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 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 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. S. M. Rakibul Hasan 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 served as the Company Secretary during 2025 in accordance with the requirements of the BSEC. He also served as Secretary to the various sub committees of the Board. With long standing involvement in the Company, his key responsibilities included the efficient administration of the Company, ensuring compliance with applicable statutory and regulatory requirements, and facilitating the effective implementation of decisions of the Board of Directors. In line with Condition No. 3(2) of the BSEC Corporate Governance Code, the Company Secretary attended all meetings of the Board of Directors, except where matters relating to him were discussed. Mr. Khan resigned from his position with effect from 1 May 2026. Thereafter, the Board of Directors appointed Mr. Sultan Reaz Mahmud, ACS, as Acting Company Secretary of the Company, effective from 1 May 2026.

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. The Committee consists of three Board members. It is headed by the Independent Director, Mr. Nasir Uddin Ahmed, FCA, FCS as the Chairman. Other members are Mr. Sebastian Schwörer, and Ms. Syeda Durdana Kabir. The Managing Director (MD), the Chief Financial Officer (CFO), and the Head of Internal Audit and Compliance (HIAC) are permanent invitees to the Meetings of the Audit Committee.

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 2025, 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 July 2025, and headed by the Independent Director, Mr. Nasir Uddin Ahmed, FCA, FCS 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 2025, three (3) 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 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'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 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. Nasir Uddin Ahmed, FCA, FCS, and Ms. Syeda Durdana Kabir 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 2025 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, 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 Chief Financial Officer (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 2025.

(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 persons.

(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 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'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 2025, 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 of the meeting, 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 is committed to maintaining high standards in timely dissemination of relevant and material information. To ensure fairness and promote transparency, the Company has established effective mechanisms to address shareholder concerns. Shareholders may contact the Company for any queries relating to shareholdings, including share transfer, transmission, re-issuance in case of loss or damage, dividend payments (including transfer to the CMSF), and dividend tax certificates, through the following channels:

Investors Relations Department

Heidelberg Materials Bangladesh PLC.
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Other details to communicate with our Investor Relations department are available at the 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 FY25 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 FY25 are disclosed in note no. 43 of the financial statements.

In conclusion, HMB 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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Climate change and biodiversity loss stand as immediate and existential challenges for Bangladesh, one of the most climate vulnerable countries in the world. Rising temperatures, flooding, cyclones, water stress, and loss of biodiversity directly affect communities, infrastructure, and economic development.

As a responsible building materials company, HMB is committed to supporting national development while minimizing environmental impact. Through responsible business practices, innovation, and stakeholder collaboration, we contribute to building a climate resilient and sustainable Bangladesh. We believe that only proactive, decisive, and pragmatic action can enable a transition where economic growth, climate protection, biodiversity, and social development exist in harmony.

Concrete is the backbone of Bangladesh's infrastructure development, behind rapid urbanization, affordable housing, and the construction of critical assets such as bridges, ports, roads, flood protection systems, and renewable energy infrastructure, while also enabling climate resilient development essential for disaster adaptation. As the second most widely used material after water, concrete is indispensable to Bangladesh's ambition of achieving upper middle income status and advancing the Sustainable Development Goals (SDGs). At the same time, the cement industry's energy intensity and associated CO₂ emissions present a clear sustainability challenge, which HMB addresses through a firm commitment to systematic decarbonization driven by innovation, operational efficiency, and responsible resource management.

Business Performance & sustainable growth

In 2025, Heidelberg Materials Bangladesh PLC. achieved sustainable revenue performance of 98.20%, demonstrating operational resilience, disciplined asset management, and effective risk control. Sustainability considerations remain fully embedded in corporate strategy, ensuring that growth is pursued responsibly while creating long term value for customers, employees, shareholders, and society.

In recognition of our environmental leadership and responsible industrial practices, HMB received the "Green Factory Award 2023" from the Government of Bangladesh. This national level recognition highlights the company's strong performance in environmental compliance, energy efficiency, pollution control, occupational health and safety, and resource stewardship, reinforcing our commitment to sustainable manufacturing.

Climate Change & Decarbonization

As a leading global building materials manufacturer, recognizes the inherently CO₂ intensive nature of cement manufacturing and accepts its responsibility to act decisively on climate change. Climate action is at the core of the company's sustainability strategy and aligned with the global objective of limiting temperature rise to 1.5°C.

In 2025, our specific Scope 1 CO₂ emissions amounted to 476.1 kg per ton of cement, reflecting continuous progress through process optimization, energy efficiency measures, and operational discipline. Building on this progress, HMB has committed to reducing specific net Scope 1 CO₂ emissions to below 400 kg per ton of cement by 2030.

Our climate targets have been validated by the Science Based Targets initiative (SBTi) and confirmed to be aligned with both the 1.5°C roadmap for the global cement industry and the SBTi Corporate Net Zero Standard, providing independent assurance of their scientific robustness and credibility.

Low Carbon Product Portfolio as a Decarbonization Lever

A critical pillar of our Scope 1 decarbonization strategy is the transformation of our product portfolio toward lower carbon footprint. To accelerate progress toward our 2030 target, Heidelberg Materials Bangladesh PLC. has launched a new generation of advanced cement products, including:

- CEM V/A 42.5
- CEM III/A 42.5
- CEM III/B SR 42.5
- CEM II/B M 52.5

These products are designed with significantly reduced clinker content, enabling lower process related CO₂ emissions while maintaining high performance, durability, and compliance with technical standards for infrastructure and specialized applications. The expansion of this portfolio supports customers in reducing the embodied carbon of construction projects and plays a decisive role in lowering specific Scope 1 emissions, in line with our SBTi validated decarbonization pathway.

Greenhouse Gas Emissions Performance

Through its site specific decarbonization initiatives, HMB actively contributes to Heidelberg Materials Group's achievement of substantial absolute greenhouse gas emissions reductions compared with the 2020 baseline:

- Gross Scope 1 CO₂ equivalent emissions decreased by 24%, driven by process efficiency improvements and fuel substitution.
- Gross Scope 2 CO₂ equivalent emissions decreased by 65%, supported by increased use of renewable electricity and energy efficiency initiatives.
- Scope 3 CO₂ equivalent emissions declined by 25% in absolute terms, primarily from purchased cement and clinker, reflecting stronger supplier engagement and reduced clinker dependency.
- These achievements demonstrate tangible progress toward our long term net zero ambition.

Pollution Control & Air Quality

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 (SO_x) and nitrogen oxides (NO_x). HMB 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

HMB 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.

In 2025, total water withdrawal amounted to 60,000 m³, representing a reduction of 7,000 m³ compared to the previous year. Specific water withdrawal improved to 33 liters per ton of cement, reflecting a year on year reduction of 7 liters per ton of cement. Water management plans and water recycling systems support these improvements, helping to reduce overall consumption and minimize the environmental impact of 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. HMB 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 labor.

Workers in the value chain

We recognize 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.

Consumers and end-users

HMB digital solutions enable customers to order materials easily, track deliveries in real time, and optimize logistics, helping reduce material use, avoid overproduction, and lower costs while supporting more efficient and sustainable operations.

Corporate governance

As part of a global group operating across diverse legal environments, HMB upholds responsible corporate governance through clear policies, continuous training, and a robust compliance programme designed to mitigate risks such as corruption, bribery, and competition law violations. In recognition of these efforts, HMB received the Silver Award at the 12th ICSB National Award 2024 for Corporate Governance Excellence, conferred by the Institute of Chartered Secretaries of Bangladesh (ICSB), under the Manufacturing Companies category. In parallel, the Company closely monitors political and legislative developments relevant to cement decarbonization and regularly reviews its lobbying and industry association activities to ensure alignment with corporate objectives and international climate commitments.

HMB aims to be recognized as an innovative, sustainable, and diverse employer with a value driven culture that empowers employees to reach their full potential while shaping a better future for the industry. Guided by a strong ESG focus that spans occupational safety, responsible sourcing, human rights, and equal opportunity, the company fosters growth, teamwork, and mutual respect, recognizing that employee health, well being, and diversity are essential to long term success and the continued strength of the Heidelberg Materials brand.

Heidelberg Materials Bangladesh PLC. is committed to building a low carbon, resilient, and inclusive future. Sustainability is not an add on to our business—it is how we create long term value for Bangladesh, our stakeholders, and future generations.

GERMAN ENGINEERING

লবণাক্ত উপকূলে সুরক্ষিত নির্মাণে

বাংলাদেশের প্রথম সালফেট রেজিস্ট্রিং ব্লাস্ট ফার্নেস সিমেন্ট

Heidelberg Materials

RUBY CEMENT

SRC
Sulphate Resisting Blast Furnace Cement
CEM III/B-SR
Strength Class: 42.5 L

Call Us: +880294762211

Net Weight: 50 kg

Ingredients: Clinker, Fly Ash, Blast Furnace Slag, Silica Fume, Water Reducing Adjuvants, etc.

Manufactured, Packaged & Promoted by Heidelberg Materials Bangladesh PLC. South Industrial, Chittagong.

Heidelberg Materials | **RUBY CEMENT**



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 2025

The Audit Committee (the “Committee”) of Heidelberg Materials Bangladesh PLC., was constituted by the Board of Directors to assist the Board in the effective discharge of its oversight responsibilities in accordance with applicable regulatory requirements and best corporate governance practices. The Committee provides oversight to ensure that the financial statements of the Company present a true and fair view of its financial position and performance, in compliance with applicable financial reporting standards and statutory requirements.

In carrying out its responsibilities, the Committee reviews the adequacy and effectiveness of the Company’s internal control systems, internal audit function, and financial reporting processes. The Committee also oversees the Company’s risk management framework and monitors management’s actions to identify, assess and mitigate key business risks. Furthermore, the Committee ensures that the Company operates in compliance with all applicable laws, regulations, and relevant governance guidelines.

Composition of the Committee

The Board, in its 275th Meeting held on 23 October 2025, has ratified the reconstitution of the Audit Committee of the Company as follows:

Name	Status with the Committee	Status with the Company
Mr. Nasir Uddin Ahmed, FCA, FCS	Chairman	Independent Director
Ms. Syeda Durdana Kabir	Member	Independent Director
Mr. Sebastian Schwörer	Member	Non-executive Director

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

Meeting Attendance:

During the year ended 31 December 2025, a total of four (4) meetings of the Audit Committee were held. The Company Secretary acted as the Secretary to the Committee in accordance with applicable regulatory requirements. The Managing Director, the Chief Financial Officer (CFO), and the Head of Internal Audit & Compliance regularly attended the meetings of the Committee. In addition, members of the Board and the Executive Committee, as well as representatives of the External Auditors, were invited to attend meetings, as and when considered necessary by the Committee.

A record of attendance at the Audit Committee meetings held during 2025 is set out below:

Name	Status with the Committee	Audit Committee Meeting held in 2025			
		26.02.2025	21.04.2025	21.07.2025	20.10.2025
Mr. Nasir Uddin Ahmed, FCA, FCS	Chairman	√	√	√	√
Ms. Sim Soek Peng (Retired on 25 April 2025)	Member	√	√	N/A	N/A
Mr. Abdul Khalek, FCA (Retired on 22 July 2025)	Member	√	√	√	N/A
Mr. Sebastian Schwörer*	Member	N/A	N/A	-	√
Ms. Syeda Durdana Kabir**	Member	N/A	N/A	N/A	√

* Mr. Sebastian Schwörer was appointed as a member of the Committee at the Board of Directors meeting held on 24 April 2025, with effect from 25 April 2025.

** Ms. Syeda Durdana Kabir was appointed as a member of the Committee through resolution by circulation on 15 October 2025.

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:

- i) Reviewing and recommending to the Board the approval of the financial statements prepared by management for statutory purposes;
- ii) Monitoring the Company's financial reporting and internal control systems;
- iii) Reporting to the Board of Directors on internal audit findings as reported by the 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:

- i) Conflicts of interest;
- 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 the 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 reviewed the scope, approach, and methodology of the external audit, as well as the independence, objectivity, and professional competence of the External Auditors. Based on its review of the audit process and findings, the Committee is satisfied that the audit was conducted in accordance with applicable auditing standards and that the financial reporting process is sound and in compliance with the applicable financial reporting framework/ standards as adopted in Bangladesh.

The Committee also reviewed the audited financial statements of the Company for the year ended 31 December 2025 and is of the opinion that the financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Company in accordance with applicable accounting standards, laws and regulations.

Furthermore, the Committee reviewed the Company's self-assessment of compliance with the Code issued by BSEC based on the prescribed checklist. The Committee is satisfied that the Company has complied, in all material respects, with the applicable corporate governance requirements and practices.

In addition, the Audit Committee reviewed the Company's enterprise-wide risk management framework, including the processes and methodologies for risk identification, assessment, mitigation, and monitoring. The review encompassed alignment with the Heidelberg Materials Group's risk management framework, as well as consideration of local risk factors relevant to the Company's operations and business environment in Bangladesh.

Based on its review, the Committee is satisfied that the Company has established a structured and comprehensive risk management approach, supported by clearly defined risk categories and effective management processes. The Committee also noted that key risks with the potential to impact the Company's operations have been appropriately identified and assessed and that their potential implications over the foreseeable future have been duly considered by management.

Looking ahead to 2026, the Committee's key priorities will include continued oversight of the Company's risk management framework and internal control systems to ensure their ongoing effectiveness and alignment with best practices and regulatory requirements. The Committee also intends to further strengthen and sustain a robust risk management culture across all levels of the organization.

