

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2022**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2022**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Revenue	213,267	114,075	726,530	604,641
Cost of sales	(166,588)	(98,603)	(569,521)	(480,340)
<b>Gross profit</b>	<b>46,679</b>	<b>15,472</b>	<b>157,009</b>	<b>124,301</b>
Operating expenses	(34,581)	(29,206)	(136,297)	(139,031)
Other operating (expense)/income	(261)	1,165	6,385	8,221
<b>Operating profit/(loss)</b>	<b>11,837</b>	<b>(12,569)</b>	<b>27,097</b>	<b>(6,509)</b>
Interest income	123	90	453	567
Finance costs	(5,584)	(5,661)	(22,592)	(23,426)
<b>Profit/(Loss) before taxation</b>	<b>6,376</b>	<b>(18,140)</b>	<b>4,958</b>	<b>(29,368)</b>
Taxation	(1,436)	722	(1,840)	2,008
<b>Profit/(Loss) for the period attributable to owners of the Company</b>	<b>4,940</b>	<b>(17,418)</b>	<b>3,118</b>	<b>(27,360)</b>
<b>Earnings/(Loss) per ordinary share (sen):-</b>				
(a) Basic	0.98	(3.48)	0.62	(5.48)
(b) Diluted	0.70	N/A	0.52	N/A

**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 2021.**

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2022 (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
<b>Profit/(Loss) for the period</b>	4,940	(17,418)	3,118	(27,360)
Foreign currency translation differences for foreign operations	(8)	(5)	(86)	(12)
Cash flow hedge	13	19	(1)	(11)
<b>Total comprehensive income/(expense) for the period</b>	4,945	(17,404)	3,031	(27,383)

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 2021.



HUME CEMENT INDUSTRIES BERHAD  
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 30 JUNE 2022

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**CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT  
 30 JUNE 2022**

	As at end of current quarter 30/06/2022 RM'000	As at end of preceding financial year 30/06/2021 RM'000
<b>ASSETS</b>		
Property, plant and equipment	790,507	845,939
Right-of-use assets	37,728	39,114
Investment property	6,188	6,443
Deferred tax assets	9,908	11,662
Tax credit receivables	144,703	145,081
<b>Total non-current assets</b>	<b>989,034</b>	<b>1,048,239</b>
Inventories	163,630	82,184
Trade and other receivables	80,549	28,293
Current tax assets	161	759
Cash and cash equivalents	64,274	50,581
<b>Total current assets</b>	<b>308,614</b>	<b>161,817</b>
<b>TOTAL ASSETS</b>	<b>1,297,648</b>	<b>1,210,056</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	496,267	494,406
Reserves	(256,775)	(259,719)
RCULS - equity portion	128,527	130,070
<b>TOTAL EQUITY</b>	<b>368,019</b>	<b>364,757</b>
<b>LIABILITIES</b>		
Borrowings	239,789	309,313
Lease liabilities	230	923
Deferred tax liabilities	16,073	17,137
RCULS – liability portion	6,873	14,218
Deferred income	85,380	92,916
Employee benefits	250	479
Other payable	579	507
<b>Total non-current liabilities</b>	<b>349,174</b>	<b>435,493</b>
Trade and other payables	192,187	114,344
Borrowings	372,602	280,565
Lease liabilities	1,068	750
RCULS – liability portion	7,177	6,909
Deferred income	7,158	7,158
Tax payable	263	80
<b>Total current liabilities</b>	<b>580,455</b>	<b>409,806</b>
<b>TOTAL LIABILITIES</b>	<b>929,629</b>	<b>845,299</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,297,648</b>	<b>1,210,056</b>
Net assets per share attributable to owners of the Company (RM)	0.73	0.73

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

HUME CEMENT INDUSTRIES BERHAD  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022**

	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 2022</b>								
At 1 July 2021	494,406	130,070	14	408	(100)	96	(260,137)	364,757
Profit for the period	-	-	-	-	-	-	3,118	3,118
Other comprehensive expense								
- Foreign currency translation difference	-	-	-	(86)	-	-	-	(86)
- Cash flow hedge	-	-	(1)	-	-	-	-	(1)
Total comprehensive expense for the period	-	-	(1)	(86)	-	-	3,118	3,031
<i>Contribution by and distribution to owners of the Company</i>								
- Conversion of RCULS	1,861	(1,543)	-	-	-	-	(143)	175
- Share-based payments	-	-	-	-	-	56	-	56
- Shares vested under Executive Share Scheme ("ESS")	-	-	-	-	50	(84)	34	-
	1,861	(1,543)	-	-	50	(28)	(109)	231
At 30 June 2022	496,267	128,527	13	322	(50)	68	(257,128)	368,019

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The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022 (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>Preceding year corresponding period 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 expense								
- 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 Audited Financial Statements for the Financial Year Ended 30 June 2021.

