

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
 31 MARCH 2021

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2021**

| | Individual Quarter | | Cumulative Quarter | |
|---|-------------------------|--|--------------------------|---|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year- To-Date | Preceding Year Corresponding Period |
| | 31/03/2021 RM'000 | 31/03/2020 RM'000 | 31/03/2021 RM'000 | 31/03/2020 RM'000 |
| Revenue | 160,738 | 177,369 | 490,566 | 505,784 |
| Cost of sales | (136,915) | (131,889) | (381,737) | (407,004) |
| Gross profit | 23,823 | 45,480 | 108,829 | 98,780 |
| Operating expenses | (35,889) | (37,026) | (109,825) | (115,844) |
| Other operating income | 2,401 | 912 | 7,056 | 4,045 |
| Operating profit/(loss) | (9,665) | 9,366 | 6,060 | (13,019) |
| Interest income | 147 | 306 | 477 | 1,118 |
| Finance costs | (5,630) | (7,580) | (17,765) | (23,023) |
| Profit/(Loss) before taxation | (15,148) | 2,092 | (11,228) | (34,924) |
| Taxation | 3,338 | (278) | 1,286 | 5,410 |
| Profit/(Loss) for the period attributable to owners of the Company | (11,810) | 1,814 | (9,942) | (29,514) |
| Earnings/(Loss) per ordinary share (sen):- | | | | |
| (a) Basic | (2.36) | 0.37 | (1.99) | (5.98) |
| (b) Fully diluted | N/A | N/A | N/A | N/A |

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020.

HUME CEMENT INDUSTRIES BERHAD (formerly known as Hume Industries Berhad)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
 31 MARCH 2021

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2021 (cont'd)**

| | Individual Quarter | | Cumulative Quarter | |
|--|-------------------------|--|--------------------------|---|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year- To-Date | Preceding Year Corresponding Period |
| | 31/03/2021 RM'000 | 31/03/2020 RM'000 | 31/03/2021 RM'000 | 31/03/2020 RM'000 |
| Profit/(Loss) for the period | (11,810) | 1,814 | (9,942) | (29,514) |
| Foreign currency translation differences for foreign operations | 20 | 48 | (7) | 48 |
| Cash flow hedge | (5) | - | (30) | - |
| Total comprehensive income/(expense) for the period | (11,795) | 1,862 | (9,979) | (29,466) |

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020.

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 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
 31 MARCH 2021

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT
 31 MARCH 2021**

| | As at end of current quarter 31/03/2021 RM'000 | As at end of preceding financial year 30/06/2020 RM'000 |
|---|---|---|
| ASSETS | | |
| Property, plant and equipment | 859,218 | 899,368 |
| Right-of-use assets | 39,536 | 40,828 |
| Investment property | 6,506 | 6,697 |
| Deferred tax assets | 14,865 | 16,031 |
| Tax credit receivables | 145,081 | 145,081 |
| Total non-current assets | 1,065,206 | 1,108,005 |
| Inventories | 66,551 | 64,215 |
| Trade and other receivables | 45,172 | 56,872 |
| Current tax assets | 435 | 658 |
| Cash and cash equivalents | 73,053 | 84,739 |
| Total current assets | 185,211 | 206,484 |
| TOTAL ASSETS | 1,250,417 | 1,314,489 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | |
| Share capital | 494,132 | 491,827 |
| Reserves | (242,337) | (232,276) |
| RCULS - equity portion | 130,297 | 132,204 |
| TOTAL EQUITY | 382,092 | 391,755 |
| LIABILITIES | | |
| Borrowings | 288,615 | 209,140 |
| Lease liabilities | 1,295 | 1,655 |
| Deferred tax liabilities | 21,258 | 24,386 |
| RCULS – liability portion | 16,001 | 21,476 |
| Deferred income | 94,705 | 100,048 |
| Employee benefits | 475 | 458 |
| Other payable | 507 | 507 |
| Total non-current liabilities | 422,856 | 357,670 |
| Trade and other payables | 122,097 | 114,524 |
| Borrowings | 308,832 | 435,968 |
| Lease liabilities | 547 | 706 |
| RCULS – liability portion | 6,835 | 6,679 |
| Deferred income | 7,158 | 7,187 |
| Total current liabilities | 445,469 | 565,064 |
| TOTAL LIABILITIES | 868,325 | 922,734 |
| TOTAL EQUITY AND LIABILITIES | 1,250,417 | 1,314,489 |
| Net assets per share attributable to owners of the Company (RM) | 0.76 | 0.80 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020.

