

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2024

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
Revenue	283,714	306,661	283,714	306,661
Cost of sales	(176,207)	(195,502)	(176,207)	(195,502)
Gross profit	107,507	111,159	107,507	111,159
Operating expenses	(43,941)	(43,524)	(43,941)	(43,524)
Other operating income	1,335	1,821	1,335	1,821
Operating profit	64,901	69,456	64,901	69,456
Interest income	521	346	521	346
Finance costs	(3,546)	(5,929)	(3,546)	(5,929)
Profit before taxation	61,876	63,873	61,876	63,873
Taxation	(14,457)	(15,546)	(14,457)	(15,546)
Profit for the period attributable to owners of the Company	47,419	48,327	47,419	48,327
Earnings per ordinary share (sen):-				
(a) Basic	6.55	9.46	6.55	9.46
(b) Diluted	N/A	6.67	N/A	6.67

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2024.

HUME CEMENT INDUSTRIES BERHAD (198001008443 (62227-X))
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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2024 (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
Profit for the period	47,419	48,327	47,419	48,327
Foreign currency translation differences for foreign operations	-	(11)	-	(11)
Cash flow hedge	(11,212)	139	(11,212)	139
Total comprehensive income for the period	36,207	48,455	36,207	48,455

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2024.

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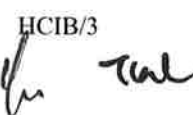

HUME CEMENT INDUSTRIES BERHAD (198001008443 (62227-X))
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
 30 SEPTEMBER 2024**

	As At End of Current Quarter 30/09/2024 RM'000	As At End of Preceding Financial Year 30/06/2024 RM'000
ASSETS		
Property, plant and equipment	685,832	700,637
Right-of-use assets	37,790	38,331
Investment property	5,615	5,679
Deferred tax assets	2,483	2,483
Tax credit receivables	144,703	144,703
Total non-current assets	876,423	891,833
Inventories	134,478	126,532
Trade and other receivables	94,689	94,225
Current tax assets	1	1
Cash and cash equivalents	112,406	108,305
	341,574	329,063
Assets classified as held for sale	1,216	1,216
Total current assets	342,790	330,279
TOTAL ASSETS	1,219,213	1,222,112
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	651,567	651,567
Reserves	(32,360)	(66,704)
TOTAL EQUITY	619,207	584,863
LIABILITIES		
Borrowings	161,451	177,315
Lease liabilities	3,048	3,205
Deferred tax liabilities	100,455	86,670
Deferred income	69,274	71,064
Employee benefits	245	264
Other payable	710	579
Total non-current liabilities	335,183	339,097
Borrowings	77,047	124,601
Lease liabilities	818	965
Deferred income	7,158	7,158
Trade and other payables	174,901	160,379
Contract liabilities	4,438	3,794
Tax payable	461	1,255
Total current liabilities	264,823	298,152
TOTAL LIABILITIES	600,006	637,249
TOTAL EQUITY AND LIABILITIES	1,219,213	1,222,112
Net assets per share attributable to owners of the Company	0.85	0.81

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2024.

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The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2024

/-----Attributable to owners of the Company-----/
 /-----Non-distributable-----/

	Share capital	Redeemable convertible unsecured loan stocks ("RCULS") – equity portion	Hedging reserve	Exchange fluctuation reserve	Reserve for own share	Executive share scheme ("ESS") reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 September 2024								
At 1 July 2024	651,567	-	32	-	(708)	586	(66,614)	584,863
Profit for the period	-	-	-	-	-	-	47,419	47,419
Other comprehensive expense								
- Cash flow hedge	-	-	(11,212)	-	-	-	-	(11,212)
Total comprehensive (expense)/income for the period	-	-	(11,212)	-	-	-	47,419	36,207
<i>Contribution by and distribution to owners of the Company</i>								
- Share-based payments	-	-	-	-	-	1,362	-	1,362
- Own share acquired	-	-	-	-	(3,225)	-	-	(3,225)
Total transactions with owners of the Company	-	-	-	-	(3,225)	1,362	-	(1,863)
At 30 September 2024	651,567	-	(11,180)	-	(3,933)	1,948	(19,195)	619,207