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD  
ENDED 30 JUNE 2022**

	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2022 RM'000	30/06/2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	4,958	(29,368)
Adjustments for:-		
Depreciation and amortisation	66,846	66,455
Non-cash items	(1,450)	(3,113)
Dividend income	(241)	(572)
Net financing costs	22,139	22,859
Operating profit before changes in working capital	92,252	56,261
Changes in working capital		
Net change in current assets	(133,785)	10,539
Net change in current liabilities	77,623	(752)
Taxation paid	(369)	(893)
Net financing costs paid	(20,465)	(21,361)
Dividend received	241	572
Employee benefits paid	(101)	(33)
<b>Net cash generated from operating activities</b>	15,396	44,333
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(14,712)	(14,300)
Proceeds from disposal of property, plant and equipment	-	6
<b>Net cash used in investing activities</b>	(14,712)	(14,294)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	316,074	514,159
Repayments of borrowings	(293,913)	(569,643)
RCULS coupon payment	(7,889)	(7,889)
Payment of lease liabilities	(1,177)	(812)
<b>Net cash generated from/(used in) financing activities</b>	13,095	(64,185)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	13,779	(34,146)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	50,581	84,739
<b>EFFECT ON FOREIGN EXCHANGE</b>	(86)	(12)
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	64,274	50,581

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

	30/06/2022 RM'000	30/06/2021 RM'000
Deposits, cash and bank balances	64,274	50,581

**The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited 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) For the quarter under review, the issued share capital of the Company has been increased from 501,497,867 ordinary shares to 503,627,609 ordinary shares by the issuance and allotment of 2,129,742 new ordinary shares arising from the conversion of RM1,490,820 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 for the Company has been increased from 500,968,725 ordinary shares to 503,627,609 ordinary shares by the issuance and allotment of 2,658,884 new ordinary shares arising from the conversion of RM1,861,220 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 30 June 2022 was RM155,300,087.

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The figures have not been audited

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

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

During the financial year-to-date, a total of 66,667 ordinary shares of the Company held in the ESS Trust were transferred to an eligible executive of the Group following the vesting of free shares pursuant to the ESS.

As at 30 June 2022, the total number of ordinary shares in the Company held by the ESS Trust was 66,667 ordinary shares.

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 profits	<u>26,765</u>
Included in the measure of segment profits are:	
Revenue from external customers	724,379
Depreciation and amortisation	<u>66,579</u>
<b>Reconciliation of reportable segment profits to Consolidated LBT</b>	
Reportable segment	26,765
Non-reportable segments	332
Interest income	453
Finance costs	(22,592)
Consolidated profit before taxation	<u>4,958</u>
	<b>External Revenue RM’000</b>
Reportable segment	724,379
Non-reportable segment	2,151
<b>Total</b>	<u>726,530</u>
	<b>Depreciation and amortisation RM’000</b>
Reportable segment	66,579
Non-reportable segment	267
<b>Total</b>	<u>66,846</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.

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The figures have not been audited

**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 RM213.3 million and profit before taxation (“PBT”) of RM6.4 million as compared with revenue and loss before taxation (“LBT”) of RM114.1 million and RM18.1 million for the corresponding quarter of the preceding financial year ended 30 June 2021 (“FY 2021”).

Revenue and PBT increased in the quarter under review as compared with the corresponding quarter of FY 2021 were mainly due to lower rebate of the cement selling price and higher cement sales volume. In the corresponding quarter of FY 2021, the lower revenue and LBT reported were mainly caused by the re-imposition of Movement Control Order (“MCO”).

For the financial year-to-date, the Group recorded revenue of RM726.5 million and PBT of RM5.0 million as compared with revenue and LBT of RM604.6 million and RM29.4 million respectively for the corresponding period of FY 2021. The improvement was mainly contributed by the normalisation of the economy activities post-COVID-19 pandemic restrictions, coupled with lower rebate of the cement selling price.

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

	<b>Current quarter 30/06/2022 RM’000</b>	<b>Immediate preceding quarter 31/03/2022 RM’000</b>
Revenue	213,267	191,760
Profit before taxation	6,376	2,612

The Group recorded PBT of RM6.4 million for the quarter under review as compared with PBT of RM2.6 million for the immediate preceding quarter, mainly attributed by lower rebate of the cement selling price.

**13. Prospects**

The Board expects a gradual recovery in the domestic economic and construction activities. However, several factors such as inflation pressure, labour shortage in the construction sector and on-going global geopolitical uncertainties continue to be of concern. The Group will closely monitor the input costs, adjust its pricing strategy, and leverage operational efficiencies in responding to these changing business conditions.

**14. Profit forecast / profit guaranteed**

This note is not applicable.