In addition, the Committee will continue to monitor the progress of the Internal Audit function in the implementation of a risk-based audit approach and will oversee the timely resolution of outstanding audit observations from prior periods.

Major Activities of the Committee during the year 2025.

In 2025, the Committee focused on, inter alia, the following activities:

- a) Overseeing the financial reporting process;
- b) Monitoring the selection and application of accounting policies and principles;
- c) Monitoring the internal audit and compliance process and eventually reviewing the internal audit and compliance report;
- d) Reviewing the draft financial statements and recommending them to the Board for consideration after holding a meeting with the representatives of the External Auditors, at the Audit Committee meeting;
- e) Reviewing and examining the annual audited financial statements for the year ended 31 December 2024 together with the Director's report thereon, and recommending the same to the Board for approval;
- f) Reviewing the Quarterly & Half Yearly Financial Statements of the Company for the year 2025 to evaluate the Company's performance before submission to the Board for approval;
- g) 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;
- h) Overseeing the appointment of external auditors and determination of 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 2025;
- i) Reviewing the operating plan for 2025;
- j) Reviewing the transfer and sale of the Company's car;
- k) Reviewing the credit facility agreement between Heidelberg Materials Bangladesh PLC. and banks;
- l) Reviewing the payment of General services and License fees due for the year 2024;
- m) Reviewing the disposal and sale of fixed assets;
- n) Reviewing the transfer, transmission, and issuing of second copies of shares; and
- o) Reviewing the investment in various instruments including FDRs and Bangladesh Government Treasury Bills;

Post-reporting events

A meeting of the BAC was held on 20 April 2026 to review and examine the annual audited financial statements for the year ended 31 December 2025, alongside the draft Directors' Report, and to receive the observations and opinions of the statutory auditors on these documents. The BAC was satisfied, based on the External Auditors' Report, that the Company had maintained proper books of account as required by law and that the financial statements for 2025 fairly and accurately represented the Company's affairs. Consequently, the BAC recommended the audited financial statements for the year ended 31 December 2025, 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 2025.

The Committee expresses its appreciation to the Board, Management, Internal Audit function and External Auditors for their continued support and cooperation during the year.



Nasir Uddin Ahmed, FCA, FCS
Chairman

Report of the Nomination And Remuneration Committee (NRC)

For The Year 2025

In compliance with the requirements of the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC) (the “Code”), the Board of Directors constituted the Nomination and Remuneration Committee (NRC) on 15 October 2018 as a duly authorised sub-committee of the Board.

The Committee is entrusted with the responsibility of supporting the Board in establishing, reviewing, and implementing appropriate policies and criteria for the nomination and appointment of directors and top-level executives. This includes evaluating their qualifications, integrity, experience, independence, and other relevant attributes. In addition, the Committee oversees the development and application of a structured and transparent framework for determining the remuneration of directors and top-level executives, ensuring alignment with regulatory requirements, industry practices, and the long-term interests of the Company.

Constitution of the NRC:

The Committee comprised 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 served as the Secretary to the Committee in accordance with the Code.

The Board of Directors, at its 274th meeting held on 24 July 2025, approved the reconstitution of the Company’s Nomination and Remuneration Committee (NRC) as follows:

Name	Status with the Committee	Status with the Company
Mr. Nasir Uddin Ahmed, FCA, FCS*	Chairman	Independent Director
Mr. Fong Wei Kurk	Member	Non-executive Director
Mr. Sebastian Schwörer	Member	Non-executive Director

*Mr. Nasir Uddin Ahmed, FCA, FCS, was appointed as a Member and Chairman of the Nomination and Remuneration Committee by the Board of Directors at its meeting held on 24 July 2025.

Meeting Attendance:

The Committee held 3 (three) meetings during the year under review, thereby complying with the requirements stipulated under conditions 6(2)(h) and 6(4) of the Code.

The attendance of the members at these meetings is as follows:

Name	Status with the Company	Status with the Committee	NRC Meeting held in 2025		
			06.03.2025	17.04.2025	13.07.2025
Mr. Abdul Khalek, FCA (Retired on 22 July 2025)	Independent Director	Chairman	√	√	√
Mr. Fong Wei Kurk	Non-Executive Director	Member	√	√	√
Ms. Sim Soek Peng (Retired on 25 April 2025)	Non-Executive Director	Member	√	√	N/A
Mr. Sebastian Schwörer*	Non-Executive Director	Member	N/A	N/A	√

* Mr. Sebastian Schwörer was appointed as a member of the NRC at the Board of Directors meeting held on 24 April 2025, with effect from 25 April 2025.

* No meeting of the reconstituted Committee was held following its reconstitution on 24 July 2025.

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 and recommend to the board the criteria for determining the qualifications, positive attributes, and independence of a director and to develop a comprehensive remuneration policy for directors and top-level executives, taking into consideration, inter alia, 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 meet appropriate performance benchmarks; and
 - iii. The remuneration of directors and top-level executives shall be structured to maintain an appropriate balance between fixed and performance-based components, reflecting both short-term and long-term objectives and aligned with the Company's strategic goals and overall performance benchmarks;
- b) To formulate and recommend a policy on the Board's diversity, taking into consideration age, gender, experience, ethnicity, educational background, and nationality;
- c) To identify people 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:

The Committee continued to promote diversity, inclusion, and merit-based leadership development in line with the Company's governance objectives. During the year under review, the Committee carried out the following activities:

- a) Evaluated the appointment of Mr. Emdadul Haque, FCA, Mr. Niranjana Chandra Debnath, and Mr. Sebastian Schwörer as members of the Board of Directors of the Company and recommended their approval to the Board.
- b) Evaluated the appointment of the Head of Internal Audit and Compliance (HIAC) of the Company and recommended for approval to the Board.
- c) Recommending the re-appointment of Directors on a rotational basis.
- d) Reviewed and recommended the appointment of Ms. Syeda Durdana Kabir as an Independent Director in accordance with applicable corporate governance requirements.
- e) Reviewed and ratified the appointment of the Director-Sales and Marketing in line with the approved selection criteria and governance requirements.

The Committee is satisfied that it has duly discharged its responsibilities during the year in accordance with the Corporate Governance Code and its Terms of Reference. The Committee also confirms that the Company's nomination and remuneration practices are aligned with regulatory requirements, sound governance principles, and the Group's long-term strategic objectives.

On behalf of the Nomination and Remuneration Committee



Nasir Uddin Ahmed, FCA, FCS
 Chairman

Report of the Board of Directors

For the year ended 31 December 2025

1. Introduction

The Board of Directors of Heidelberg Materials Bangladesh PLC. ("HMB" or the "Company") is pleased to publish the Company's Annual Report 2025, which furnishes, inter alia, the independent auditors' report and audited annual financial statements for the financial year ended 31 December 2025 as well as other useful information of the Company. These will be laid before the Company's shareholders at the forthcoming Annual General Meeting (AGM) scheduled for 18 June 2026. Further, 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 3 June 2018, the Company has taken care to incorporate all requisite disclosures in this report.

2. Statement of the Company's Affairs

In 2025, both the global and Bangladesh economies faced significant volatility and shaped by unprecedented challenges. Key factors included the transition under an interim government, persistently high inflation, underlying macroeconomic imbalances, and ongoing geopolitical tensions, all of which weighed on overall economic activity. Despite these headwinds, the Company demonstrated resilience and successfully generated a net profit for the year, with earnings per share (EPS) recorded at BDT 3.55. While total sales volume increased modestly by 1.41 percent, revenue declined by 1.53 percent, primarily due to lower average selling prices per bag due to intense competitive market which continued to pressure margins.

3. Cement Industry

In 2025, Bangladesh's cement industry continued to operate in a challenging environment, although modest signs of recovery emerged in selected segments as economic activity gradually stabilized and private construction showed limited improvement. Overall demand remained constrained by persistent inflation, weakened consumer purchasing power, foreign currency tightness, and subdued public sector spending, with delays and slower execution of major infrastructure projects restricting bulk cement consumption. The industry also faced significant structural pressure from severe overcapacity, as installed capacity of around 84 lakh tonnes per month far exceeded market demand, while intense competition and aggressive price discounting to protect market share prolonged a price war and materially compressed sector profitability. Despite near term headwinds, the industry's long term fundamentals remain intact, supported by ongoing urbanization, housing demand, and prospective infrastructure investments, with future momentum largely dependent on macroeconomic stability, currency normalization, and effective policy implementation.

4. Operations

4.1. Sales and Production

In 2025, HMB produced and distributed a total of 1.841 million tonnes of cement from its three strategically located plants in Kanchpur, Chittagong, and Mukterpur. This represents a +1.4% change in total sales volume compared to 2024, reflecting a gradually stabilizing market environment despite ongoing economic and demand-side pressures.

4.2. Price

HMB continues to benefit from strong customer trust built on consistent product quality and ongoing innovation, which reinforces its premium brand positioning in the market. In 2025, the Company implemented strategic pricing interventions across all markets to strike an effective balance between competitiveness and discipline in an increasingly price sensitive environment, enabling proactive responses to evolving market dynamics. Despite sustained industry-wide pricing pressure and intense competition, HMB successfully preserved its position as a price leader, supported by its strong brand equity and high level of customer confidence.

4.3. Customer Service

At HMB, customer engagement goes well beyond product delivery, with a strong emphasis on responsive, value driven post sales support to foster long term relationships and sustainable growth.

In 2025, the Company further enhanced its customer service capabilities through the launch of a dedicated call center, significantly improving accessibility, responsiveness, and real time support across markets, while complementing ongoing initiatives aimed at timely assistance and an improved service experience. Supported by experienced sales and technical service teams that proactively engage with customers to provide tailored solutions and expert guidance, HMB remains firmly committed to delivering a seamless, reliable, and differentiated customer experience.

4.4. Marketing Activities

In 2025, HMB expanded its product portfolio with the launch of three new offerings, namely PCC Max, SRC, and evoBuild, to address evolving customer needs and drive innovation. Accordingly, the Company's marketing focus was primarily centered on building awareness and promoting these new products, with a strong emphasis on digital platforms to effectively communicate product value, quality, and application benefits.

HMB undertook extensive marketing initiatives throughout the year, introducing multiple new channels and approaches to strengthen brand visibility, justify price premium, and influence customer preference.

- a. Digital marketing & awareness building:** The Company significantly strengthened its digital presence across a range of platforms, including social media, in app marketing, content branding, and premium news portals, to effectively communicate product features, highlight performance benefits, and engage a broader audience through targeted, high impact outreach.
- b. Strategic collaborations:** HMB strengthened brand credibility and stakeholder engagement through collaborations with reputed external partners, including engineering institutions via academic competitions, construction and architecture focused digital platforms to showcase landmark structures, and social media influencers to broaden reach and amplify product communication.
- c. Retail & trade engagement:** HMB delivered its largest-ever retail branding program nationwide, supported by extensive promotional materials and customer gift initiatives, to strengthen relationships, enhance point-of-sale visibility, and deepen engagement with dealers and retailers.

Through these integrated efforts, HMB successfully reinforced its brand positioning while justifying premium pricing, driving awareness and adoption of its newly launched products.



Inauguration Program for the Launch of Special Products of Heidelberg Materials Bangladesh PLC.

5. Key Initiatives In The Procurement & Logistics

In 2025, The Chattogram Plant began utilizing fly ash in cement production, sourced from the Matarbari coal-fired power plant within Bangladesh. This initiative enhances the sustainability of the products by reducing clinker usage, promoting green cement, and contributing to foreign currency savings through lower import dependence.

Key Initiatives are highlighted by the following achievements:

5.1. Procurement digitalization through SAP ariba

End-to-end procurement operations were digitized with the successful rollout of SAP Ariba Digital Buying, delivering enhanced process transparency, faster approval cycles, and improved compliance. The platform streamlined sourcing, contract management, and supplier collaboration across the organization.

5.2. 100% achievement of responsible procurement targets via IntegrityNext

The Company achieved 100% compliance with responsible sourcing targets by implementing IntegrityNext for supplier ESG, ethics, and risk assessments. This ensured alignment with Heidelberg Materials' global sustainability standards and strengthened supplier governance.

5.3. Full achievement of group cost savings and cost avoidance targets

The procurement function delivered 100 percent of group aligned cost savings and cost avoidance targets through strategic sourcing, value engineering, and effective supplier negotiations, directly contributing to improved financial performance.

5.4. Increased local raw material sourcing at optimized cost and quality

Targeted initiatives increased the share of locally sourced raw materials, securing lower landed costs while maintaining stringent quality standards. This reduced import dependency, improved supply continuity, and strengthened partnerships with local suppliers.

5.5. First of its kind robotic bag loading system sourced in Bangladesh

The Company successfully sourced Bangladesh's first Robotic Bag Loading System, which enables automation, enhances operational efficiency, reduces manual handling, and improves workplace safety, thereby supporting the Company's drive toward operational excellence.

6. Key Initiatives in the Manufacturing Process

HMB is widely recognized for its unwavering commitment to excellence in cement manufacturing and responsible environmental stewardship. By integrating state of the art technologies and best in class processes across its manufacturing value chain, the Company consistently delivers high quality products while maintaining the highest standards of safety, hygiene, and operational discipline, in full compliance with national regulations and international benchmarks. Continuous modernization and digital adoption have further enhanced process efficiency, operational reliability, and occupational health and safety performance.