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The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (cont'd)

	Attributable to owners of the Company						Accumulated losses	Total equity
	Share capital	Redeemable convertible unsecured loan stocks ("RCULS") – equity portion	Hedging reserve	Exchange fluctuation reserve	Reserve for own share	Executive share scheme ("ESS") reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Preceding year corresponding period ended 30 September 2023								
At 1 July 2023	500,989	124,620	622	351	(125)	22	(197,646)	428,833
Profit for the period	-	-	-	-	-	-	48,327	48,327
Other comprehensive income/(expense)								
- Foreign currency translation difference	-	-	-	(11)	-	-	-	(11)
- Cash flow hedge	-	-	139	-	-	-	-	139
Total comprehensive income/(expense) for the period	-	-	139	(11)	-	-	48,327	48,455
<i>Contribution by and distribution to owners of the Company</i>								
- Conversion of RCULS	630	(522)	-	-	-	-	(85)	23
- Share-based payments	-	-	-	-	-	(22)	-	(22)
Total transactions with owners of the Company	630	(522)	-	-	-	(22)	(85)	1
At 30 September 2023	501,619	124,098	761	340	(125)	-	(149,404)	477,289

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2024.

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

	Current Year-To-Date	Preceding Year Corresponding Period
	30/09/2024 RM'000	30/09/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	61,876	63,873
Adjustments for:-		
Depreciation and amortisation	17,984	17,293
Non-cash items	1,707	1,817
Net financing costs	3,025	5,583
Operating profit before changes in working capital	84,592	88,566
Changes in working capital		
Net change in current assets	(10,280)	(15,373)
Net change in current liabilities	4,100	6,137
Taxation paid	(1,043)	(468)
Net financing costs paid	(2,705)	(5,393)
Employee benefits paid	(20)	-
Net cash generated from operating activities	74,644	73,469
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(3,437)	(3,403)
Proceeds from disposal of property, plant and equipment	3	-
Net cash used in investing activities	(3,434)	(3,403)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	99,164	338,395
Repayments of borrowings	(162,655)	(407,325)
Payment of lease liabilities	(393)	(397)
Purchase of trust shares	(3,225)	-
Net cash used in financing activities	(67,109)	(69,327)
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,101	739
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	108,305	51,660
EFFECT ON FOREIGN EXCHANGE	-	(11)
CASH & CASH EQUIVALENTS AT END OF PERIOD	112,406	52,388
Cash and cash equivalents included in the consolidated statements of cash flows comprise the following statements of financial position amounts:		
	30/09/2024 RM'000	30/09/2023 RM'000
Deposits, cash and bank balances	112,406	52,388

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2024.

The figures have not been audited

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2024. This interim financial report also complies with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2024 except for the adoption of MFRS accounting standards, interpretations and amendments that are effective for financial year beginning on or after 1 July 2024 which are applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

2. Qualification of audit report of the preceding annual financial statements

The audit report for the preceding annual financial statements was not qualified.

3. Seasonality or cyclical nature of interim operations

The operations of the Group generally follow the performance of the construction industry.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter under review and financial year-to-date.

5. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in estimates of amounts reported in prior financial years.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

During the quarter under review and financial year-to-date, 1,137,100 ordinary shares in the Company were purchased by the Executive Share Scheme (“ESS”) Trust of a subsidiary.

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6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities (cont'd)

As at 30 September 2024, the total number of ordinary shares in the Company held by the ESS Trust was 1,460,100 ordinary shares.

There were no issuance of shares, share buy-back, shares cancellation, resale of treasury shares or repayments of debt or equity securities during the quarter under review and financial year-to-date.