HUME CEMENT INDUSTRIES BERHAD (formerly known as Hume Industries Berhad)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021

| | Share capital | Redeemable convertible unsecured loan stocks (“RCULS”) – equity portion | Hedging reserve | Reserve for own shares | Translation reserve | Executive share scheme 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 31 December 2020 | | | | | | | | |
| At 1 July 2020 | 491,827 | 132,204 | 25 | - | 420 | 50 | (232,771) | 391,755 |
| Profit for the period | - | - | - | - | - | - | (9,942) | (9,942) |
| Other comprehensive income | | | | | | | | |
| - Foreign currency translation difference | - | - | - | - | (7) | - | - | (7) |
| - Cash flow hedge | - | - | (30) | - | - | - | - | (30) |
| Total comprehensive (expense)/income for the period | - | - | (30) | - | (7) | - | (9,942) | (9,979) |
| <i>Contribution by and distribution to owners of the Company</i> | | | | | | | | |
| - Conversion of RCULS | 2,305 | (1,907) | - | - | - | - | (29) | 369 |
| - Share-based payments/transactions | - | - | - | (149) | - | 96 | - | (53) |
| - Shares vested under Executive Share Scheme (“ESS”) | - | - | - | 50 | - | (82) | 32 | - |
| | 2,305 | (1,907) | - | (99) | - | 14 | 3 | 316 |
| At 31 March 2021 | 494,132 | 130,297 | (5) | (99) | 413 | 64 | (242,710) | 382,092 |

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021 (cont'd)

| | Share capital | Redeemable convertible unsecured loan stocks (“RCULS”) – equity portion | Hedging reserve | Reserve for own shares | Translation reserve | Executive share scheme reserve | Accumulated losses | Total equity |
|--|---------------|---|-----------------|------------------------|---------------------|--------------------------------|--------------------|--------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Preceding year corresponding period ended 30 June 2020 | | | | | | | | |
| At 1 July 2019 | 488,306 | 135,109 | (375) | - | 358 | - | (186,903) | 436,495 |
| Loss for the period | - | - | - | - | - | - | (45,904) | (45,904) |
| Other comprehensive income | | | | | | | | |
| - Foreign currency translation difference | - | - | - | - | 62 | - | - | 62 |
| - Cash flow hedge | - | - | 400 | - | - | - | - | 400 |
| Total comprehensive income/(expense) for the period | - | - | 400 | - | 62 | - | (45,904) | (45,442) |
| <i>Contribution by and distribution to owners of the Company</i> | | | | | | | | |
| - Conversion of RCULS | 3,521 | (2,905) | - | - | - | - | 36 | 652 |
| - Share-based payments/transactions | - | - | - | - | - | 50 | - | 50 |
| | 3,521 | (2,905) | - | - | - | 50 | 36 | 702 |
| At 30 June 2020 | 491,827 | 132,204 | 25 | - | 420 | 50 | (232,771) | 391,755 |

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020.

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD
 ENDED 31 MARCH 2021**

| | Current Year-To-Date | Preceding Year Corresponding Period |
|---|-------------------------|---|
| | 31/03/2021 RM'000 | 31/03/2020 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (11,228) | (34,924) |
| Adjustments for:- | | |
| Depreciation and amortisation | 49,851 | 51,706 |
| Non-cash items | (2,117) | 3,733 |
| Dividend income | (440) | (361) |
| Net financing costs | 17,288 | 21,905 |
| Operating profit before changes in working capital | 53,354 | 42,059 |
| Changes in working capital | | |
| Net change in current assets | 5,520 | 23,284 |
| Net change in current liabilities | 7,550 | (13,099) |
| Taxation paid | (455) | (315) |
| Net financing costs paid | (16,176) | (20,672) |
| Dividend received | 440 | 361 |
| Employee benefits paid | (27) | - |
| Net cash generated from operating activities | 50,206 | 31,618 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (9,830) | (8,224) |
| Proceeds from disposal of property, plant and equipment | 6 | 420 |
| Net cash used in investing activities | (9,824) | (7,804) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of borrowings | 469,943 | 551,113 |
| Repayments of borrowings | (517,802) | (535,486) |
| RCULS coupon payment | (4,035) | (4,068) |
| Payment of lease liabilities | (167) | - |
| Net cash (used in)/generated from financing activities | (52,061) | 11,559 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (11,679) | 35,373 |
| CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD | 84,739 | 110,336 |
| EFFECT ON FOREIGN EXCHANGE | (7) | 48 |
| CASH & CASH EQUIVALENTS AT END OF PERIOD | 73,053 | 145,757 |

Cash and cash equivalents included in the consolidated statements of cash flows comprise the following statements of financial position amounts:

| | 31/03/2021 RM'000 | 30/03/2020 RM'000 |
|----------------------------------|----------------------|----------------------|
| Deposits, cash and bank balances | 73,053 | 145,757 |

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020.