Environmental responsibility remains a core strategic priority for HMB The Company has made tangible progress in reducing its carbon footprint through energy efficient operations, power saving initiatives, innovative production techniques, and the integration of renewable energy sources such as solar power. In line with its commitment to innovation, sustainability, and customer satisfaction, the Company introduced specialty products, namely PCC MAX, Sulphate Resistant Cement (SRC), and evoBuild, marking a significant milestone in portfolio diversification.

Through innovation, disciplined execution, and a strong sustainability agenda, HMB continues to set industry benchmarks while creating long term value for stakeholders and contributing responsibly to Bangladesh's development.

6.1. Automatic truck loading system

During the year, the Company commissioned a 100 Tonnes Per Hour (TPH) Automatic Truck Loading System at the Kanchpur Plant, improving loading accuracy, reducing turnaround time and material loss, and enhancing overall dispatch efficiency in support of timely deliveries and superior customer service.

6.2. Barge loading system

The Company commissioned a Barge Loading System at the Kanchpur Plant jetty, enabling direct trawler loading and strengthening marine logistics. The system improves loading efficiency, reduces manual handling, and provides a cost effective transport option for bulk deliveries to waterway connected markets, enhancing dispatch flexibility and delivery reliability.

6.3. Public address system installation for raw materials unloading system

The Company installed a Public Address (PA) System across its raw material unloading areas at the Kanchpur Plant, including the fly ash unloader and Liebherr crane, to strengthen communication, safety, and operational control. The system enables real time coordination and features an automatic alarm triggered by excessive boom movement, enhancing worker safety, improving manpower supervision, and ensuring smoother, more efficient unloading operations.

6.4. Upgradation of riverway delivery system

The Company upgraded its riverway logistics by shifting from hoist-based barge loading to coaster transportation, supported by a conveyor belt and spiral chute system. This enhancement significantly reduced loading time, improved operational efficiency, and enabled faster, more reliable cement deliveries to coastal and remote markets, reinforcing HMB's commitment to supply chain optimization and customer service.

6.5. Installation of conveyor belt for wet slag feeding

The Company improved operational efficiency by replacing the clinker transport hopper with a dedicated conveyor belt and feed hopper for wet slag feeding. This upgrade reduced material transfer time, ensured a steady supply to the dryer, minimized idle time and energy consumption, and enhanced overall process efficiency, supporting HMB's focus on cost efficiency and sustainable operations.

6.6. Installation of automatic iron removal plant

The Company commissioned a 20 m³ per hour automatic Iron Removal Plant at the Chattogram Plant to manage high iron levels in process water. The system ensures consistent water treatment, reduces scaling and blockage risks, improves cooling system reliability, and enhances overall operational efficiency, underscoring the Company's commitment to asset protection and sustainable operations.

6.7. Implementation of separate slag grinding process

The Company implemented a separate slag grinding process by optimizing the existing mill configuration, to support the introduction of PCC 52.5 MPa cement and Sulphate Resistant Cement (SRC) in the market. This initiative has enhanced operational flexibility, ensured consistent achievement of higher product quality standards, and aligned production capabilities with evolving market demand.

6.8. Effective utilization of recycled materials

The company effectively utilizes recycled worn out grinding balls and liners through local foundry and workshop facilities. This initiative significantly reduces cost and lead time, ensures reliable availability of grinding media, and enhances overall operational efficiency while simultaneously supporting local industrial capability and long term sustainability.

6.9. Enhancing safety with fall arrester system

The company has installed a certified fall arrester system along with a permanent working platform for cement bag loaders. This preventive safety measure substantially reduces fall related risks, enhances safe working conditions during loading operations, and reinforces our strong commitment to protecting employee health, safety, and well being.

7. Information Technology

In 2025, Heidelberg Materials Bangladesh PLC. continued to strengthen its information technology landscape in line with Group digitalization initiatives. The Company advanced its cloud transformation by migrating virtual servers from the Singapore HUB to Microsoft Azure, enhancing operational efficiency, security, and flexible system access.

During the year, the following initiatives were completed.

- a) As part of our ongoing digital transformation journey, we have introduced an integrated digital ecosystem COMPASS to seamlessly connect our sales team and customers. This initiative encompasses a Dealer Application, Sales Force Automation (SFA), and Lead Management system, aimed at enhancing operational efficiency, transparency, and customer experience.
- b) Introduced the use of AI enabled tools within the Microsoft 365 environment to support daily work activities such as documentation review, policy alignment, and compliance related tasks, improving efficiency and accuracy while maintaining governance controls.
- c) Migrated from the legacy Bangladesh intranet to the Group Unite platform, enhancing content publishing, accessibility, consistency, and overall user experience.
- d) Initiated the rollout of Identity and Access Management (IAM) aligned with organizational structure and integrated with Workday, strengthening access governance and audit compliance.
- e) Replaced the legacy Cherwell Ticketing system with ServiceNow, providing a centralized and user friendly platform for IT services and support.
- f) Deployed advanced security solutions to protect the OT platform and enable secure remote access to plant OT systems, enhancing auditability, security compliance, and controlled remote operations.
- g) As part of the Heidelberg Materials Group, Heidelberg Materials Bangladesh has initiated measures to strengthen its cyber security framework in line with the recommendations of the National Institute of Standards and Technology (NIST). These initiatives aim to protect our digital infrastructure and business data, enhance system resilience, and support effective risk management through secure communication. The implementation reinforces our commitment to safe, reliable, and secure operations as our digital footprint continues to expand.

8. Directors' declaration as to financial statements

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

- a) 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.
- b) Proper books of accounts as required by law have been maintained.
- c) Appropriate accounting policies have been consistently applied in formulating the financial statements and accounting estimates are reasonable and prudent.
- d) The Financial Statements were prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).
- e) 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 factor or contain statements that might be misleading.
- f) 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.
- g) 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 contained in this Annual Report for the financial years ended 31 December 2025 and 31 December 2024 are compliant with International Financial Reporting Standards (IFRS) Accounting Standards as issued by International Accounting Standard Board (IASB). Appropriate accounting policies have also been consistently applied in the preparation of the financial statements and the accounting estimates have been based on reasonable and prudent judgment. During the year ended 31 December 2025, the Company produced 1,843K MT of cement compared to 1,805K MT in the

year ended 31 December 2024, a increase of 2.13%. Cement sales for the year were 1,842K MT compared to 1,816K MT in FY24, a increase of 1.41%. Net sales revenue in FY25 was BDT 14,515 million compared to BDT 14,740 million in FY24, an decrease of 1.53%. The gross profits in FY25 and FY24 were reported at BDT 1,531 million and BDT 1,748 million respectively. Correspondingly, the net profit for FY25 was BDT 201 million compared to BDT 462 million in FY24. A brief overview of the financial performance of HMB for 2025 compared to 2024 is set out below:-

Particulars	BDT'000	
	2025	2024
Net Revenue	14,515,127	14,740,223
Gross Profit	1,531,368	1,747,696
Operating Profit	336,068	703,752
Net Finance Income/ (Expenses)	-68,726	61,187
Profit Before Tax	384,554	726,692
Income Tax Expenses	-183,936	-264,903
Profit After Tax	200,618	461,789
Earnings Per Share (EPS)	3.55	8.17

i) Un-appropriated Profit of HMB in 2025

Financial Results for the Year 2024: (BDT '000)

Un-appropriated profit from previous period	3,387,143
Net Profit for the year after Tax	200,618
Payment of dividend	(141,259)
Total Funds available for appropriation	3,446,502

Directors' Recommended Dividend:

Dividend @ 11 %	(62,154)
Un-appropriated profit carried forward to next year	3,384,348

ii) A summary of the Company's performance:

Particulars	2025	2024	+/- in %
Cement Production	1,843,066 MT	1,804,544 MT	2.13%
Cement Sales	1,841,943 MT	1,816,341 MT	1.41%

- While there was difference in sales volume between 2025 and 2024, the Net Sales Price per ton decreased by BDT 235 per ton. Per unit sales prices was reduced for the intense pressure in the competitive market. Total net revenue decreased as a result by 1.53%.
- The Year-to-Date (YTD) Cost of Goods Sold per ton for December 2025 was decreased by BDT 104 compared to the previous year due to reduction of raw materials cost.
- Due to settlement of short- term UPAS loan by using FDR, interest expense was reduced significantly as well as interest income. Overall net financial results improved to BDT 68.73 million from 61.19 million.

iii) Brief Summary of Financial Position

Particulars	2025		2024		Growth Rate
	(BDT million)	Weight in Total Assets	(BDT million)	Weight in Total Assets	
Non-Current Assets	5,269	56.5%	5,382	48.9%	-2.09%
Current Assets	4,056	43.5%	5,619	51.1%	-27.8%
Total Assets	9,325	100%	11,001	100%	-15.23%

Property, Plant, and Equipment

During the year, there was an addition of BDT 283 million in fixed assets to ensure the operating capability of the Company. The addition includes BDT 20 million in Land & Building, BDT 246 million in Plant and Machinery and BDT 17 million in Furniture and Equipment.

Capital work-in-progress

Capital work-in-progress balance of BDT 69 million includes BDT 13 million for payment of Land & Building, BDT 48 million for Plant and Machinery, Furniture and Equipment BDT 1 million and intangible assets BDT 7 million.

Trade & Other Receivables

Trade and other receivables decreased to BDT 234 million from BDT 259 million compared to the last year resulting decreased of receivables by BDT 25 million. On the other hand, the receivable collection days has been reduced to 6.12 days from 8.77 days. The result has been improved due to prioritize collection efforts resulting in faster conversion of receivables into cash.

Cash and Cash equivalents

Cash and cash equivalents consist of BDT 0.63 million in hand, BDT 278 million in bank accounts, and fixed deposits totaling BDT 1,032 million. The substantial decrease in fixed deposits due to settlement of external finance resulting full settlement of borrowing. The company uses the borrowing primarily to meet deferred LC payment obligations.

The "Comparative Financial Highlights" 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 2025 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 operates within a robust internal control and risk management framework designed to ensure that all financial and operational transactions are properly authorized, accurately recorded, and transparently reported. The control framework is thoughtfully structured, consistently applied across the organization, and supported by ongoing monitoring to ensure its continued effectiveness in a dynamic business environment. It is underpinned by clearly defined policies, procedural manuals, and governance guidelines. The Internal Audit function conducts regular, independent reviews of internal controls and compliance processes, with findings and recommendations reported directly to the Management Committee and the Board Audit Committee, thereby strengthening oversight, accountability, and governance standards.

The Company's risk management approach encompasses systematic identification, evaluation, and mitigation of risks across all functional areas. Key areas of focus include:

- a) Adherence to Group-aligned risk governance practices, with strict observance of the Code of Business Conduct and all relevant compliance standards;
- b) Structured risk management coordination in Group Insurance;
- c) Active ownership of risk management responsibilities at the operational level;
- d) Timely and transparent escalation of quantified risk exposures to the Management Committee and the Group Managing Board to support effective strategic oversight;
- e) Regular and harmonized 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 1.10/- (BDT one taka ten paisa only) per share for the year ended 31 December 2025.

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 3,559 million to the National Exchequer in 2025.

16. Auditors

The current Statutory Auditor of the Company, M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, will retire from the office of auditors as per notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 issued by the Bangladesh Securities and Exchange Commission. As the auditors have completed three (3) consecutive years of auditing the Company, they are not eligible for reappointment as statutory auditors for the year ending 31 December 2026. Howladar Yunus & Co., Chartered Accountants having an office at House # 14 (4th floor) , Road # 16A, Gulshan , Dhaka-1212, have already indicated their interest and consent to act as Statutory Auditor of the Company for the year ending 31 December 2026 and to hold office until the conclusion of the next Annual General Meeting, if they are appointed so. Being eligible and per the recommendation of the Board of Directors, Howladar Yunus & Co., Chartered Accountants may be appointed as the Statutory Auditor at the 37th AGM of the Company for the year ending 31 December 2026 at a fee of BDT 950,000.00 (BDT Nine Lac Fifty Thousand) only, plus applicable Value Added Tax (VAT) and to hold office until the conclusion of the next i.e. 38th Annual General Meeting of the Company.

17. Corporate governance compliance auditors

The current Corporate Governance Compliance Auditors of the Company, M/s. Tasnuva Mahedi Bhola (TMB), Chartered Accountants, of Tropical Noor Tower (Level # 09), 40 Kazi Nazrul Islam Avenue, Kawran Bazar Commercial Area, Dhaka-1215, will retire at the 37th Annual General Meeting. Being eligible, they express their willingness and consent to be reappointed. As per the Corporate Governance Code, the appointment of Corporate Governance Compliance Auditors is also subject to the approval of the members in the 37th AGM. The Board recommends their appointment as Corporate Governance Compliance Auditor for the year ending 31 December 2026 at a fee of BDT 40,000 (BDT Forty Thousand) only and to hold office until the conclusion of the next i.e. 38th Annual General Meeting of the Company.

18. Credit rating:

The Company achieved an "AA₂" rating in the Surveillance Entity, long term rating "Not applicable" and "ST-2" in the short term for maintaining a strong and stable outlook for the year 2025 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. Md. Emdadul Haque, Mr. Niranjan Chandra Debnath, and Mr. Sebastian Schwörer 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. Nasir Uddin Ahmed, FCA, FCS and Ms. Syeda Durdana Kabir are acting as Independent Directors of the Company. Ms. Kabir 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 her appointment is subject to the approval of the members at the ensuing AGM. There is a brief resume of her 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 during the year 2025 are reported.