7. Dividend paid

There was no dividends paid during the quarter under review and financial year-to-date.

8. Operating segments

The Group's segmental report for the financial year-to-date is as follows: -

	Construction materials RM'000
Reportable segment profits	<u>64,880</u>
Included in the measure of segment profits are:	
Revenue from external customers	283,047
Depreciation and amortisation	<u>(17,919)</u>

The Group's segmental report for the financial year-to-date is as follows: -

Reconciliation of reportable segment profits to Consolidated Profit Before Taxation ("PBT")

Reportable segment	RM'000 64,880
Non-reportable segments	21
Interest income	521
Finance costs	(3,546)
Consolidated PBT	<u>61,876</u>

	External revenue RM'000	Depreciation and amortisation RM'000
Reportable segment	283,047	17,919
Non-reportable segment	667	65
Total	<u>283,714</u>	<u>17,984</u>

The figures have not been audited

9. Material events not reflected in the financial statements

There are no material subsequent events to be disclosed as at the date of this report, except for the disposal of land by Hume Concrete Sdn Bhd, a wholly-owned subsidiary of the Company, to Skygate Technology (KL) Sdn Bhd for a cash consideration of RM39,800,000, which was completed on 11 October 2024.

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

11. Review of performance

For the quarter under review, the Group recorded revenue of RM283.7 million and profit before taxation (“PBT”) of RM61.9 million as compared with revenue and PBT of RM306.7 million and RM63.9 million for the corresponding quarter of the preceding financial year ended 30 June 2024 (“FY 2024”).

Revenue decreased in the quarter under review as compared with the corresponding quarter of FY 2024 mainly due to lower cement sales volume on lower market demand. Lower PBT recorded in the quarter under review was in line with lower cement sales volume, partially offset by lower input costs and production costs driven by improved manufacturing efficiency.

12. Material changes in profit before taxation (“PBT”) against the immediate preceding quarter

	Current Quarter 30/09/2024 RM’000	Immediate Preceding Quarter 30/06/2024 RM’000
Revenue	283,714	265,909
Profit before taxation	61,876	57,066

The Group recorded PBT of RM61.9 million for the quarter under review as compared with PBT of RM57.1 million for the immediate preceding quarter, mainly attributed to the higher cement sales volume following lower demand in preceding quarter due to seasonality effect.

13. Prospects

The construction sector in Malaysia is projected to grow and the Board anticipates that the demand for our products to grow as major projects are executed. Management will persist in prioritising operational excellence and optimising the cost structure to achieve maximum effectiveness. The Board expects a satisfactory performance in this financial year.

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14. **Profit forecast/profit guaranteed**

This note is not applicable.

15. **Profit before taxation**

	Current Year Quarter	Current Year To-Date
	30/09/2024	30/09/2024
	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting): -		
Depreciation and amortisation	17,984	17,984
Provision for slow moving inventories	2,030	2,030
Gain on foreign exchange	(930)	(930)

16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- current year	249	325	249	325
- prior year	-	-	-	-
	249	325	249	325
Deferred taxation				
- current year	14,208	15,221	14,208	15,221
- prior year	-	-	-	-
	14,208	15,221	14,208	15,221
	14,457	15,546	14,457	15,546

The Group's effective tax rate for the quarter under review is slightly lower than statutory tax rate mainly due to certain income not taxable.

The figures have not been audited

17. Corporate proposals

There are no corporate proposals announced but not completed as at the date of this report.

18. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 30 September 2024 are as follows: -

	RM'000
Borrowings:	
Unsecured short-term borrowings	77,047
Unsecured long-term borrowings	161,451
	<u>238,498</u>

19. Changes in material litigation

There are no material litigations as at the date of this report.

20. Dividend

- (a) The Board has declared an interim single tier dividend of 4.0 sen per share for the quarter ended 30 September 2024 of the financial year ending 30 June 2025 (1st quarter FY 2024: 2.0 sen per share) to be paid on 18 December 2024 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 2 December 2024.

