

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Revenue	128,067	174,311	128,067	174,311
Cost of sales	(100,225)	(129,932)	(100,225)	(129,932)
<b>Gross profit</b>	<b>20,842</b>	<b>44,379</b>	<b>20,842</b>	<b>44,379</b>
Operating expenses	(30,096)	(38,450)	(30,096)	(38,450)
Other operating income	721	2,932	721	2,932
<b>Operating (loss)/profit</b>	<b>(8,533)</b>	<b>8,861</b>	<b>(8,533)</b>	<b>8,861</b>
Interest income	87	200	87	200
Finance costs	(5,724)	(6,242)	(5,724)	(6,242)
<b>(Loss)/Profit before taxation</b>	<b>(14,170)</b>	<b>2,819</b>	<b>(14,170)</b>	<b>2,819</b>
Taxation	2,852	(1,282)	2,852	(1,282)
<b>(Loss)/Profit for the period attributable to owners of the Company</b>	<b>(11,318)</b>	<b>1,537</b>	<b>(11,318)</b>	<b>1,537</b>
<b>(Loss)/Earnings per ordinary share (sen):-</b>				
(a) Basic	(2.26)	0.31	(2.26)	0.31
(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 2021.**

HUME CEMENT INDUSTRIES BERHAD (formerly known as Hume Industries Berhad)  
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 30 SEPTEMBER 2021

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2021 (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
<b>(Loss)/Profit for the period</b>	(11,318)	1,537	(11,318)	1,537
Foreign currency translation differences for foreign operations	(42)	(2)	(42)	(2)
Cash flow hedge	(17)	(25)	(17)	(25)
<b>Total comprehensive (expense)/income for the period</b>	<b>(11,377)</b>	<b>1,510</b>	<b>(11,377)</b>	<b>1,510</b>

**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 2021.**

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**CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT  
 30 SEPTEMBER 2021**

	As at end of current quarter 30/09/2021 RM'000	As at end of preceding financial year 30/06/2021 RM'000
<b>ASSETS</b>		
Property, plant and equipment	831,058	845,939
Right-of-use assets	38,680	39,114
Investment property	6,379	6,443
Deferred tax assets	11,249	11,662
Tax credit receivables	144,703	145,081
<b>Total non-current assets</b>	<b>1,032,069</b>	<b>1,048,239</b>
Inventories	92,902	82,184
Trade and other receivables	44,680	28,293
Current tax assets	650	759
Cash and cash equivalents	54,925	50,581
<b>Total current assets</b>	<b>193,157</b>	<b>161,817</b>
<b>TOTAL ASSETS</b>	<b>1,225,226</b>	<b>1,210,056</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	494,406	494,406
Reserves	(271,082)	(259,719)
RCULS - equity portion	130,070	130,070
<b>TOTAL EQUITY</b>	<b>353,394</b>	<b>364,757</b>
<b>LIABILITIES</b>		
Borrowings	289,401	309,313
Lease liabilities	730	923
Deferred tax liabilities	13,697	17,137
RCULS – liability portion	12,421	14,218
Deferred income	90,748	92,916
Employee benefits	494	479
Other payable	579	507
<b>Total non-current liabilities</b>	<b>408,070</b>	<b>435,493</b>
Trade and other payables	132,097	114,344
Borrowings	316,672	280,565
Lease liabilities	759	750
RCULS – liability portion	6,997	6,909
Deferred income	7,158	7,158
Tax payable	79	80
<b>Total current liabilities</b>	<b>463,762</b>	<b>409,806</b>
<b>TOTAL LIABILITIES</b>	<b>871,832</b>	<b>845,299</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,225,226</b>	<b>1,210,056</b>
Net assets per share attributable to owners of the Company (RM)	0.71	0.73

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2021.