22. Remuneration paid to the directors

A total of BDT 428,000.00 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 2025 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 2025 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 2022 to 2024, 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
2022	10%	687
2023	25%	1,368
2024	25%	1,347

26. Human resources: driving transformation through people & culture

In 2025, HMB continued to advance its people strategy in close alignment with business priorities, with a strong focus on enhancing organizational capabilities, accelerating digital transformation, and cultivating an inclusive, high performance culture. Supported by the Executive Committee and driven by active employee engagement, the HR function played a pivotal role in strengthening talent, building future ready skills, and enabling sustainable long term growth for the organization.

A key milestone during the year was the successful organization wide adoption of Workday, firmly embedding digital HR practices within core people processes. This transformation enhanced consistency, transparency, and operational efficiency across performance management, talent review, and compensation and benefits administration. In parallel, HMB introduced AI enabled recruitment practices across multiple stages of the hiring process, strengthening candidate assessment, improving selection quality, and increasing overall recruitment efficiency.

Capability building remained a strategic priority throughout the year, supported by structured learning and development initiatives aligned with succession planning and talent management frameworks. A strong emphasis was placed on developing future leaders and critical capabilities through targeted programs such as Leadership Mindset, Leader as a Coach, Winning Mindset, and Value Selling Mindset, which reinforced a performance driven and commercially focused culture. Complementing these efforts, digital upskilling initiatives further enhanced workforce readiness to meet evolving business and technological demands.



HMB celebrated international women's day at the corporate office

Diversity and Inclusion remained a core pillar of HMB's people strategy, with continued emphasis on women's empowerment and the advancement of female leadership. In line with Group commitments, the Company further strengthened gender diversity across functions, including increased female representation in field sales, operations, and other critical roles, while remaining focused on attracting, developing, and progressing women into leadership positions to foster a more balanced and inclusive workforce.

HMB actively contributed to regional Asia diversity and inclusion initiatives while ensuring structured and consistent local implementation across all functions. A key highlight of the year was participation in the Group's flagship Women Rising Initiative 2025 under the Women with Ambition program, through which a HMB employee from the Quality Assurance and Environment function was selected via a highly competitive, Group led global process. Representing Bangladesh in the 2025-2026 program cycle, the participant is gaining exposure to cross border collaboration, mentorship, and leadership development, reflecting HMB's continued commitment to building diverse leadership pipelines and advancing women into leadership roles.

Employee engagement remained a key focus throughout the year, supported by well structured initiatives designed to strengthen connection, collaboration, and organizational culture. Programs such as Pitha Utshob, cricket tournaments, international day celebrations, and annual sports events created meaningful opportunities for interaction beyond the workplace, while recognition initiatives including employee birthday celebrations and Long Service Awards reinforced a strong sense of belonging and appreciation. In parallel, key HR policies and frameworks were further reviewed and strengthened, with enhancements to talent management and succession planning to ensure alignment with the organization's future capability and leadership needs.

Looking ahead, HMB remains committed to accelerating digital transformation, strengthening leadership capabilities, advancing diversity and inclusion, deepening community engagement, and continuously enhancing the overall employee experience. Together, these priorities will support the development of a resilient, agile, and future ready workforce, enabling the organization to sustainably meet evolving business challenges and opportunities.

27. Corporate Social Responsibility (CSR): supporting inclusive community Development

From a broader people and community perspective, HMB continued to advance its social responsibility agenda in 2025, aligning community initiatives with its commitment to inclusive and sustainable development. The Company remained focused on creating meaningful social impact through programs that support education, welfare, and community resilience.



HMB distributed winter blankets among underprivileged communities

A key initiative during the year was HMB's continued support for the Ashar Alo Autism School under the Bangladesh Navy, contributing to the development of vocational training infrastructure for students with special needs. This initiative underscores the Company's long term commitment to inclusive education, employability, and skill development for differently abled individuals. In addition, HMB extended support to underprivileged communities through seasonal welfare initiatives, distributing approximately 1,400 winter blankets to low income individuals and orphanages and providing Iftar to orphanage students during the holy month of Ramadan, reinforcing compassion and community care.

The Company also demonstrated its responsiveness to community needs by extending emergency assistance to individuals affected by unforeseen incidents, including support for rebuilding efforts following a house fire.

Through these initiatives, HMB continues to contribute meaningfully to community well-being, social inclusion, and sustainable development.

28. Occupational health and safety

At Heidelberg Materials, Occupational Health & Safety (OH&S) is our highest priority and a core pillar of our 2030 Commitment. We believe that all injuries, occupational illnesses, and work related health risks are preventable, and we are committed to minimizing risks to our employees, contractors, and communities in our pursuit of zero harm. Health & Safety performance is driven through robust management systems, clear objectives, and action plans. We provide safe and healthy workplaces, equipment, and work practices based on regularly reviewed risk assessments, alongside continuous coaching, training, and performance monitoring to meet or exceed world class OH&S standards.



HMB celebrated Safety Week across its plants

In 2025, we further strengthened our safety culture by promoting a proactive safety mindset and reinforcing Visible Felt Leadership across the organization. We also advanced our digital transformation by integrating Artificial Intelligence (AI) into Health & Safety, including AI-based driver monitoring systems, automated robotic truck loading, and digitalized H&S reporting. These initiatives have enhanced risk identification, improved compliance, and reduced human exposure. During the year, we delivered 4,246 man-hours of training to employees and 5,720 man-hours to contractors, conducted 2,320 man-hours of safety meetings, completed 28 mock drills, and recorded over 4,500 safety observations via our global AID platform. Safety Week 2025, held from October 13-19, featured interactive sessions, competitions, and awareness campaigns involving employees and their families. Leadership messages reinforced accountability, while digitalization and AI-driven solutions further supported safer operations. As we progress toward our 2030 vision, we remain committed to making safety an integral and instinctive part of our workplace culture.

29. Corporate Governance Compliance Statement

The Board believes firmly 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 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 2025 at Annexures A to H. The Certificate of Compliance required under the said Guidelines, as provided by M/s. Tasnuva Mehedi Bhola, Chartered Accountants, is annexed to this report in ANNEXURE-B.

30. 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.



Md. Saikat Khan
Company Secretary



Md. Emdadul Haque, FCA
Director & Chief Financial Officer



Ong Kian Hock Terence
Managing Director



Annexures

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

Heidelberg Materials Bangladesh PLC. Declaration by Managing Director and CFO

Date: 23 April 2026

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 2025.

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 2025 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 2025 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)

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

**Tasnuva Mahedi Bhola (TMB)
Chartered Accountants**

Tropical Noor Tower (Level # 09)
40 Kazi Nazrul Islam Avenue
Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh.
www.tmb-bd.com

**Report to the Shareholders of Heidelberg Materials Bangladesh PLC. (HMB)
on compliance of the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Heidelberg Materials Bangladesh PLC. (HMB) for the year ended on December 31, 2025. 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 (BSS) 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:

- a. 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;
- b. The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c. Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d. The governance of the company is highly satisfactory.

Place: Dhaka
Date: 22 April, 2026

For
Tasnuva Mahedi Bhola
Chartered Accountants



Tasnuva Ahmed FCA
Partner
Enrollment Number: 1662

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		Remarks
		Complied	Not complied	
1	Board of Directors			
1(1)	Board Size: The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	Complied		HMB has total 9 Directors in its Board.
1(2)	Independent Directors			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the Company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s). Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the Company.	Complied		There are two Independent Directors (IDs) in the Board, namely 1. Mr. Nasir Uddin Ahmed FCA, FCS, and 2. Ms. Syeda Durdana Kabir.
1(2)(b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the Company	Complied		Both IDs have declared their compliances.
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	Complied		Do
1(2)(b)(iii)	Not an executive of the Company in immediately preceding 2 (two) financial years	Complied		Do
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated Companies	Complied		Do
1(2)(b)(v)	Not a member or TREC holder/director/officer of any stock exchange	Complied		Do
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	Complied		Do
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	Complied		Do
1(2)(b)(viii)	Not an independent director in more than 5 (five) listed companies	Complied		Do
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;	Complied		Do

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude	Complied		Do
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;	Complied		The appointment of Ms. Syeda Durdana Kabir is yet to be approved by the members in the ensuing 37 th AGM of HMB.
1(2)(d)	The post cannot remain vacant for more than 90 (ninety) days	Complied		No such vacancy continued for more than 90 days during the year.
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.	Complied		The IDs, Mr. Nasir Uddin Ahmed FCA, FCS, and Ms. Syeda Durdana Kabir, are currently serving their first term in office.
	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	Complied		
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	Complied		Both Independent Directors are undoubtedly knowledgeable and possess proven skills and experience to make meaningful contribution to the business of HMB.
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	Complied		Ms. Syeda Durdana Kabir is a Human Resource Director of Unilever Bangladesh Limited.
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

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
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	Complied		Mr. Nasir Uddin Ahmed FCA, FCS, serves as the Additional Managing Partner of MABS & J Partners. He is an experienced professional accountant and a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB).
1(3)(c)	Minimum 10 years of experience	Complied		Both IDs have more than 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	Complied		Chairman of the Board and Managing Director are the different individuals
1(4)(b)	MD/ CEO shall not hold same position in any other listed company	Complied		The Managing Director does not hold the same position in any other listed Company.
1(4)(c)	Chairperson shall be elected from non-executive directors	Complied		The Chairperson is elected from amongst the non-executive Directors.
1(4)(d)	Clear defined roles & responsibilities for both of them	Complied		The roles and responsibilities of the Chairperson and Managing Director are clearly defined.
1(4)(e)	In the absence of regular chairperson, the other members shall elect a non-executive director to chair that particular meeting	Complied		In practice.
1(5)	Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry	Complied		Available in the Directors' Report.
1(5)(ii)	The segment-wise or product-wise performance	Complied		Do
1(5)(iii)	Risks and concerns	Complied		Do
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	Complied		Do
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	Complied		HMB Has not reported extraordinary activities (gain or loss) in this year.
1(5)(vi)	A detailed discussion on related party transactions	Complied		A statement of all related party transactions are disclosed in th Audited Financial Statements as well.

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
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	Complied		Discussed at 'Review of Financial Performance' and 'Other Regulatory Disclosures'.
1(5)(x)	Remuneration paid to the directors including independent directors	Complied		Available in the Directors' Report.
1(5)(xi)	Fairness of financial statements	Complied		Do
1(5)(xii)	Maintenance of proper books of accounts	Complied		Do
1(5)(xiii)	Adoption of appropriate & consistent accounting policies and estimates	Complied		Do
1(5)(xiv)	Follow of IAS, IFRS in preparation of the financial statements and any departure there from has been adequately disclosed	Complied		Do
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	Complied		Available in the Directors' Report.
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	Complied		Available in the Directors' Report.
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	Complied		Do
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	Complied		Do
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	Complied		Available in "Comparative Financial Highlights" section.
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	Complied		Available in the Directors' Report.
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director	Complied		Available in "Statement of Corporate Governance" section.
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)	Complied		See annexure-D

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
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)	Complied		Do
1(5)(xxiii)(c)	Executives	Complied		Do
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	Complied		Do
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	Complied		See "Board of Directors" section
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas and	Complied		Do
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board	Complied		Do
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	Complied		See Annexure-G
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	Complied		The Directors Report complies with the guideline
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	Complied		Do
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	Complied		Do
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe	Complied		Do
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company and	Complied		Do
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	Complied		Do
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	Complied		See Annexure-A
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.	Complied		See Annexure-B & Annexure-C
1(6)	Meeting of the Board of Directors: The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	Complied		HMB maintains a Board Meeting Minutes Book in compliance with the provisions of the Bangladesh Secretarial Standards (BSS), as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
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	Complied		The code of conduct as recommended by NRC and approved by the Board is in place
1(7)(b)	Availability of Code of Conduct on the website of the Company	Complied		Available at www.heidelbergmaterialsbd.com
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
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	Complied		The Company has duly appointed the MD, CFO, CS and HIAC.
3(1)(b)	Different individuals are in the position of MD or CEO, CFO, HIAC and CS	Complied		They are different individuals.
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	Complied		In Practice
	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	Complied		The roles, responsibilities and duties of MD, CFO, CS and HIAC are clearly defined which have been approved by Board as per requirement of BSEC notification.
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).	Complied		In Practice

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
3(2)	Requirement to attend Board of Directors' Meetings: Attendance of MD or CEO, CS, CFO and HIAC in the meetings of the Board	Complied		All are attendee in each Board of Directors' meeting.
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:	Complied		Stated in Annexure -A
3(3)(a)(i)	Does not contain materially untrue statement and omit any material fact in the financial statements certified by MD & CFO	Complied		
3(3)(a)(ii)	True & fair view of financial statements certified by MD & CFO	Complied		
3(3)(b)	Certification of MD and CFO regarding financial statements	Complied		
3(3)(c)	Annual Report contains certification of MD & CFO on financial statements	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	Complied		In place
4(ii)	A Nomination & Remuneration Committee	Complied		In place
5	Audit Committee			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	Audit Committee as sub-committee of the Board	Complied		In place
5(1)(b)	Assistance of the Audit Committee to the Board	Complied		The Committee duly discharged its responsibilities
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing	Complied		In practice. The duties are clearly set forth in writing in the TOR of the Audit Committee.
5(2)	Constitution of the Audit Committee:			
5(2)(a)	Audit Committee composition: at least 3 members	Complied		The Audit Committee is comprised of 3 (three) 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	Complied		All are non-executive Directors.
5(2)(c)	Financial literacy & minimum 10 years' experience of members	Complied		All have more than 10 years of experience justified by NRC and Board during their appointment.
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.	Complied		In Practice
5(2)(e)	The company secretary shall act as the secretary of the Committee	Complied		In Practice
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	Complied		In Practice