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 Standards (“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 2020. This interim financial report also complies with International Accounting Standards 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 2020 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2020 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 cyclicity 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.

The figures have not been audited

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

- (a) For the quarter under review, the issued share capital of the Company has been increased from 500,277,369 ordinary shares to 500,576,868 ordinary shares by the issuance and allotment of 299,499 new ordinary shares arising from the conversion of RM209,650 nominal value of redeemable convertible unsecured loan stocks (“RCULS”) at the conversion price of RM0.70 for every 1 new ordinary share in the Company.

For the financial year-to-date, the issued share capital of the Company has been increased from 497,284,881 ordinary shares to 500,576,868 ordinary shares by the issuance and allotment of 3,291,987 new ordinary shares arising from the conversion of RM2,304,393 nominal value of RCULS at the conversion price of RM0.70 for every 1 new ordinary share in the Company. The outstanding nominal value of RCULS as at 31 March 2021 was RM157,435,607.

- (b) There were no additional shares purchased by the Executive Share Scheme (“ESS”) Trust during the quarter under review and financial year-to-date.

As at 31 March 2021, the total number of ordinary shares in the Company held by the ESS Trust was 133,334 ordinary shares. During the quarter and review and financial year-to-date, a total of 66,666 existing ordinary shares in the Company (“HCIB Shares”) held in the ESS Trust were transferred to an eligible executive of the Group arising from the vesting of free HCIB Shares pursuant to the ESS.

7. Dividend paid

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

The figures have not been audited

8. **Operating segments**

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

| | Construction Materials RM'000 | | |
|--|--|--|---|
| Reportable segment profit | 6,161 | | |
| Included in the measure of segment profit are: | | | |
| Revenue from external customers | 489,042 | | |
| Depreciation and amortisation | 49,651 | | |
| Reconciliation of reportable segment profit to Consolidated LBT | | | |
| Reportable segment | 6,161 | | |
| Non-reportable segments | (101) | | |
| Interest income | 477 | | |
| Finance costs | (17,765) | | |
| Consolidated loss before taxation | (11,228) | | |
| | | External Revenue RM'000 | Depreciation and amortisation RM'000 |
| Reportable segment | | 489,042 | 49,651 |
| Non-reportable segment | | 1,524 | 200 |
| Total | | 490,566 | 49,851 |

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.

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.

The figures have not been audited

11. Review of performance

For the quarter under review, the Group recorded revenue of RM160.7 million and loss before taxation (“LBT”) of RM15.1 million as compared with revenue and profit before taxation (“PBT”) of RM177.4 million and RM2.1 million respectively for the corresponding quarter of the preceding financial year ended 30 June 2020 (“FY 2020”).

Revenue decreased in the quarter under review as compared with the corresponding quarter of FY 2020, mainly due to the higher rebate of cement selling price and lower sales volume recorded in the quarter under review. As a result of higher rebate of cement selling price for the quarter under review, the Group recorded LBT of RM15.1 million as compared with PBT of RM2.1 million in the corresponding quarter of the preceding financial year.

For the financial year-to-date, the Group recorded revenue of RM490.6 million and LBT of RM11.2 million as compared with revenue and LBT of RM505.8 million and RM34.9 million respectively for the corresponding period of FY 2020. Lower LBT recorded in the financial year-to-date was mainly contributed by the cement business with lower rebate of cement selling price.

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

| | Current quarter 31/03/2021 RM’000 | Immediate preceding quarter 31/12/2020 RM’000 |
|-------------------------------|--|--|
| Revenue | 160,738 | 155,517 |
| (Loss)/Profit before taxation | (15,148) | 1,101 |

The Group recorded LBT of RM15.1 million for the quarter under review as compared with PBT of RM1.1 million for the immediate preceding quarter, mainly attributable to lower cement sales volume coupled with a higher rebate of cement selling price.

13. Prospects

Malaysia has imposed additional control measures nationwide to battle the COVID-19 threat. This has affected the construction activities and recovery potential remains unpredictable. Though market condition continues to be challenging, the Group will focus on operational efficiency and cost containment while keeping track on market opportunity as it emerges.

14. Profit forecast / profit guaranteed

This note is not applicable.