HUME CEMENT INDUSTRIES BERHAD (formerly known as Hume Industries Berhad)  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Share capital	Redeemable convertible unsecured loan stocks ("RCULS") – equity portion	Hedging reserve	Exchange fluctuation reserve	Reserve for own share	Executive share scheme reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current year-to-date ended 30 September 2021</b>								
At 1 July 2021	494,406	130,070	14	408	(100)	96	(260,137)	364,757
Loss for the period	-	-	-	-	-	-	(11,318)	(11,318)
Other comprehensive income								
- Foreign currency translation difference	-	-	-	(42)	-	-	-	(42)
- Cash flow hedge	-	-	(17)	-	-	-	-	(17)
Total comprehensive expense for the period	-	-	(17)	(42)	-	-	(11,318)	(11,377)
<i>Contribution by and distribution to owners of the Company</i>								
- Share-based payments	-	-	-	-	-	14	-	14
	-	-	-	-	-	14	-	14
At 30 September 2021	494,406	130,070	(3)	366	(100)	110	(271,455)	353,394

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021 (cont'd)**

	Share capital	Redeemable convertible unsecured loan stocks ("RCULS") – equity portion	Hedging reserve	Exchange fluctuation reserve	Reserve for own share	Executive share scheme reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current year-to-date ended 30 June 2021</b>								
At 1 July 2020	491,827	132,204	25	420	-	50	(232,771)	391,755
Loss for the period	-	-	-	-	-	-	(27,360)	(27,360)
Other comprehensive income								
- Foreign currency translation difference	-	-	-	(12)	-	-	-	(12)
- Cash flow hedge	-	-	(11)	-	-	-	-	(11)
Total comprehensive expense for the period	-	-	(11)	(12)	-	-	(27,360)	(27,383)
<i>Contribution by and distribution to owners of the Company</i>								
- Conversion of RCULS	2,579	(2,134)	-	-	-	-	(38)	407
- Share-based payments	-	-	-	-	-	128	-	128
- Own share acquired	-	-	-	-	(150)	-	-	(150)
- Shares vested under Executive Share Scheme ("ESS")	-	-	-	-	50	(82)	32	-
	2,579	(2,134)	-	-	(100)	46	(6)	385
At 30 June 2021	494,406	130,070	14	408	(100)	96	(260,137)	364,757

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 2021.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD  
 ENDED 30 SEPTEMBER 2021**

	Current Year-To-Date	Preceding Year Corresponding Period
	30/09/2021 RM'000	30/09/2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(14,170)	2,819
Adjustments for:-		
Depreciation and amortisation	16,615	16,642
Non-cash items	(1,787)	(792)
Dividend income	(95)	(158)
Net financing costs	5,637	6,042
Operating profit before changes in working capital	6,200	24,553
Changes in working capital		
Net change in current assets	(28,169)	(6,741)
Net change in current liabilities	17,226	6,203
Taxation paid	(68)	(164)
Net financing costs paid	(5,263)	(5,669)
Dividend received	95	158
Employee benefits paid	-	(27)
<b>Net cash (used in)/generated from operating activities</b>	<b>(9,979)</b>	<b>18,313</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(1,546)	(3,761)
Proceeds from disposal of property, plant and equipment	-	3
<b>Net cash used in investing activities</b>	<b>(1,546)</b>	<b>(3,759)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	53,952	194,328
Repayments of borrowings	(37,845)	(194,042)
Payment of lease liabilities	(196)	(201)
<b>Net cash generated from financing activities</b>	<b>15,911</b>	<b>85</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>4,386</b>	<b>14,639</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>50,581</b>	<b>84,739</b>
<b>EFFECT ON FOREIGN EXCHANGE</b>	<b>(42)</b>	<b>(2)</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<b>54,925</b>	<b>99,376</b>
Cash and cash equivalents included in the consolidated statements of cash flows comprise the following statements of financial position amounts:		
	30/09/2021 RM'000	30/09/2020 RM'000
Deposits, cash and bank balances	54,925	99,376

**The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2021.**

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 2021. 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 2021 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2021 and 1 April 2021 respectively 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.

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

(a) There were no redeemable convertible unsecured loan stocks (“RCULS”) conversion, 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. The outstanding nominal value of RCULS as at 30 September 2021 was RM157,161,307.

(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 30 September 2021, the total number of ordinary shares in the Company held by the ESS Trust was 133,334 ordinary shares. In FY2021, 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.



The figures have not been audited

**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: -

	<b>Construction Materials RM'000</b>
Reportable segment loss	<u>(8,604)</u>
Included in the measure of segment losses are:	
Revenue from external customers	127,557
Depreciation and amortisation	<u>16,548</u>

**Reconciliation of reportable segment loss to Consolidated LBT**

Reportable segment	(8,604)
Non-reportable segments	71
Interest income	87
Finance costs	<u>(5,724)</u>
Consolidated loss before taxation	<u>(14,170)</u>

	<b>External Revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>
Reportable segment	127,557	16,548
Non-reportable segment	510	67
<b>Total</b>	<u>128,067</u>	<u>16,615</u>

**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 RM128.1 million and loss before taxation (“LBT”) of RM14.2 million as compared with revenue and profit before taxation (“PBT”) of RM174.3 million and RM2.8 million respectively for the corresponding quarter of the preceding financial year ended 30 June 2021 (“FY 2021”).