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
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	Complied		Mr. Nasir Uddin Ahmed , FCA, FCS, Independent Director of the Company is the Chairman of the Committee.
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.	Complied		In Practice
5(4)	Meeting of the Audit Committee:-			
5(4)(a)	At least four meetings in a financial year	Complied		See "Report of the Audit Committee for the year 2025" section.
5(4)(b)	Quorum: two members or 2/3 of total audit committee member	Complied		In Practice
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process	Complied		The Committee discharge its duties as the code prescribed.
5(5)(b)	Monitor choice of accounting policies and Principles	Complied		
5(5)(c)	Monitor Internal Audit & Compliance Process	Complied		
5(5)(d)	Oversee hiring and performance of external Auditors	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	Complied		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval	Complied		
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the board for approval	Complied		
5(5)(h)	Review the adequacy of internal audit Function	Complied		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied		
5(5)(j)	Review statement of all related party transactions submitted by the management;	Complied		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	Complied		
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	Complied		
5(5)(m)	Declaration of the Committee regarding utilization of the proceeds raised through IPO,RPO or Right Share Offer.	Complied		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors	Complied		
5(6)(a)(i)	Report on its activities	Complied		
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			
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances			
5(6)(a)(ii)(d)	Any other matter shall be disclosed to the Board immediately			
5(6)(b)	Report on unreasonably ignored rectification to the Commission			
5(7)	Reporting to the Shareholders and General Investors	Complied		See "Report of the Audit Committee for the year 2025" section.
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	Complied		In place
6(1)(b)	Assists the Board in formulating NRC policy	Complied		See "Annexure-E"
6(1)(c)	Clearly defined terms of reference of NRC	Complied		The ToR is in place
6(2)	Constitution of the NRC			
6(2)(a)	At least 3 members including an independent director	Complied		See "Report of the Nomination and Remuneration Committee for the year 2025" section
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors.	Complied		All are non-executive Directors.
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	Complied		The NRC members are appointed by the Board
6(2)(d)	The Board reserve the authority to remove and appoint any member of the Committee;	Complied		In Practice
6(2)(e)	The Board shall fill the vacancy within 180 days in case of death, resignation, disqualification, or removal of any member	Complied		In Practice
6(2)(f)	The Chairperson may appoint external expert for advice or suggestion	Complied		
6(2)(g)	The company secretary shall act as the secretary of the Committee	Complied		In Practice
6(2)(h)	Quorum: at least an independent director	Complied		In Practice
6(2)(i)	No remuneration other than director fees/honorarium for any member	Complied		In Practice
6(3)	Chairperson of the NRC			
6(3)(a)	Chairman: an independent director	Complied		Mr. Nasir Uddin Ahmed, FCA, FCS, Independent Director of the Company is acting as Chairman of the NRC.
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	Complied		In Practice

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
6(4)	Meeting of the NRC			
6(4)(a)	At least one meeting in a financial year	Complied		See the "Report of the Nomination and Remuneration Committee for the year 2025" section.
6(4)(b)	Any emergency meeting upon request by any member of the NRC	Complied		Do
6(4)(c)	Quorum: Higher of two members or 2/3 of total members including at least one independent director	Complied		Do
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	Complied		In Practice
6(5)	Role of the NRC			
6(5)(a)	Shall be independent and responsible or accountable to the Board and to the shareholders	Complied		The NRC performs as per the CG Codes.
6(5)(b)	shall oversee, among others, the following matters and make report with recommendation to the Board;			
6.5.(b).(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	Remuneration shall be reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	Complied		In Practice
6(5)(b)(i)(b)	Clear relationship among remuneration, performance & benchmarks	Complied		In Practice
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	Complied		In Practice
6(5)(b)(ii)	Devising a policy on Board's diversity	Complied		In Practice
6(5)(b)(iii)	Identification of qualification of directors and recommendation for appointment and removal	Complied		In Practice
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	Complied		In Practice
6(5)(b)(v)	Identifying needs for employees and determine their selection, transfer or replacement and promotion criteria	Complied		In Practice
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	Complied		In Practice
6(5)(c)	Nomination and remuneration policy, the evaluation criteria and activities of NRC during the year in its annual report.	Complied		See the "Report of the Nomination and Remuneration Committee for the year 2025"
7	External or Statutory Auditors			
7(1)(i)	Not involved in appraisal or valuation services or fairness opinions	Complied		In Practice
7(1)(ii)	Not involved financial information systems design and implementation	Complied		Do

Condition No.	Title	Compliance Status		Remarks
		Complied	Not complied	
7(1)(iii)	Not involved in book-keeping or other services related to the accounting records or financial statements	Complied		Do
7(1)(iv)	Not involved as broker-dealer services	Complied		Do
7(1)(v)	Not involved in actuarial services	Complied		Do
7(1)(vi)	Not involved in internal audit services or special audit services	Complied		Do
7(1)(vii)	Not involved in any service that the Audit Committee determines	Complied		Do
7(1)(viii)	Not involved in audit or certification services on compliance of corporate governance	Complied		Do
7(1)(ix)	Not involved in any other service that creates conflict of interest	Complied		Do
7(2)	No partner or his/ her family or employees of the external audit firms hold any share at least during audit work	Complied		Do
7(3)	Auditors' or their representative presence in the AGM	Complied		Do
8	Maintaining a website by the Company			
8(1)	An official website linked with the website of the stock exchange	Complied		Company Website is duly linked with those of the stock exchanges.
8(2)	A website functional from the date of listing	Complied		In Practice
8(3)	Available detailed disclosures on its website as required under the listing regulations of the stock exchange(s).	Complied		In Practice
9	Reporting and Compliance of Corporate Governance			
9(1)	Compliance certificate on Corporate Governance Code of the Commission in the Annual Report.	Complied		The Certificate of Compliance obtained from Tasnuva Mahedi Bhola, Chartered Accountants is duly presented in the Annual Report
9(2)	The compliance auditor shall be appointed by the shareholders in the AGM	Complied		The appointment of Tasnuva Mahedi Bhola ,Chartered Accountants as compliance auditor was duly approved by the shareholders in the 36 th AGM
9(3)	Compliance status as Annexure-C in the directors' report	Complied		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 2025

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. Nasir Uddin Ahmed, FCA, FCS	Independent Director	Nil	Nil	Nil
Ms. Syeda Durdana Kabir	Independent Director	Nil	Nil	Nil
Mr. Fong Wei Kurk (Nominee of Heidelberg Materials Netherlands Holding B.V.)	Director	Nil	Nil	Nil
Mr. Sebastian Schwörer (Nominee of Heidelberg Materials Asia Holding GmbH)	Director	Nil	Nil	Nil
Mr. Niranjan Chandra Debnath (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. Md. Emdadul Haque, FCA (Nominee of Heidelberg Materials Netherlands Holding B.V.)	Director & CFO	Nil	Nil	Nil
Mr. Md. Saikat Khan (Resigned from the position effective 1 May 2026)	Company Secretary	Nil	Nil	Nil
Mr. S. M. Rakibul Hasan	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. Mohammad Alamgir	Director Human Resources	Nil
Mr. Sameer Zakaria	Director Sales and Marketing	Nil
Mr. H.M. Fida Mahmud	Head of Logistics	Nil
Mr. Mohammad Ahmedul Karim (Resigned from the position effective 1 April 2026)	Head of Procurement	Nil
Mr. Syed Mohammad Javed	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

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

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.

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 2025.
- During the year, the Company has paid a total amount of BDT 428K 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 11% cash dividend for the year 2025.

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 2025.

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 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 2025, and 31 December 2025 have been considered.

(BDT in Million)

Sl. No.	Items	31-Dec-25 HMB	31-Dec-25 LHB	30-Jun-25 CROWNCEMNT	30-Jun-25 MEGHNACEM	30-Jun-25 PREMIERCCEM	30-Jun-25 CONFIDCEM	
1	Revenue	14,515	29,314	37,649	275	23,813	4,091	
2	Gross Profit	1,531	8,846	4,615	13	4,255	573	
3	Net Profit After Tax	201	5,108	672	(1,156)	137	968	
4	Dividend	Cash	11%	40%	21%	No	10%	10%
		Stock	Nil	Nil	Nil	Nil	Nil	Nil
5	EPS (Taka)	3.55	4.40	4.52	(36.58)	1.29	11.23	
6	NAVPS (Taka)	73.92	16.41	62.66	(1.70)	64.50	88.68	
7	NOCFPS (Taka)	(0.04)	7.31	25.99	0.44	7.20	0.07	

BDT= Bangladeshi Taka, HMB = Heidelberg Materials Bangladesh PLC., LHB = LafargeHolcim Bangladesh PLC., CONFIDCEM= Confidence Cement PLC., CROWNCEMNT= Crown Cement PLC., MEGHNACEM = Meghna Cement Mills PLC., PREMIERCCEM= 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, 23 April 2026


Ong Kian Hock Terence
Managing Director

Heidelberg Materials Bangladesh PLC. Dividend Distribution Policy

1. Preamble

Heidelberg Materials Bangladesh PLC. (“HMB” 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;

“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



ICSB National Award 2024

The ICSB National Award for Corporate Governance Excellence organised by the Institute of Chartered Secretaries of Bangladesh (ICSB), recognises listed companies that demonstrate outstanding compliance with corporate governance principles, including transparency, accountability, and ethical business practices. The award evaluates organisations across multiple sectors based on their adherence to regulatory requirements and alignment with international best practices, thereby promoting a strong governance culture and sustainable corporate performance in Bangladesh.

The award ceremony was held on 15 December 2025 at Pan Pacific Sonargaon, Dhaka, where ICSB recognised 43 companies across 14 categories under the 12th ICSB National Award for Corporate Governance Excellence.



Heidelberg Materials Bangladesh PLC. was honoured with the Silver Award at the 12th National Award 2024 for Corporate Governance Excellence. The award was received by the Managing Director and other senior officials of the Company in recognition of its strong commitment to sound corporate governance practices.



Auditor's Report & Financial Statements

Independent Auditor's Report

To the Shareholders of Heidelberg Materials Bangladesh PLC. Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Heidelberg Materials Bangladesh PLC. (the "Company"), which comprise the statement of financial position as at 31 December 2025, 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 give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) 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 Auditor's 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bangladesh. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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>Revenue recognition have significant and wide influence on financial statements. In 2025, the Company reported revenues of BDT 14,515 million (2024: BDT 14,740 million).</p> <p>To ensure that revenue recognition is appropriate and related costs are properly measured, management evaluate performance obligation at assigned check points.</p> <p>Since revenue also include credit sales, management also carefully evaluates the collectability from customers. The Company has implemented policy of requiring advance payment from dealer sales as well as collateral against credit sales to improve collectability and manage credit risk.</p> <p>Due to the inherent risk associated with determination of revenues and recovery of accounts receivable balance as well as</p>	<p>We assessed the reporting environment of the Company in relation to revenue recognition, and tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none">▪ Controls related to execution of customer contract, 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;

difficulties in forecasting future loss in case of default by debtors this area require significant estimate and judgment.

Therefore, we have considered this area as a key audit matter.

- Monitoring process for overdue receivables; and
- Company's policy of creating provision against overdue receivables and periodic write off in line with IFRS 9.

Our substantive procedures in relation to the assessing valuation of receivables comprises the following:

- Selection of samples from VAT return/ submission document and checked against relevant supporting documents;
- Reconciliation of debtors ageing to 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 in prior periods.

See note number 3.15, 8 and 24 for details

Valuation of inventories

The Company's total inventory as at 31 December 2025 is BDT 1,995 million (2024: BDT 2,067 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.

Given the nature of these inventories, which are in bulk quantities and includes clinker, gypsum, slag, limestone, fly ash, and cement, the measurement process requires specialized expertise. Therefore, management has engaged external professionals to accurately measure the quantity of inventory balance at year-end.

Inventories are carried at the lower of cost and net realisable value (NRV). As a result, management has applied judgement in determining appropriate values of inventories which may be slow-moving or obsolete and hence require impairment provision.

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.

Therefore, this area we have considered as a key audit matter.

We evaluated the design and implementation of key inventory controls operating across the Company, and also conducted operating effectiveness testing of selected key controls. Apart from that, we conducted the following substantive audit procedures:

- reviewed management's process of identifying slow-moving and obsolete inventories and determining net realizable value of inventories;
- observed physical inventory counts and reviewed the reconciliation process of count results to inventory records maintained in the system;
- reviewed survey reports of inventories prepared by the external expert, considering competence of the expert, adequacy of their work and methods and judgment used by them;
- reviewed historical accuracy of inventory provisioning, and the level of inventory write-offs during the year;
- evaluated the Company's accounting treatment for changes in the prices of raw materials, including the appropriateness of related disclosures in the financial statements.

