

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Revenue	158,227	11,572	158,227	11,572
Cost of sales	(105,427)	(10,381)	(105,427)	(10,381)
Gross profit	52,800	1,191	52,800	1,191
Operating expenses	(28,908)	(978)	(28,908)	(978)
Other operating income	938	5	938	5
Operating profit	24,830	218	24,830	218
Interest income	200	13	200	13
Finance Costs	(4,843)	-	(4,843)	-
Profit before taxation	20,187	231	20,187	231
Taxation	(4,717)	(97)	(4,717)	(97)
Profit for the period attributable to owners of the Company	15,470	134	15,470	134

Earnings per ordinary share (sen):-

(a) Basic	3.23	0.43	3.23	0.43
(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 2015.

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2015 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Profit for the period	15,470	134	15,470	134
Foreign currency translation differences for foreign operations	62	(6)	62	(6)
Cash flow hedge	(1,970)	-	(1,970)	-
Total comprehensive income for the period	13,562	128	13,562	128

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 2015.

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT
30 SEPTEMBER 2015

	As at end of current quarter 30/09/2015 RM'000	As at end of preceding financial year 30/06/2015 RM'000
ASSETS		
Property, plant and equipment	1,014,201	829,517
Deferred tax assets	9,385	8,770
Tax credit receivables	72,302	72,302
Total non-current assets	<u>1,095,888</u>	<u>910,589</u>
Inventories	91,891	89,535
Trade and other receivables	118,074	114,789
Current tax assets	303	321
Derivative financial assets	976	4,870
Cash and cash equivalents	79,671	52,350
Total current assets	<u>290,915</u>	<u>261,865</u>
TOTAL ASSETS	<u>1,386,803</u>	<u>1,172,454</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	479,094	479,094
Reserves	(61,991)	(75,553)
TOTAL EQUITY	<u>417,103</u>	<u>403,541</u>
LIABILITIES		
Borrowings	349,015	296,063
Deferred tax liabilities	47,137	43,487
Deferred income	60,758	61,664
Employee benefits	1,147	1,128
Total non-current liabilities	<u>458,057</u>	<u>402,342</u>
Trade and other payables	260,824	231,170
Borrowings	246,167	131,403
Deferred income	3,627	3,627
Current tax liabilities	1,025	371
Total current liabilities	<u>511,643</u>	<u>366,571</u>
TOTAL LIABILITIES	<u>969,700</u>	<u>768,913</u>
TOTAL EQUITY AND LIABILITIES	<u>1,386,803</u>	<u>1,172,454</u>
Net assets per share attributable to owners of the Company (RM)	0.87	0.84

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2015.

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD
ENDED 30 SEPTEMBER 2015

	Share capital	Hedging reserve	Translation reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 September 2015					
At 1 July 2015	479,094	1,970	54	(77,577)	403,541
Profit for the period	-	-	-	15,470	15,470
Other comprehensive (expense)/ income					
– foreign currency translation difference	-	-	62	-	62
– Cash flow hedge	-	(1,970)	-	-	(1,970)
Total comprehensive (expense)/ income for the period	-	(1,970)	62	15,470	13,562
At 30 September 2015	479,094	-	116	(62,107)	417,103
Preceding year corresponding period ended 30 September 2014					
At 1 July 2014	62,188	-	(5)	(44,104)	18,079
Profit for the period	-	-	-	134	134
Other comprehensive expense					
– foreign currency translation difference	-	-	(6)	-	(6)
Total comprehensive (expense)/income for the period	-	-	(6)	134	(128)
Capital Reduction	(31,094)			31,094	-
At 30 September 2014	31,094	-	(11)	(12,876)	18,207

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 2015.

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD
ENDED 30 SEPTEMBER 2015

	Current Year-To-Date	Preceding Year Corresponding Period
	30/09/2015 RM'000	30/09/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,187	231
Adjustments for:-		
Depreciation and amortisation	8,978	146
Non cash items	(2,431)	70
Dividend income	(429)	(39)
Net financing costs/ (income)	4,643	(13)
Operating profit before changes in working capital	30,948	395
Changes in working capital		
Net change in current assets	(4,010)	2,390
Net change in current liabilities	31,121	(1,773)
Taxation paid	(353)	(3)
Net financing (costs paid)/income received	(4,643)	13
Dividend received	429	39
Net cash generated from operating activities	53,492	1,061
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(193,949)	-
Net cash used in investing activities	(193,949)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	227,500	-
Repayments of borrowings	(59,784)	-
Net cash generated from financing activities	167,716	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	27,259	1,061
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	52,350	7,473
EFFECT ON FOREIGN EXCHANGE	62	(6)
CASH & CASH EQUIVALENTS AT END OF PERIOD	79,671	8,528
Cash and cash equivalents included in the consolidated statements of cash flows comprise the following statements of financial position amounts:		
	30/09/2015 RM'000	30/09/2014 RM'000
Deposits, cash and bank balances	79,671	8,528

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2015.

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015

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 the applicable disclosure provisions 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 2015. This interim financial report also complies with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2015.

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

There have been no material seasonal or cyclical factors affecting the results of the quarter under review.

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

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

7. Dividend

There were no dividend paid during the quarter under review and financial year-to-date.