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15. Profit before taxation

	Current Year Quarter	Current Year To-date
	30/06/2022 RM'000	30/06/2022 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Dividend income from short term investments	(38)	(241)
(Reversal)/Impairment loss on trade receivables (net)	53	(565)
Depreciation and amortisation	16,767	66,846
Provision for slow moving inventories	184	1,386
Loss/(Gain) on foreign exchange	2,399	2,312

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2022 RM'000	30/06/2021 RM'000	30/06/2022 RM'000	30/06/2021 RM'000
Current taxation				
Malaysian - current year	356	189	987	868
- prior year	196	5	163	4
	552	194	1,150	872
Deferred taxation				
Malaysian - current year	1,756	(1,511)	1,562	(3,564)
- prior year	(872)	595	(872)	684
	884	(916)	690	(2,880)
	1,436	(722)	1,840	(2,008)

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 other than as mentioned below:

On 22 July 2022, Hong Leong Investment Bank Berhad, on behalf of HCIB, had announced that the Company proposed to undertake the following:

- (i) establish and implement a new Executive Share Scheme, which comprise a proposed new executive share option scheme and a proposed new executive share grant scheme of up to 10% of the Company's total number of issued ordinary shares ("Shares") (excluding treasury Shares) for the eligible executives and/or directors of HCIB and its subsidiaries ("Proposed ESS"); and
- (ii) allocation of Options and/or Grants to the Group Managing Director of HCIB under or pursuant to the Proposed ESS ("Proposed Allocation").

(The Proposed ESS and the Proposed Allocation are collectively referred to as the "Proposals").

The Proposals are subject to HCIB shareholders' approval to be sought at the Company's forthcoming annual general meeting.

#### 18. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 30 June 2022 are as follows:

	RM'000
Borrowings:	
Unsecured short term borrowings	372,602
Unsecured long term borrowings	239,789
	<u>612,391</u>

The above include borrowing denominated in foreign currency with Ringgit equivalent as follows:-

	RM'000
USD	<u>37,110</u>

The USD denominated borrowing has the foreign currency exchange rate fixed on drawdown.

	RM'000
Debt Securities:	
RCULS – liability portion	
- Current	7,177
- Non-current	6,873
	<u>14,050</u>

#### 19. Changes in material litigation

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

The figures have not been audited

20. **Dividend**

- (a) The Board does not recommend any interim dividend for the quarter ended 30 June 2022 of the financial year ending 30 June 2022 (4<sup>th</sup> quarter FY 2021: Nil).
- (b) For the financial year-to-date, no dividend has been declared (4<sup>th</sup> quarter FY 2021: Nil).

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 profit attributable to owners of the Company of RM4,940,000 (4<sup>th</sup> quarter FY 2021: loss attributable to owners of the Company of RM17,418,000) by the weighted average number of ordinary shares during the quarter of 502,159,686 (4<sup>th</sup> quarter FY 2021: 500,801,216).

The basic earnings/(loss) per ordinary share for the financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM3,118,000 (4<sup>th</sup> quarter FY 2021: loss attributable to owners of the Company of RM27,360,000) by the weighted average number of ordinary shares during the period of 501,301,317 (4<sup>th</sup> quarter FY 2021: 499,401,367).

*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
	30/06/2022 '000	30/06/2021 '000	30/06/2022 '000	30/06/2021 '000
Issued ordinary shares at beginning of period	501,432	500,557	500,969	497,285
Trust shares held at beginning of period	(67)	-	(133)	-
Trust shares purchased during the year	-	(50)	-	(133)
Effect of Trust shares vested	-	17	28	28
Effect of RCULS conversion	795	278	438	2,221
<b>Weighted average number of ordinary shares (basic)</b>	<b>502,160</b>	<b>500,802</b>	<b>501,302</b>	<b>499,401</b>
<b>Basic earnings/(loss) per ordinary share (sen)</b>	<b>0.98</b>	<b>(3.48)</b>	<b>0.62</b>	<b>(5.48)</b>

The figures have not been audited

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

(b) Diluted earnings per share

The calculation of diluted earnings per ordinary share for the quarter under review and financial year-to-date 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)

	<b>Current Year Quarter</b>	<b>Current Year- To-Date</b>
	<b>30/06/2022 RM'000</b>	<b>30/06/2022 RM'000</b>
Profit attributable to ordinary shareholders (basic)	4,940	3,118
Interest expense on RCULS, net of tax	143	672
Profit attributable to ordinary shareholders (diluted)	5,083	3,790
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares at 30 June (basic)	502,160	501,302
Effect of conversion of RCULS	221,857	221,857
Weighted average number of ordinary shares at 30 June (diluted)	724,017	723,159
Diluted earnings per ordinary share (sen)	0.70	0.52

The preceding quarter under review and preceding financial year-to-date was no disclosure of diluted loss ordinary share as it were 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 30 June 2022, 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	8,073	13

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 re-measure its financial liabilities at fair value after the initial recognition.

By Order of the Board  
Hume Cement Industries Berhad

Wong Wei Fong  
Valerie Mak Mew Chan  
Company Secretaries

Kuala Lumpur  
23 August 2022