	<ul style="list-style-type: none"> ▪ compared the net realizable value on test basis through a review of subsequent period sales and the cost price of a sample of inventories, comparing to the associated provision to assess whether inventory provisions are complete. ▪ discussed with management about their sales forecasting procedures and ordering of stocks, and inquired about remedial action taken in case of excess or shortage of inventories due to difference in forecast and actual results.
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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 31 December 2025 is BDT 4,783 million (2024: BDT 4,878 million).</p> <p>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 that the impairment indicators may not have been properly identified.</p>	<p>Our audit procedures for recognition and valuation of property 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 measurement of PPE including estimation of useful lives and residual values of assets, and the assessment of impairment losses; ▪ 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 charges during the year to check that transactions are properly recorded in the accounting system; ▪ reviewing the Company's maintenance records to ascertain that repairs and maintenance expenses are correctly classified as operating expenses and that only significant repairs are capitalized as part of the PPE; ▪ conducting physical verification of selected sample of fixed assets to verify its existence and trace these assets to fixed assets register and other relevant documents; and ▪ reviewing capital work in progress (CWIP) balance and its transfer to PPE.
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See note number 3.03, 5 and 6 for details

Legal, regulatory and other compliance matters

The Company has several legal and tax proceedings, claims and inquiries pending that expose it to potential financial risks. Such matters are subject to uncertainties and the outcome may be difficult to predict.

Income tax assessment of the Company for a number of years are pending at various appeal stages. Although being a listed entity the statutory income tax rate of the Company is 20% but due to the Minimum Tax regime the actual effective tax rate is significantly higher. Moreover, the Company pays substantial amount of advance tax at the time of importing raw materials and also suffers tax deduction at source at the time of receiving payments from the customer. Due to a recent change in Income Tax Act 2023, a portion of such minimum tax can be carry forward to offset against future tax liability.

Accordingly, these pending legal and taxation uncertainties inherently affect the amount and timing of potential outflows impacting the amount of related provision and disclosure of contingent liabilities.

Furthermore, as a listed entity, the Company has to maintain compliance with the requirements of Bangladesh Securities and Exchange Commission (BSEC) including approval of certain related party transactions by the shareholders.

We obtained an understanding of key controls over the legal and regulatory compliance process, including its obligation related to taxation matters. We also performed the following procedures:

- enquired from the Company's internal legal counsel about all pending litigation and regulatory matters;
- Checked payments to external legal consultants to identify existence of any undisclosed legal matters;
- Reviewed relevant files of all pending income tax assessment years and discussed with management about the nature of disputes with the tax authority and potential exposure for the Company;
- Assessed the Company's provisions and contingent liabilities disclosure;
- Read minutes of the last annual general meeting (AGM) of the Company where the shareholders approved purchase of raw materials from related party of the Company.

See notes 22, 23, 30 and 43 for details

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 auditor's 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide 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.

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, 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; and
- 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.

The engagement partner on the audit resulting in this independent auditor's report is Sabbir Ahmed, FCA.



Sabbir Ahmed FCA, Partner

ICAB Enrolment No: 0770

Hoda Vasi Chowdhury & Co

Chartered Accountants

FRC Enlistment No: CAF-001-057

Dhaka, 23 April 2026

DVC No: **2604230770AS458248**

Heidelberg Materials Bangladesh PLC.

Statement of Financial Position

As at 31 December 2025

(expressed in thousands of Bangladeshi taka)

	Notes	31-Dec-25	31-Dec-24
Assets			
Non-current assets			
Intangible assets	4.00	39,951	53,258
Property, plant and equipment	5.00	4,713,192	4,826,109
Lease assets-RoU	5.03	445,905	450,396
Capital works-in-progress	6.00	69,974	51,985
Total non-current assets		5,269,022	5,381,748
Current assets			
Inventories	7.00	1,995,398	2,067,701
Trade and other receivables	8.00	234,335	259,009
Advances, deposits and prepayments	9.00	516,498	312,935
Cash and cash equivalents	10.00	1,309,962	2,979,438
Total current assets		4,056,193	5,619,083
Total assets		9,325,215	11,000,831
Equity and liabilities			
Equity			
Share capital	11.00	565,036	565,036
Capital reserve	12.00	141,607	141,607
General reserve		15,000	15,000
Dividend equalization fund		8,600	8,600
Retained earnings		3,446,502	3,387,143
Total equity		4,176,745	4,117,386
Non-current liabilities			
Suppliers' credit blocked	13.00	2,565	2,565
Quasi equity loan	14.00	122,636	122,636
ADP loan	14.01	12,699	12,699
Provision for Jetty dismantling		140,304	128,000
Lease liability (non-current portion)	16.00	138,953	140,471
Deferred tax liability	18.00	109,280	125,262
Total non-current liabilities		526,437	531,633
Current liabilities			
Trade and other payables	19.00	4,536,225	4,962,564
Borrowings	15.00	-	1,189,703
Lease liability (current Portion)	16.00	35,331	29,769
Provision for workers' profit participation fund	20.00	20,240	38,247
Current tax liabilities	22.00	30,237	131,529
Total current liabilities		4,622,033	6,351,812
Total liabilities		5,148,470	6,883,445
Total equity and liabilities		9,325,215	11,000,831

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.



Md. Saikat Khan
Company Secretary



Md. Emdadul Haque, FCA
Director & Chief Financial Officer



Ong Kian Hock Terence
Managing Director

See our annexed report of same date

Hoda Vasi Chowdhury & Co
Chartered Accountants



Sabbir Ahmed FCA
Partner
Enrollment No.: 0770

Dhaka: Bangladesh
Dated: 23 April 2026
DVC: 2604230770AS458248

Heidelberg Materials Bangladesh PLC.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(expressed in thousands of Bangladeshi taka)

	Notes	2025	2024
Sales	24.00	14,515,127	14,740,223
Cost of goods sold	25.00	(12,983,759)	(12,992,527)
Gross profit		1,531,368	1,747,696
Other operating income/(expenses)	26.00	(1,514)	4,716
Warehousing, distribution and selling expenses	27.00	(561,088)	(429,703)
Administrative expenses	28.00	(632,698)	(618,957)
Operating profit/(loss)		336,068	703,752
Net finance income/ (expenses)	29.00	68,726	61,187
Profit before contribution to WPPF		404,794	764,939
Contribution to workers' profit participation fund	20.00	(20,240)	(38,247)
Profit/(loss) before tax		384,554	726,692
Tax expense		(183,936)	(264,903)
Income tax expense	22.01	(199,918)	(246,725)
Deferred tax income/ (expense)	18.02	15,982	(18,178)
Net profit for the year		200,618	461,789
Other comprehensive income		-	-
Total comprehensive income		200,618	461,789
Basic and diluted earnings per share (EPS)	31.00	3.55	8.17

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.



Md. Saikat Khan
Company Secretary



Md. Emdadul Haque, FCA
Director & Chief Financial Officer



Ong Kian Hock Terence
Managing Director

See our annexed report of same date

Hoda Vasi Chowdhury & Co
Chartered Accountants



Sabbir Ahmed FCA
Partner
Enrollment No.: 0770

Dhaka: Bangladesh
Dated: 23 April 2026
DVC: 2604230770AS458248

Heidelberg Materials Bangladesh PLC. Statement of Changes in Equity

For the year ended 31 December 2025

(expressed in thousands of Bangladeshi taka)

Particulars	Share capital	Capital Reserve	General reserve	Dividend equalization fund	Retained earnings	Total
Year 2024						
Balance as at 01 January 2024	565,036	141,607	15,000	8,600	3,066,613	3,796,856
Dividend for the year 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
Year 2025						
Balance as at 01 January 2025	565,036	141,607	15,000	8,600	3,387,143	4,117,386
Dividend for the year 2024	-	-	-	-	(141,259)	(141,259)
Net profit for the year	-	-	-	-	200,618	200,618
Balance as at 31 Dec 2025	565,036	141,607	15,000	8,600	3,446,502	4,176,745

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.



Md. Saikat Khan
Company Secretary



Md. Emdadul Haque, FCA
Director & Chief Financial Officer



Ong Kian Hock Terence
Managing Director

Heidelberg Materials Bangladesh PLC.

Statement of Cash Flows

For the year ended 31 December 2025

(expressed in thousands of Bangladeshi taka)

	Notes	2025	2024
Cash flows from operating activities			
Collections from customers	32.01	14,517,692	14,931,843
Cash paid to suppliers	32.02	(10,838,423)	(9,940,091)
Cash paid for operating expenses	32.03	(3,480,560)	(2,693,956)
Other income/ (expense)		31,541	5,981
Net Interest income/(expense)		68,726	61,187
Income tax paid	33.00	(301,210)	(316,139)
Net cash generated/(used) from operating activities (a)		(2,234)	2,048,825
Cash flows from investing activities			
Acquisition of non-current assets	34.00	(301,083)	(267,709)
Proceed from sale of non-current assets	35.00	5,166	578
Net cash used in investing activities (b)		(295,917)	(267,131)
Cash flows from financing activities			
Payment of UPAS loan and financial Expenses		(1,189,703)	(2,802,382)
Payment of dividend		(141,259)	(141,259)
Net lease payment	36.00	(40,363)	(53,268)
Net cash flow used in financing activities (c)		(1,371,325)	(2,996,909)
Net increase/(decrease) in cash and cash equivalents (a+b+c)		(1,669,476)	(1,215,215)
Opening cash and cash equivalents*		2,979,438	4,194,654
Closing cash and cash equivalents*		1,309,962	2,979,438

* 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.



Md. Saikat Khan
Company Secretary



Md. Emdadul Haque, FCA
Director & Chief Financial Officer



Ong Kian Hock Terence
Managing Director

For the year ended 31 December 2025

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 PLC. and Chattogram Stock Exchange PLC.

The number of employees at the year end was 324 (2024: 332).

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, RubyCement and ScanCement.

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
- ii. Statement of profit and loss and other comprehensive income
- iii. Statement of changes in equity
- iv. Statement of cash flows
- v. Notes to the financial statement

2.03 Date of authorization

The board of directors of the Company has authorized these financial statements for issue on 23 April 2026.

For the year ended 31 December 2025

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 2025 the Company has net current deficit of BDT 565,840k due to reduction in cash at bank balance, 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	Provision for bad debt on trade receivables
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 utilized"
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.

For the year ended 31 December 2025

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	2025	2024
1 US Dollar = BDT	122.17	109.54
1 EURO = BDT	143.51	120.92
1 AUD = BDT	81.527	74.00

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.

For the year ended 31 December 2025

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 amortized 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 amortized 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.

For the year ended 31 December 2025

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	2025	2024
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 recognizes 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.

For the year ended 31 December 2025

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 recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes 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.

For the year ended 31 December 2025

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 Ordinance 2025.

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.

For the year ended 31 December 2025

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.

For the year ended 31 December 2025

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 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.

3.23 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.

3.24 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.

3.25 Standard issued but not yet effective

A number of new standards and amendments to standards are effective for annual period beginning on 1 January 2025 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 2025 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 2024	104,612	104,612
Addition	-	-
Balance as at 31 December 2024	104,612	104,612
Amortization		
At 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 (WDV) at 31 December 2024	53,258	53,258
Cost		
At 01 January 2025	104,612	104,612
Addition	-	-
Disposal	(4,333)	(4,333)
Balance as at 31 December 2025	100,279	100,279
Amortization		
At 01 January 2025	51,354	51,354
Charge during the year	13,307	13,307
Disposal	(4,333)	(4,333)
Balance as at 31 December 2025	60,328	60,328
Net book value at 31 December 2025	39,951	39,951

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 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
Cost					
At 01 January 2025	4,080,771	7,482,243	248,451	107,982	11,919,447
Additions	19,658	246,250	17,186	-	283,094
Disposal	-	(3,152)	(13,811)	(14,733)	(31,696)
Balance as at 31 December 2025	4,100,429	7,725,341	251,826	93,249	12,170,846
Depreciation					
At 01 January 2025	1,585,000	5,252,476	192,363	63,499	7,093,338
Charge during the year	101,262	256,601	18,418	8,918	385,199
Disposal	-	(2,966)	(10,441)	(7,476)	(20,883)
Balance as at 31 December 2025	1,686,261	5,506,110	200,341	64,941	7,457,654
Net book value at 31 December 2025	2,414,168	2,219,231	51,485	28,308	4,713,192

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

Particular(s)	2025	2024
Land and building		
Non-factory building	19,658	85,958
	19,658	85,958
Plant and machinery		
Equipment apparatus and accessories	150,124	196,421
Electrical installation	90,515	79,293
Tools and equipment	5,612	19,030
	246,251	294,743
Furniture and equipment		
Furniture and fixture	784	1,309
Sundry assets	576	1,842
Computer	9,986	24,503
Office equipment	5,839	8,983
	17,185	36,638
	283,094	417,339

5.02 Details of disposal of property, plant and equipment

Particular(s)	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Mode of disposal
Software	4,333	4,333	-	-	Company policy/ Retirement
Plant and machinery	3,152	2,966	186	733	Company policy/ Retirement/tender
Furniture and equipment	13,811	10,441	3,370	253	Company policy/ Retirement/tender
Transport and vehicles	14,733	7,476	7,257	4,180	Company policy/ tender
Total 2025	36,029	25,216	10,813	5,166	
Total 2024	16,304	13,056	3,248	578	