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015

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	<u>26,090</u>
Included in the measure of segment profit are:	
Revenue from external customers	153,598
Depreciation and amortisation	<u>8,840</u>

Reconciliation of reportable segment profit

Profit	
Reportable segment	26,090
Non-reportable segments	(1,260)
Interest income	200
Finance costs	(4,843)
Consolidated profit before taxation	<u>20,187</u>

	External Revenue RM'000	Depreciation and amortisation RM'000
Reportable segment	153,598	8,840
Non-reportable segment	4,629	138
Total	<u>158,227</u>	<u>8,978</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, restructurings and discontinuing operations.

Subsequent to the quarter under review, the Company, had on 1 October 2015, incorporated a wholly-owned subsidiary known as Hume RMX Sdn Bhd ("HRX") with an issued and paid up capital of RM2.00 comprising 2 ordinary shares. The intended principal activities of HRX are the manufacture and sale of building materials.

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015

The figures have not been audited

11. Review of Performance

For the quarter under review, the Group recorded a revenue of RM158.2 million and a profit before taxation (“PBT”) of RM20.2 million as compared with a revenue of RM11.6 million and a PBT of RM0.2 million respectively for the corresponding quarter of the preceding financial year ended 30 June 2015 (“FY 2015”).

The higher revenue and PBT of the Group was mainly attributable to the newly acquired construction materials business following the completion of the acquisitions of the entire equity interests in Hume Concrete Sdn Bhd and Hume Cement Sdn Bhd in the second quarter of the FY 2015.

12. Material changes in PBT against the immediate preceding quarter

The Group recorded a PBT of RM20.2 million for the quarter under review as compared with a PBT of RM28.1 million recorded in the preceding quarter. The decrease in PBT in the quarter under review was mainly attributable to the lower revenue with higher production costs.

13. Prospects

Barring any unforeseen circumstances, the Board expects the Group’s performance to be satisfactory for the financial year ending 30 June 2016.

14. Profit forecast / profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year To-date
	30/09/2015 RM'000	30/09/2015 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from short term investments	(429)	(429)
Depreciation and amortisation	8,978	8,978
Reversal of impairment loss on trade receivables	(104)	(104)
Inventories written down	2,001	2,001
Gain on foreign exchange	(1,185)	(1,185)
Fair value gain on derivative instruments	(97)	(97)
Gain on disposal of quoted/unquoted investments or properties	-	-
Impairment of property, plant and equipment	-	-

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015

The figures have not been audited

16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Current taxation				
Malaysian - current year	1,025	3	1,025	3
Deferred taxation				
Malaysian - current year	3,692	94	3,692	94
	<u>4,717</u>	<u>97</u>	<u>4,717</u>	<u>97</u>

The Group's effective tax rate for the financial year-to-date is marginally lower than statutory tax rate due mainly to certain income were not taxable.

17. **Corporate proposals**

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

The approval of the Securities Commission ("SC") in respect of the Company's acquisitions of the entire equity interests in Hume Concrete Sdn Bhd ("HCCT") and Hume Cement Sdn Bhd, which were completed on 20 October 2014, is subject to the remaining outstanding condition where the Company is required to obtain the occupational certificate ("OC") for the industrial land with a double-storey detached office, 15 single-storey detached factory buildings and 15 open storage yards bearing postal address 5th Mile, Jalan Tuaran, 88300 Kota Kinabalu, Sabah owned by HCCT Group within 24 months from 28 April 2014, being the date of the SC's approval letter. The approval for OC is still pending and the Company is pursuing the matter.

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

Particulars of the Group's borrowings and debt securities as at 30 September 2015 are as follows:-

	RM'000
Unsecured short term borrowings	246,167
Unsecured long term borrowings	349,015
	<u>595,182</u>

There were no borrowings denominated in foreign currencies as at 30 September 2015.

The Group's borrowings have increased due to the capital expenditure incurred for the cement capacity expansion.

19. **Changes in material litigation**

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

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2015

The figures have not been audited

20. Dividend

- (a) The Board does not recommend any interim dividend for the quarter ended 30 September 2015 of the financial year ending 30 June 2016. (1st quarter 2014/2015: Nil).
- (b) For the financial year-to-date, no dividend has been declared (2014/2015: Nil).

21. Earnings Per Ordinary Share

- (a) Basic earnings per ordinary share

The basic earnings per ordinary share for the quarter under review/ financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM15,470,000 (1st quarter 2014/2015: RM134,000) by the weighted average number of ordinary shares during the quarter of 479,093,800 (1st quarter 2014/2015: 31,093,800).

- (b) Diluted earnings per share

The Group has no dilution in its earnings per ordinary share in the quarter under review / financial year-to-date and preceding year corresponding quarter / period as there were no dilutive potential ordinary shares.

22. Realised and unrealised profits /(losses) disclosure

The breakdown of the accumulated losses of the Group, into realised and unrealised profits/ (losses) are as follows:-

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2015 RM'000	30/06/2015 RM'000
Total retained earnings of the Company and its subsidiaries:-		
-realised	182,720	166,849
-unrealised	(36,018)	(35,617)
	<u>146,702</u>	<u>131,232</u>
Less: Consolidation adjustments	(208,809)	(208,809)
Group's accumulated losses	<u>(62,107)</u>	<u>(77,577)</u>

By Order of the Board
Hume Industries Berhad

Joanne Leong Wei Yin
Valerie Mak Mew Chan
Company Secretaries

Kuala Lumpur
17 November 2015