

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2017

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31/03/2017 RM'000	31/03/2016 RM'000	31/03/2017 RM'000	31/03/2016 RM'000
Revenue	158,477	145,499	474,108	455,112
Cost of sales	(121,359)	(101,656)	(340,460)	(308,941)
Gross profit	37,118	43,843	133,648	146,171
Operating expenses	(36,376)	(29,441)	(103,413)	(88,501)
Other operating income	4,622	4,957	3,844	10,432
Operating profit	5,364	19,359	34,079	68,102
Interest income	327	269	926	712
Finance costs	(4,685)	(3,776)	(10,852)	(12,924)
Profit before taxation	1,006	15,852	24,153	55,890
Taxation	(751)	(4,670)	(6,680)	(15,231)
Profit for the period attributable to owners of the Company	255	11,182	17,473	40,659
Earnings per ordinary share (sen):-				
(a) Basic	0.05	2.33	3.65	8.49
(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 2016.

Hume Industries Berhad (62227-X)

Level 9, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur, Malaysia.

Tel: 03-2164 2631 Fax: 03- 2164 2514 (Legal & Secretarial) / 03-2715 4808(Finance) / 03 -2713 2808 (Human Resources)

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2017 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2017 RM'000	31/03/2016 RM'000	31/03/2017 RM'000	31/03/2016 RM'000
Profit for the period	255	11,182	17,473	40,659
Foreign currency translation differences for foreign operations	(13)	(35)	6	7
Cash flow hedge	-	(126)	-	(2,096)
Total comprehensive income for the period	<u>242</u>	<u>11,021</u>	<u>17,479</u>	<u>38,570</u>

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 2016.

 HIB/2 ²

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT
31 MARCH 2017

	As at end of current quarter 31/03/2017 RM'000	As at end of preceding financial year 30/06/2016 RM'000
ASSETS		
Property, plant and equipment	1,137,896	1,149,480
Deferred tax assets	9,355	9,657
Tax credit receivables	72,302	72,302
Total non-current assets	<u>1,219,553</u>	<u>1,231,439</u>
Inventories	85,879	80,334
Trade and other receivables	85,640	74,052
Current tax assets	3,784	763
Derivative financial assets	161	-
Cash and cash equivalents	39,084	172,747
Total current assets	<u>214,548</u>	<u>327,896</u>
TOTAL ASSETS	<u>1,434,101</u>	<u>1,559,335</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	479,094	479,094
Reserves	(25,657)	(43,136)
TOTAL EQUITY	<u>453,437</u>	<u>435,958</u>
LIABILITIES		
Borrowings	355,464	371,718
Deferred tax liabilities	64,468	57,018
Deferred income	55,322	58,040
Employee benefits	789	896
Total non-current liabilities	<u>476,043</u>	<u>487,672</u>
Trade and other payables	138,452	168,074
Borrowings	361,174	463,636
Deferred income	3,627	3,627
Current tax liabilities	1,368	28
Derivative financial liabilities	-	340
Total current liabilities	<u>504,621</u>	<u>635,705</u>
TOTAL LIABILITIES	<u>980,664</u>	<u>1,123,377</u>
TOTAL EQUITY AND LIABILITIES	<u>1,434,101</u>	<u>1,559,335</u>
Net assets per share attributable to owners of the Company (RM)	0.95	0.91

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2016.



HIB/3

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD
ENDED 31 MARCH 2017

	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					
31 March 2017					
At 1 July 2016	479,094	-	64	(43,200)	435,958
Profit for the period	-	-	-	17,473	17,473
Other comprehensive income – foreign currency translation difference	-	-	6	-	6
Total comprehensive income for the period	-	-	6	17,473	17,479
At 31 March 2017	479,094	-	70	(25,727)	453,437
Preceding year corresponding					
period ended 31 March 2016					
At 1 July 2015	479,094	1,970	54	(77,577)	403,541
Profit for the period	-	-	-	40,659	40,659
Other comprehensive income – foreign currency translation difference	-	-	7	-	7
– Cash flow hedge	-	(2,096)	-	-	(2,096)
Total comprehensive (expense)/ income for the period	-	(2,096)	7	40,659	38,570
At 31 March 2016	479,094	(126)	61	(36,918)	442,111

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 2016.



HIB/4

2

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD
ENDED 31 MARCH 2017

	Current Year-To-Date	Preceding Year Corresponding Period
	31/03/2017 RM'000	31/03/2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,153	55,890
Adjustments for:-		
Depreciation and amortisation	31,217	28,168
Non cash items	5,793	(4,421)
Dividend income	(1,470)	(675)
Net financing costs	9,926	12,212
Operating profit before changes in working capital	69,619	91,174
Changes in working capital		
Net change in current assets	(17,118)	22,104
Net change in current liabilities	(33,097)	(50,722)
Taxation paid	(627)	(1,301)
Net financing costs paid	(9,926)	(12,212)
Dividend received	1,470	675
Net cash generated from operating activities	10,321	49,718
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(23,748)	(339,597)
Proceeds from disposal of property, plant and equipment	16	27
Net cash used in from investing activities	(23,732)	(339,570)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	589,146	776,027
Repayments of borrowings	(709,404)	(458,687)
Net cash (used in)/generated from financing activities	(120,258)	317,340
NET CHANGE IN CASH AND CASH EQUIVALENTS	(133,669)	27,488
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	172,747	52,350
EFFECT ON FOREIGN EXCHANGE	6	7
CASH & CASH EQUIVALENTS AT END OF PERIOD	39,084	79,845

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

	31/03/2017 RM'000	31/03/2016 RM'000
Deposits, cash and bank balances	39,084	79,845

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2016.