5.03 Lease assets- ROU

A. Leases as lessee

Particular(s)	RoU land and buildings	RoU transport and vehicles	Total
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
Cost			
At 01 January 2025	726,918	188,736	915,654
Additions	44,407	-	44,407
Disposal	-	-	-
Balance as at 31 December 2025	771,325	188,736	960,061
Depreciation			
At 01 January 2025	276,522	188,736	465,258
Charge during the year	48,898	-	48,898
Disposal	-	-	-
Balance as at 31 December 2025	325,420	188,736	514,156
Net book value at 31 December 2025	445,905	-	445,905

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B. Leases as lessor

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

	Particular(s)	2025	2024
5.04	Allocation of depreciation & amortization expense		
	Manufacturing, labor and overheads (note 25.04)	397,249	404,378
	Warehousing, distribution and selling expenses (note 27)	12,092	29,347
	Administrative expenses (note 28)	38,063	44,347
		447,404	478,072

6.00 Capital works-in-progress

Particular(s)	Intangible Assets	Land and Buildings	Plant and Machinery	Furniture and Equipment	Total
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
At 01 January 2025	-	2,120	43,779	6,086	51,985
Addition	2,563	38,457	247,360	12,703	301,083
Capitalized during the year	-	(19,658)	(246,250)	(17,186)	(283,094)
At 31 December 2025	2,563	20,919	44,890	1,602	69,974

7.00 Inventories

Particular(s)	2025	2024
Raw materials	1,155,402	1,137,157
Finished goods	82,227	73,553
Packing materials	111,178	122,297
Stores and spares	829,975	780,043
	2,178,782	2,113,050
Provision for slow moving stores and spares	(183,384)	(45,349)
	1,995,398	2,067,701

8.00 Trade and other receivables

Trade Receivables	Note: 8.01	286,327	289,555
Provision for bad debt		(79,893)	(80,556)
		206,434	208,999
Other Receivables	Note: 8.02	27,901	50,010
		234,335	259,009

8.01 Trade receivables

Considered good	206,434	208,999
Considered doubtful	79,893	80,556
	286,327	289,555

8.02 Other Receivables

Third party	17,915	35,010
Inter-company	9,986	15,000
	27,901	50,010

Receivable covered under security	203,235	271,375
Outstanding for a period exceeding six months.	111,203	89,409

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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.

9.00 Advances, deposits and prepayments

Particular(s)	2025	2024
Advance paid to suppliers and employees	11,279	26,256
Letter of Credit (LC) margin	2,188	20,895
Security and other deposits	472,347	252,010
Prepayments	30,684	13,774
	516,498	312,935

10.00 Cash and cash equivalents

Particular(s)	2025	2024
Cash in hand	63	35
Cash at bank in current accounts	115,532	60,167
Short term bank deposits (STD)	162,409	359,072
Fixed deposits receipts (FDR)	1,031,958	1,636,958
Government treasury bill	-	923,206
	1,309,962	2,979,438

FDR includes an amount of BDT 16,958 thousand (2024: 16,958 thousand) held under lien in favor of Customs Authority.

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)	2025	2024
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)	2025	2024
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 (%)		2025	2024
	2025	2024		
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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Particular(s)	Percentage (%)		2025	2024
	2025	2024		
Bangladeshi shareholders				
General public	10.49%	10.79%	59,306	60,988
Company's employees	0.18%	0.18%	1,031	1,031
Investment Corporation of Bangladesh (ICB)	16.11%	16.11%	91,030	91,030
Other financial institutions	12.55%	12.25%	70,895	69,213
	39.33%	39.33%	222,262	222,262
	100.00%	100.00%	565,036	565,036

11.04 Classification of shareholders by holding

Shareholding range	Number of shareholders	
	2025	2024
Less than 5000 shares	8,471	9,459
5001 to 50,000 shares	179	229
50,001 to 200,000 shares	30	34
200,001 to 500,000 shares	7	9
500,001 to 10,000,000 shares	6	6
Over 10,000,000 shares	2	2
	8,695	9,739

11.05 Option on un-issued shares

There is no option on un-issued share capital

12.00 Capital reserve

Particular(s)	2025	2024
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)	2025	2024
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)	2025	2024
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)	2025	2024
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 13.00)	2,565	2,565
Quasi equity loan (note 14.00)	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)	2025	2024
Short term UPAS loan	-	1,189,703
	-	1,189,703

16.00 Lease liability-RoU

Particular(s)	2025	2024
Lease liability (non-current portion)	138,953	140,471
Lease liability (current Portion)	35,331	29,769
	174,284	170,240

Maturity analysis of lease liabilities

No later than one month	25,023	20,212
Later than one month and not later than three months	1,761	4,423
Later than three months and not later than one year	8,546	5,134
Later than one year and not later than five years	109,952	84,561
More than five years	29,002	55,910
	174,284	170,240

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 2024 the Company has contributed 11.3% (2021: 13.30%) 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	2025	2024
Discount rate	7%	7%
Expected return of fund assets	7%	7%
Rate of expected increase in salaries	6%	6%

18.00 Deferred tax liability

Particular(s)	2025	2024
Opening balance	125,262	107,084
Provision/ (reversal) made during the year	(15,982)	18,178
	109,280	125,262

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

Particular(s)	2025	2024
Property, plant and equipment	203,520	221,526
Provision for lease liability and right of use assets	(4,849)	(68,721)
Provision for inventories and other	(73,412)	(11,432)
Provision for doubtful debts	(15,979)	(16,111)
	109,280	125,262

18.02 Movement in deferred tax liabilities

Particular(s)	Net balance at 01 Jan 2025	Recognized in Profit or loss	Net balance at 31 Dec 2025
Property, plant and equipment	221,526	(18,006)	203,520
Provision for lease liability and right of use assets	(68,721)	63,872	(4,849)
Provision for inventories and others	(11,432)	(61,980)	(73,412)
Provision for doubtful debts	(16,111)	132	(15,979)
	125,262	(15,982)	109,280

19.00 Trade and other payables

Particular(s)	2025	2024
Trade payables	2,403,998	2,530,377
Creditors for other finance (note 19.01)	135,898	174,285
Creditors for revenue expenses (note 19.02)	1,696,629	1,958,202
Interest accrued	299,700	299,700
	4,536,225	4,962,564

19.01 Creditors for other finance

Particular(s)	2025	2024
Security deposits	29,000	26,700
VAT deduction at source	39,375	26,258
Tax deduction at source	42,428	46,671
Receivable to employees provident fund	3,318	(7,427)
Payable for capital expenditure	21,494	32,525
Others	283	49,558
	135,898	174,285

19.02 Creditors for revenue expenses

Particular(s)	2025	2024
Revenue charges	764,549	766,252
Employees remuneration	90,532	86,391
Group license fee	273,084	200,938
Brand license fee	41,868	14,289
Technical know-how fee (note 19.03)	526,596	890,332
	1,696,629	1,958,202

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, @ 0.99% (year 2024 @ 0.92%) of HMBPLC's net sales less the costs of clinker would be used as licensing fees, @ 1.8% of HMBPLC's net sales will be used as service fees and @0.19% of net sales will be used as brand license 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 20,240 thousand. Year 2024 was BDT 38,247 thousand. This represents 5% of net profit before charging WPPF (note 3.14.4).

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21.00 Unclaimed dividend

Particular(s)	2025	2024
Opening balance	-	-
Addition during the year	141,259	141,259
Paid to shareholders	(141,259)	(141,259)
Fund transfer to CMSF	-	-
	-	-

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 2025 the Company transferred total BDT 225,285 thousand, out of this during year 2025 have transferred BDT 2,348 thousand to CMSF.

22.00 Current tax liabilities

Particular(s)	Note	2025	2024
A. Income tax liability			
Opening balance		825,157	578,432
Current year tax liability	22.01	199,918	246,725
		1,025,075	825,157
B. Income tax assets			
Opening balance		693,628	377,489
Tax refund		-	-
Paid during the year		301,210	316,139
		994,838	693,628
Income tax liability (A-B)		30,237	131,529
22.01 Income tax expense			
Current year income tax expense		199,918	315,552
Addition/ (adjustment) from AY 2021-22		-	(68,827)
Income tax liability (A-B)		199,918	246,725

See the reconciliation of tax expense with accounting profit and applicable tax rate in note number 30.

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

- i) 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'.
- ii) 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)	2025	2024
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	12,017,085	14,233,506
v) Capital expenditure authorized but not contracted for	33,722	24,531
vi) Capital expenditure authorized and committed for	4,578	88,683
	12,259,145	14,550,480

The Company's income tax assessments for certain years are currently under review at various appellate stages. Based on a thorough evaluation of the relevant facts, applicable laws, and professional advice, management is confident that the Company's positions are robust and likely to be sustained upon final resolution. Accordingly, the existing tax positions and provisions are considered appropriate and sufficient to address any potential obligations arising from the completion of the appellate process.

24.00 Sales

Particular(s)	2025	2024
Income generated from sales	14,515,127	14,740,223
	14,515,127	14,740,223

24.01 Domestic/ export sales

Domestic	14,514,444	14,735,306
Export	683	4,917
	14,515,127	14,740,223

24.02 Plant- wise sales

Chattogram	5,359,462	4,577,258
Kanchpur	7,078,732	7,368,179
Mukterpur	2,076,933	2,794,786
	14,515,127	14,740,223

25.00 Cost of goods sold

Opening stock of raw and packing materials (note 25.01)	1,259,454	723,959
Raw and packing materials purchased (note 25.01)	10,773,710	11,322,894
Closing stock of raw and packing materials (note 25.01)	(1,266,580)	(1,259,454)
Raw and packing materials consumed	10,766,584	10,787,399
Manufacturing, labor and overheads (note 25.04)	2,225,849	2,131,989
Cost of production	12,992,433	12,919,388
Opening stock of finished goods	73,553	146,692
Closing stock of finished goods	(82,227)	(73,553)
	12,983,759	12,992,527

25.01 Raw and packing materials consumed

Opening inventory:

Clinker	806,414	223,169
Gypsum	81,973	92,388
Iron slag	91,765	42,773
Limestone & others	62,678	118,603
Fly ash	94,327	84,774
Packing materials	122,297	162,252
	1,259,454	723,959

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Particular(s)	2025	2024
Purchase:		
Clinker	7,177,970	7,809,057
Gypsum	309,101	357,111
Iron slag	1,196,018	1,035,882
Limestone & others	565,340	505,064
Fly ash	737,719	875,007
Packing materials	787,562	740,773
	10,773,710	11,322,894
Raw & packing materials available for consumption	12,033,164	12,046,853
Closing inventory:		
Clinker	(756,800)	(806,414)
Gypsum	(67,075)	(81,973)
Iron slag	(182,814)	(91,765)
Limestone and others	(91,278)	(62,678)
Fly ash	(57,436)	(94,327)
Packing materials	(111,178)	(122,297)
	(1,266,581)	(1,259,454)
Raw and packing materials consumed	10,766,584	10,787,399

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 2025	11	73,553	13	82,227	1,842	14,515,127
Year 2024	23	146,692	11	73,553	1,816	14,740,223

25.03 Analysis of raw materials consumption (figures in thousand)

	2025		2024	
	Qty-M.T	BDT	Qty-M.T	BDT
Raw materials				
Clinker	1,059	7,227,584	1,077	7,225,811
Gypsum	92	323,999	84	367,526
Iron slag	323	1,104,969	268	986,890
Limestone and others	138	536,740	139	560,989
Fly ash	230	774,610	236	865,454
Packing materials ('000 Pcs)	34,418	798,681	33,365	780,729
		10,766,583		10,787,399

25.04 Manufacturing, labor and overheads

Particular(s)	2025	2024
Cost of consumable	93,515	116,298
Power cost	941,180	906,391
Staff cost	245,762	247,233
Provision for slow- moving stores and spares	138,036	31,562
Depreciation	397,249	404,378
Store and spare consumed	294,019	318,447
Entertainment	12,024	11,152
Insurance	18,923	15,631
Freight and transportation cost	15,326	14,100
Fees and charges	8,379	6,933
Rent and rates	20,426	20,865
Office supplies and stationary	4,083	4,114
Employee engagement and company events	19,081	16,440
Repair and maintenance	16,048	14,381
Telephone, mobile and postage cost	1,273	1,436
Other factory overhead	525	2,628
	2,225,849	2,131,989

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	Particular(s)	2025	2024
26.00	Other operating income/ (expenses)		
	Berth hire charge	2,188	828
	Scrap sales and sundry recoveries	1,945	6,558
	Profit/ (loss) on sale of tangible assets	(5,647)	(2,670)
		(1,514)	4,716
27.00	Warehousing, distribution and selling expenses		
	Staff cost	140,314	120,288
	Distribution expense	112,395	84,622
	Bad debt written- off	663	685
	Bad debt provision released	(663)	(685)
	Rent and rates	34,692	30,328
	Entertainment	246	445
	Advertisement expense	153,042	69,209
	Promotional expense	64,582	61,619
	Depreciation	12,092	29,347
	Travel & conveyance expense	37,483	28,229
	Repair and maintenance	975	1,349
	Office supplies and stationary	1,165	1,007
	Telephone, mobile and postage cost	2,319	2,334
	Other expenses	1,783	926
		561,088	429,703
28.00	Administrative expenses		
	Staff cost	158,920	148,412
	Rent and rates	7,098	13,744
	Entertainment	4,858	8,703
	Legal and professional fees	21,770	11,470
	Group License fees	72,147	69,133
	Brand license fees	27,579	14,289
	Technical know-how fees	261,272	265,324
	Depreciation	24,874	31,158
	Amortization	13,189	13,189
	Travel & conveyance expense	14,892	14,553
	Telephone, mobile and postage cost	1,259	1,226
	Energy cost	1,313	1,813
	Office supplies, printing and stationary	2,562	3,169
	Electronic data processing expense	2,032	2,001
	AGM and other meetings	1,801	1,869
	Employee engagement and company events	4,584	3,546
	Subscription fees	1,281	1,435
	Repair and maintenance	7,826	8,240
	Bank charge	2,279	3,121
	Other administrative expenses	1,162	2,562
		632,698	618,957
29.00	Net finance income/ (expenses)		
	Bank interest income on fixed deposits	180,832	332,633
	Finance Lease interest expenses	(13,589)	(13,527)
	Other interest & bank charge expenses	(97,690)	(256,198)
		69,553	62,908
	Net exchange gain/(loss)	(827)	(1,721)
		68,726	61,187

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30.00 Tax expense

The corporate tax rate applicable for the Company is 20% for the year 2025 (2024: 20%) as a "Publicly Traded Company". Current year tax provision has been accounted for at BDT 199,918 (2024: BDT 315,552) thousand.