HUME CEMENT INDUSTRIES BERHAD (formerly known as Hume Industries Berhad)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

The figures have not been audited

15. **Loss before taxation**

| | Current Year Quarter | Current Year To-date |
|--|---------------------------------|---------------------------------|
| | 31/03/2021 RM'000 | 31/03/2021 RM'000 |
| Loss before taxation is arrived at after charging/(crediting) :- | | |
| Dividend income from short term investments | (123) | (440) |
| Write back of impairment loss on trade receivables (net) | (569) | (884) |
| Depreciation and amortisation | 16,600 | 49,851 |
| Provision for slow moving inventories | 43 | 2,899 |
| Loss/(Gain) on foreign exchange | 471 | (312) |

16. **Taxation**

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------|---------------------------------|---|----------------------------------|--|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year- To-Date | Preceding Year Corresponding Period |
| | 31/03/2021 RM'000 | 31/03/2020 RM'000 | 31/03/2021 RM'000 | 31/03/2020 RM'000 |
| Current taxation | | | | |
| Malaysian - current year | 314 | (949) | 679 | (2,014) |
| - prior year | (1) | - | (1) | 47 |
| | 313 | (949) | 678 | (1,967) |
| Deferred taxation | | | | |
| Malaysian - current year | (3,651) | 227 | (2,053) | (4,443) |
| - prior year | - | 1,000 | 89 | 1,000 |
| | (3,651) | 1,227 | (1,964) | (3,443) |
| | (3,338) | 278 | (1,286) | (5,410) |

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 31 March 2021 are as follows:

| | RM'000 |
|---------------------------------|----------------|
| Borrowings: | |
| Unsecured short term borrowings | 308,832 |
| Unsecured long term borrowings | 288,615 |
| | <u>597,447</u> |

The above include borrowings denominated in foreign currencies as follows:-

| | RM'000 |
|-----|---------------|
| USD | <u>20,290</u> |

The USD denominated borrowings include RM20.3 million which foreign currency exchange rate has been fixed on drawdown of the term loan. The Group's borrowings have decreased slightly from RM627.1 million to RM597.4 million due to withdrawal of bank borrowings in the financial year-to-date.

| | RM'000 |
|---------------------------|---------------|
| Debt Securities: | |
| RCULS – liability portion | |
| - Current | 6,835 |
| - Non-current | 16,003 |
| | <u>22,838</u> |

19. Changes in material litigation

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

20. Dividend

(a) The Board does not recommend any interim dividend for the quarter ended 31 March 2021 of the financial year ending 30 June 2021 (2019/2020: Nil).

(b) For the financial year-to-date, no dividend has been declared (2019/2020: Nil).

The figures have not been audited

21. Earnings/(Loss) Per Ordinary Share

(a) Basic earnings/(loss) per ordinary share

The basic earnings/(loss) per ordinary share for the quarter under review is calculated by dividing the Group's loss attributable to owners of the Company of RM11,810,000 (3rd quarter 2019/2020: profit attributable to owners of the Company of RM1,814,000) by the weighted average number of ordinary shares during the quarter of 500,529,490 (3rd quarter 2019/2020: 494,773,824).

The basic loss per ordinary share for the financial year-to-date is calculated by dividing the Group's loss attributable to owners of the Company of RM9,942,000 (2019/2020: RM29,514,000) by the weighted average number of ordinary shares during the period of 499,436,418 (2019/2020: 493,830,878).

| | <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 |
| | 31/03/2021 '000 | 31/03/2020 '000 | 31/03/2021 '000 | 31/03/2020 '000 |
| Issued ordinary shares at beginning of period | 498,869 | 493,690 | 497,285 | 479,551 |
| Effect of RCULS conversion | 1,661 | 1,084 | 1,774 | 14,280 |
| Weighted average number of ordinary shares (basic) | 500,530 | 494,774 | 499,059 | 493,831 |
| | | | | |
| Basic earnings/(loss) per ordinary share (sen) | (2.36) | 0.37 | (1.99) | (5.98) |

(b) Diluted earnings per share

The Group's diluted earnings per ordinary share in the quarter under review and financial year-to-date is not presented as the assumed potential new ordinary shares are anti-dilutive.

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 31 March 2021, the contract amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

| | Contract amount | Fair Value Assets / (Liabilities) |
|------------------|----------------------------|--|
| | RM'000 | RM'000 |
| Less than 1 year | <u>3,101</u> | <u>(5)</u> |

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 gains/(losses) arising from fair value changes of derivatives.

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 2020.

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 remeasure its financial liabilities at fair value after the initial recognition.

By Order of the Board
Hume Cement Industries Berhad
(formerly known as Hume Industries Berhad)

Wong Wei Fong
Valerie Mak Mew Chan
Company Secretaries

Kuala Lumpur
25 May 2021