 HIB/5 L

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

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 2016. 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 report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2016.

The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 January 2016 where 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

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.

 HIB/6 ^L

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

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>34,602</u>
Included in the measure of segment profit are:	
Revenue from external customers	438,119
Depreciation and amortisation	<u>30,882</u>
Reconciliation of reportable segment profit	
Profit	
Reportable segment	34,602
Non-reportable segments	(523)
Interest income	926
Finance costs	(10,852)
Consolidated profit before taxation	<u>24,153</u>


	External Revenue RM'000	Depreciation and amortisation RM'000
Reportable segment	438,119	30,882
Non-reportable segment	35,989	335
Total	<u>474,108</u>	<u>31,217</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.

 HIB/7 ^h

HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

11. Review of Performance

For the quarter under review, the Group recorded revenue of RM158.5 million and profit before taxation ("PBT") of RM1.0 million as compared with revenue and PBT of RM145.5 million and RM15.9 million respectively for the corresponding quarter of the preceding financial year ended 30 June 2016 ("FY 2016"). For the financial year-to-date, the Group recorded revenue of RM474.1 million and PBT of RM24.2 million respectively as compared with revenue and PBT of RM455.1 million and RM55.9 million respectively for the corresponding period of FY 2016.

The decline in PBT was mainly due to lower selling price and higher operating expenses.

12. Material changes in PBT against the immediate preceding quarter

The Group recorded PBT of RM1.0 million for the quarter under review as compared with RM15.9 million in the preceding quarter. The lower PBT as compared with the preceding quarter was mainly attributable to lower selling price and higher operating expenses recorded for the construction materials business.

13. Prospects

The outlook of the Group is expected to remain challenging in view of the weakening demand. In mitigating the impact of the weaker market, the Group will continue to focus on efficiency improvement and cost reduction measures to remain competitive.

14. Profit forecast / profit guaranteed

The Group has no exposure on profit forecast/profit guaranteed.

15. Profit before taxation

	Current Year Quarter	Current Year To-date
	31/03/2017 RM'000	31/03/2017 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from short term investments	(445)	(1,470)
Depreciation and amortisation	12,089	31,217
Allowance of impairment/(Reversal of allowance of impairment) of trade receivables	675	(26)
Provision for and write off of inventories	4,552	6,892
(Gain)/Loss on foreign exchange	(642)	5,943
Fair value gain on derivative instruments	-	(390)
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 THIRD QUARTER ENDED
31 MARCH 2017

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
	31/03/2017 RM'000	31/03/2016 RM'000	31/03/2017 RM'000	31/03/2016 RM'000
Current taxation				
Malaysian - current year	(1,009)	81	(1,056)	1,617
- prior year	1	2	2	2
	(1,008)	83	(1,054)	1,619
Deferred taxation				
Malaysian - current year	1,665	4,587	7,559	12,949
- prior year	94	-	175	663
	1,759	4,587	7,734	13,612
	751	4,670	6,680	15,231

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 2017 are as follows:-

	RM'000
Unsecured short term borrowings	361,174
Unsecured long term borrowings	355,464
	<u>716,638</u>

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

	RM'000
USD	<u>38,763</u>

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 THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

20. Dividend

- (a) The Board has declared an interim single tier dividend of 2.0 sen per share for the quarter ended 31 March 2017 of the financial year ending 30 June 2017 (3rd quarter 2015/2016: single tier dividend of 3.0 sen per share) to be paid on 31 May 2017 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 17 May 2017.

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 4.00 p.m. on 17 May 2017 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 2.0 sen per share (2015/2016: single tier dividend of 3.0 sen per share) has declared.

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 RM255,000 (3rd quarter 2015/2016: RM11,182,000) by the weighted average number of ordinary shares during the quarter of 479,093,800 (3rd quarter 2015/2016: 479,093,800).

The basic earnings per ordinary share for the financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM17,473,000 (2015/2016: RM40,659,000) by the weighted average number of ordinary shares during the period of 479,093,800 (2015/2016: 479,093,800).

- (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.



HUME INDUSTRIES BERHAD
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 31 MARCH 2017

The figures have not been audited

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
	31/03/2017 RM'000	30/06/2016 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- realised	233,108	215,655
- unrealised	(50,026)	(50,046)
	<u>183,082</u>	<u>165,609</u>
Less: Consolidation adjustments	(208,809)	(208,809)
Group's accumulated losses	<u>(25,727)</u>	<u>(43,200)</u>

By Order of the Board
Hume Industries Berhad

Joanne Leong Wei Yin
Valerie Mak Mew Chan
Company Secretaries

Kuala Lumpur
27 April 2017



HIB/11