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

Particular(s)	2025%	2024%	2025	2024
Profit/(loss) before tax	-	-	384,554	726,692
Income tax @ statutory rate	20.0%	20.0%	76,911	145,338
Inadmissible expenses	32.0%	23.4%	123,007	170,214
Current tax charges	52.0%	43.4%	199,918	315,552

As per the new Finance Ordinance 2025-26, Heidelberg Materials Bangladesh PLC. (HMBPLC)- (cement manufacturer) has to pay the minimum tax u/s 163 subject to the higher of (a) at the rate of 1% 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; and tax deducted at source of bank interest income u/s 102. (c) at the corporate tax rate is 20% on taxable income. However, clause no. (a) and (b) are under minimum tax which can be carried forward for the subsequent period.

31.00 Basic and diluted earnings per share (EPS)

Particular(s)	2025	2024
Total profit attributable to the ordinary shareholders	200,618	461,789
Weighted average number of shares (56,503,580) outstanding	56,504	56,504
Basic and diluted earnings per share (EPS)	3.55	8.17

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 include 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, payment of dividend and lease liability.

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32.01 Collection from customers

Particular(s)	2025	2024
Revenue	14,515,127	14,740,223
Opening balance of accounts receivable	208,999	400,619
Closing balance of accounts receivables	(206,434)	(208,999)
	14,517,692	14,931,843

32.02 Cash paid to suppliers

Cost of material and spare parts consumption	10,712,044	11,376,316
Opening balance of trade payables	2,530,377	1,094,152
Closing balance of trade payables	(2,403,998)	(2,530,377)
	10,838,423	9,940,091

32.03 Cash paid for operating expenses

Paid on labor and overhead less stores and spares consumed	2,311,989	1,677,589
Paid Warehousing distribution and selling	548,996	400,356
Paid on Administrative expense	581,328	574,610
Paid on Contribution to WPPF	38,247	41,401
	3,480,560	2,693,956

33.00 Income tax paid

During the year the company has paid BDT 301,210 thousand (2024: BDT 316,139 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. The company has paid BDT 306,383 thousand (2024: 267,709) during the year.

35.00 Proceed from sale of non-current assets

Plant and machinery	733	300
Furniture and equipment	253	278
Transport and vehicles	4,180	-
	5,166	578

36.00 Payment of dividend

In 2025, the Company paid dividend BDT 141,259 thousand (2024: BDT 141,259 thousand).

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

Particular(s)	2025	2024
Operating activities		
Profit/(loss) before tax	384,554	726,692
Depreciation of property, plant and equipment	434,096	464,765
Amortization of intangible assets	13,307	13,307
Loss/(Profit) on sale of Fixed Assets	5,647	2,668
(Increase)/Decrease in inventories	72,303	(476,817)
(Increase)/Decrease in Trade and other receivable	24,674	190,248
(Increase)/Decrease in advance, deposits and prepayments	(203,563)	357,973
Increase/(Decrease) in Trade & other payables	(426,339)	1,076,976
Increase/(Decrease) in Provision for WPPF	(18,007)	(3,154)
Increase/(Decrease) in Jetty Dismantling provision	12,304	12,306
Income tax paid	(301,210)	(316,139)
Net cash flow generated from operating activities	(2,234)	2,048,825

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38.00 Bank facilities

Particular(s)	2025	2024
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.	1,588,210	1,554,631
Bank Asia PLC.	500,000	500,000
BRAC Bank PLC.	1,950,000	1,950,000
Prime Bank PLC.	950,000	950,000
National Credit and Commerce Bank PLC.	-	600,000
Southeast Bank PLC.	1,500,000	1,500,000
Eastern Bank PLC.	-	950,000
United Commercial Bank PLC.	-	1,700,000
Dutch-Bangla Bank PLC.	1,000,000	-
	12,017,085	14,233,506
Short term loan facilities		
Standard Chartered Bank	300,000	300,000
Prime Bank PLC.	50,000	50,000
BRAC Bank PLC.	50,000	50,000
Eastern Bank PLC.	-	50,000
	400,000	450,000
Bank Guarantee opened ended		
Standard Chartered Bank	63,000	63,000
	63,000	63,000
	12,480,085	14,746,506

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	
	2025	2024
Employment through out the year in receipt of remuneration aggregating BDT 36,000 or more per year	324	332
	324	332

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)	2025	2024
Foreign travel for Company's business purpose	4,289	3,487
	4,289	3,487

40.01 Remittances of foreign currency

Particular(s)	2025		2024	
	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	50,609
Heidelberg Materials Asia Holding GmbH	11,784,390	25,042	11,784,390	25,042
Total dividend	34,277,410	75,651	34,277,410	75,651
Heidelberg Materials Asia Pte. Ltd.		500,006		-
Total remittance		575,657		75,651

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41.00 Value of Imports-at CIF basis

Particular(s)	2025	2024
Raw materials	7,961,679	7,570,804
Capital Goods	40,227	105,609
Store & Spares	127,629	131,881
	8,129,535	7,808,293

42.00 Remuneration of Directors, Managers and Officers

42.01 Managerial Remuneration - Managers and Officers

Salary and bonus	285,843	265,618
Retirement benefits	23,855	14,248
Provident fund	11,370	10,460
Medical	9,240	10,417
Other	1,848	3,221
	332,156	303,965

42.02 Paid to Directors

Board meeting fee	16	17
TA/DA	412	402
	428	418

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	
				2025	2024	2025	2024
1	Heidelberg Materials Asia Pte. Ltd	Group Entity	Technical Service	261,272	265,324	(526,596)	(890,332)
2	Heidelberg Materials AG	Group Entity	Group license fee	72,147	69,133	(273,084)	(200,938)
			Brand license fee	27,579	14,289	(41,868)	(14,289)
			Payment of expenses	-	2,602	(4,238)	(4,644)
3	PT Indocement Tunggul Prakarsa Tbk.	Group Entity	Payment of expenses	-	590	(7,170)	(7,018)
4	Heidelberg Materials Australia	Group Entity	Payment of expenses	-	-	(7,809)	(7,088)
5	Heidelberg Materials Asia Pte. Ltd	Group Entity	Recovery of expenses	(288)	(1,287)	1,575	1,287
6	Heidelberg Materials Butra Sdn. Bhd.	Group Entity	Recovery of expenses	(827)	(7,585)	8,412	7,585
7	HM Trading Global (APAC) Pte. Ltd.	Group Entity	Clinker	6,282,373	3,809,300	(1,139,786)	(1,628,214)
			Limestone	247,066	189,999	(65,746)	(56,599)
			Slag	890,433	241,766	(298,251)	(141,770)
			Gypsum	247,024	162,733	(54,773)	(133,389)

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During 2025, 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 2025 during the ensuing financial year of the Company i.e. the year ended 31 December 2025. 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 16 June 2025 and the shareholders approved the same.

The closing balances of receivables/payables are shown as gross values (including tax).

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.

31 December 2025	Note	Carrying amount		Fair value	
		Financial assets at amortized cost	Other financial liabilities	Total	Total
Financial assets not measured at fair value					
Trade and other receivables	8	234,335	-	234,335	234,335
Cash and cash equivalents	10	1,309,962	-	1,309,962	1,309,962
		1,544,297	-	1,544,297	1,544,297
Financial liabilities not measured at fair value					
Trade and other payables	19	-	4,536,225	4,536,225	4,536,225
		-	4,536,225	4,536,225	4,536,225
31 December 2024					
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

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.

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(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 provision for bad debt 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)	2025	2024
Trade and other receivables	314,228	339,565
Provision for bad debt	(79,893)	(80,556)
Total Trade and other receivables	234,335	259,009

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 2025	Carrying amount	Contractual cash flows				
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade payables (note 19)	2,403,998	2,403,998	-	-	-	-
Creditors for other finance (note 19.01)	135,898	135,898	-	-	-	-
Creditors for revenue expenses (note 19.02)	1,696,629	1,423,503	131,805	141,321	-	-
Interest accrued (note 19)	299,700	-	-	-	-	299,700
	4,536,225	3,963,399	131,805	141,321	-	299,700
31 December 2024						
Trade payables (note 19)	2,530,377	2,530,377	-	-	-	-
Creditors for other finance (note 19.01)	174,285	174,285	-	-	-	-
Creditors for revenue expenses (note 19.02)	1,958,202	1,958,202	-	-	-	-
Interest accrued (note 19)	299,700	-	-	-	-	299,700
Borrowings (note 15)	1,189,703	1,189,703	-	-	-	-
	6,152,267	5,852,567	-	-	-	299,700

Heidelberg Materials Bangladesh PLC.

Notes to the financial statements

For the year ended 31 December 2025

(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	
		2025	2024
Borrowings (variable rate)	15	-	1,189,703
		-	1,189,703

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 2025 and 2024.

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.

47.00 Capacity and production

Particular(s)	Installed capacity	Actual production	
	Single shift	Multiple shifts as applicable	
	Qty-M.T.	2025	2024
Line of business			
Gray cement - Kanchpur	1,547,000	889,079	895,557
Gray cement - Chattogram	1,303,000	692,518	568,106
Gray cement - Mukterpur	660,000	261,469	340,881
	3,510,000	1,843,066	1,804,544

For the year ended 31 December 2025

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

48.00 Events after the reporting period

48.01 Proposed dividend

During the year the Board of Directors in its meeting held of 23 April 2026 proposed cash dividend of 11% for the year 2025. (2024: 25%).

The proposed dividend is not recognized as a liability at the statement of financial position 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	(2,234)	2,048,825
Weighted average number of ordinary shares outstanding	56,504	56,504
	(0.04)	36.26

Cash flows from operating activities were marginally negative in 2025, mainly due to timing differences in LC-related payments to foreign suppliers, including settlement of certain prior year liabilities. Duty payments also increased because of the changes in regulations. Despite lower revenue compared to 2024, the Company maintained strong collection efficiency, with collections exceeding sales. Operating cash flows have normalized and turned positive subsequent to year-end, indicating stable underlying cash generation.

49.01 Net assets value (NAV) per share

Net assets as at 31 December (represented by shareholders' equity)	4,176,745	4,117,386
Weighted average number of ordinary shares outstanding	56,504	56,504
	73.92	72.87

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.

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

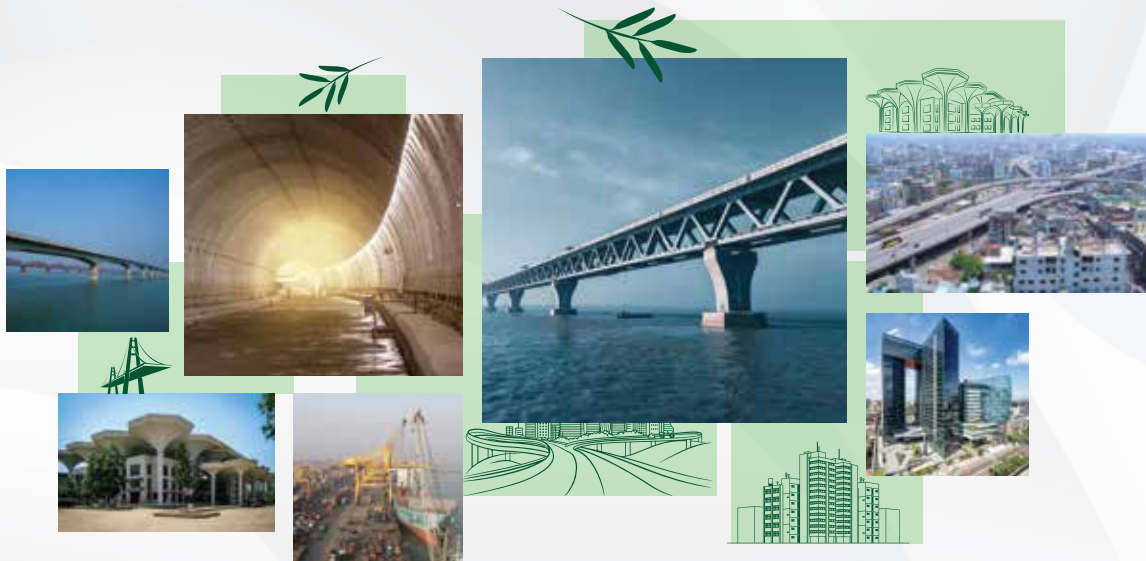






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