The quarter’s performance has been affected by the re-imposition of Movement Control Order (“MCO”) that limited economic activities and hence resulted in a reduction in sales volume and higher rebate of cement selling price.

**12. Material changes in loss before taxation (“LBT”) against the immediate preceding quarter**

	<b>Current quarter 30/09/2021 RM’000</b>	<b>Immediate preceding quarter 30/06/2021 RM’000</b>
Revenue	128,067	114,075
Loss before taxation	(14,170)	(18,140)

The Group recorded lower LBT of RM14.2 million for the quarter under review as compared with RM18.1 million for the immediate preceding quarter, mainly attributable by lower rebate of cement selling price and higher cement sales volume.

**13. Prospects**

Economic activities are expected to pick up with the easing of MCO and market demand is forecasted to improve. However, the cement industry is pressured by higher input cost especially from the escalating coal prices. The Group continues to focus on operational efficiency to contain production cost, and will appropriately align our business strategy with any potential market response.

**14. Profit forecast / profit guaranteed**

This note is not applicable.

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15. **Loss before taxation**

	Current Year Quarter	Current Year To-date
	30/09/2021 RM'000	30/09/2021 RM'000
Loss before taxation is arrived at after charging/(crediting) :-		
Dividend income from short term investments	(95)	(95)
Impairment loss on trade receivables (net)	(503)	(503)
Depreciation and amortisation	16,615	16,615
Provision for slow moving inventories	611	611
Gain on foreign exchange	(71)	(71)

16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Current taxation				
Malaysian - current year	175	329	175	329
- prior year	-	-	-	-
	175	329	175	329
Deferred taxation				
Malaysian - current year	(3,027)	864	(3,027)	864
- prior year	-	89	-	89
	(3,027)	953	(3,027)	953
	(2,852)	1,282	(2,852)	1,282

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 2021 are as follows:

	<b>RM'000</b>
Borrowings:	
Unsecured short term borrowings	316,672
Unsecured long term borrowings	289,401
	<u>606,073</u>

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

	<b>RM'000</b>
USD	<u>20,610</u>

The USD denominated borrowings include RM20.6 million which foreign currency exchange rate has been fixed on drawdown. The Group's borrowings have increased from RM589.9 million to RM606.1 million due to withdrawal of bank borrowings in the financial year-to-date.

	<b>RM'000</b>
Debt Securities:	
RCULS – liability portion	
- Current	6,997
- Non-current	12,421
	<u>19,418</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 30 September 2021 of the financial year ending 30 June 2022 (2020/2021: Nil).
- (b) For the financial year-to-date, no dividend has been declared (2020/2021: Nil).

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21. **(Loss)/Earnings Per Ordinary Share**

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

The basic (loss)/earnings per ordinary share for the quarter under review is calculated by dividing the Group's loss attributable to owners of the Company of RM11,318,000 (1<sup>st</sup> quarter FY 2021: profit attributable to owners of the Company of RM1,537,000) by the weighted average number of ordinary shares during the quarter of 500,935,392 (1<sup>st</sup> quarter FY 2021: 497,826,004).

*Weighted average number of ordinary shares*

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2021 '000	30/09/2020 '000	30/09/2021 '000	30/09/2020 '000
Issued ordinary shares at beginning of period	500,969	497,285	500,969	497,285
Trust shares held at beginning of period	(33)	-	(106)	-
Effect of RCULS conversion	-	541	-	541
<b>Weighted average number of ordinary shares (basic)</b>	<b>500,936</b>	<b>497,826</b>	<b>500,863</b>	<b>497,826</b>
<b>Basic (loss)/earnings per ordinary share (sen)</b>	<b>(2.26)</b>	<b>0.31</b>	<b>(2.26)</b>	<b>0.31</b>

(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.

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

	<b>Contract amount</b>	<b>Fair Value Assets / (Liabilities)</b>
	<b>RM'000</b>	<b>RM'000</b>
Less than 1 year	3,193	(3)

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 2021.

## 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  
22 November 2021