This is to inform that a Depositor shall qualify for the entitlement only in respect of: -

- (i) shares transferred into the Depositor's securities account before 4.30 p.m. on 2 December 2024 in respect of ordinary transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Bursa Malaysia Securities Berhad's Listing Requirements.
- (b) For the financial year-to-date, a total single tier dividend of 4.0 sen per share (1st quarter FY 2024: 2.0 sen per share), has been declared.

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21. **Earnings Per Ordinary Share**

(a) Basic earnings per ordinary share

The basic earnings per ordinary share for the quarter under review is calculated by dividing the Group's profit attributable to owners of the Company of RM47,419,000 (1st quarter FY 2024: RM48,327,000) by the weighted average number of ordinary shares during the quarter of 724,024,531 (1st quarter FY 2024: 510,756,443).

	<i>Weighted average number of ordinary shares</i>			
	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2024 '000	30/09/2023 '000	30/09/2024 '000	30/09/2023 '000
Issued ordinary shares at beginning of period	725,485	510,373	725,485	510,373
ESS Trust shares held at beginning of period	(323)	(96)	(323)	(96)
Effect of ESS Trust shares purchased	(1,137)	-	(1,137)	-
Effect of conversion of RCULS	-	479	-	479
Weighted average number of ordinary shares (basic)	724,025	510,756	724,025	510,756
Basic earnings per ordinary share (sen)	6.55	9.46	6.55	9.46

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21. **Earnings Per Ordinary Share (cont'd)**

(b) Diluted earnings per share

The calculation of diluted earnings per ordinary share for the preceding year corresponding quarter period was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows: -

Profit attributable to ordinary shareholders (diluted)

	Individual Quarter	Cumulative Quarter
	Preceding Year Corresponding Quarter	Preceding Year Corresponding Period
	30/09/2023 RM'000	30/09/2023 RM'000
Profit attributable to ordinary shareholders (basic)	48,327	48,327
Interest expense on RCULS, net of tax	58	58
Profit attributable to ordinary shareholders (diluted)	48,385	48,385
	'000	'000
Weighted average number of ordinary shares as at 30 September (basic)	510,756	510,756
Effect of conversion of RCULS	214,212	214,212
Weighted average number of ordinary shares as at 30 September (diluted)	724,968	724,968
Diluted earnings per ordinary share (sen)	6.67	6.67

The Group's diluted earnings per ordinary share for current quarter under review and current financial year-to-date approximates its basic earnings per ordinary share.

The figures have not been audited

22. Derivatives

The Group uses forward foreign exchange contracts to manage its exposure to various financial risks.

Forward foreign exchange contracts

The Group has entered into a number of forward foreign exchange contracts by a subsidiary to hedge the cash flow risk in relation to the variations of cash flows arising from future forecasted transactions.

The forward foreign exchange contracts are stated at fair value using observable market prices in active markets, including recent market transactions and valuation techniques that include discounted cash flow models and option pricing models, as appropriate.

As at 30 September 2024, the contract amount, fair value and maturity tenor of the forward foreign exchange contracts were as follows:

	Contract amount	Fair Value Assets /(Liabilities)
	RM'000	RM'000
Less than 1 year	135,173	(11,180)

Derivatives (which are classified as financial assets/liabilities) categorised as fair value through profit or loss are subsequently measured at their fair values with the gains/(losses) recognised in profit or loss.

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the previous financial year ended 30 June 2024.

23. Gains/losses arising from fair value changes of financial liabilities

Other than derivatives which are classified as financial liabilities, when they are at fair value loss position, the Group does not re-measure its financial liabilities at fair value after the initial recognition.

By Order of the Board
Hume Cement Industries Berhad

Wong Wei Fong
Zoe Lim Hoon Hwa
Company Secretaries

Kuala Lumpur
14 November 2024