

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2021

The figures have not been audited

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Revenue	114,075	79,606	604,641	585,390
Cost of sales	(98,603)	(73,340)	(480,340)	(480,344)
Gross profit	15,472	6,266	124,301	105,046
Operating expenses	(29,206)	(20,617)	(139,031)	(136,461)
Other operating income	1,165	802	8,221	4,847
Operating loss	(12,569)	(13,549)	(6,509)	(26,568)
Interest income	90	330	567	1,448
Finance costs	(5,661)	(7,213)	(23,426)	(30,236)
Loss before taxation	(18,140)	(20,432)	(29,368)	(55,356)
Taxation	722	4,042	2,008	9,452
Loss for the period attributable to owners of the Company	(17,418)	(16,390)	(27,360)	(45,904)
Loss per ordinary share (sen):-				
(a) Basic	(3.48)	(3.30)	(5.48)	(9.28)
(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 FOURTH QUARTER 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 2021 (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Loss for the period	(17,418)	(16,390)	(27,360)	(45,904)
Foreign currency translation differences for foreign operations	(5)	14	(12)	62
Cash flow hedge	19	400	(11)	400
Total comprehensive expense for the period	(17,404)	(15,976)	(27,383)	(45,442)

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 FOURTH QUARTER ENDED
 30 JUNE 2021

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

	As at end of current quarter 30/06/2021 RM'000	As at end of preceding financial year 30/06/2020 RM'000
ASSETS		
Property, plant and equipment	845,939	899,368
Right-of-use assets	39,114	40,828
Investment property	6,443	6,697
Deferred tax assets	11,662	16,031
Tax credit receivables	145,081	145,081
Total non-current assets	<u>1,048,239</u>	<u>1,108,005</u>
Inventories	82,184	64,215
Trade and other receivables	28,293	56,872
Current tax assets	759	913
Cash and cash equivalents	50,581	84,739
Total current assets	<u>161,817</u>	<u>206,739</u>
TOTAL ASSETS	<u>1,210,056</u>	<u>1,314,744</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	494,406	491,827
Reserves	(259,719)	(232,276)
RCULS - equity portion	130,070	132,204
TOTAL EQUITY	<u>364,757</u>	<u>391,755</u>
LIABILITIES		
Borrowings	309,313	209,140
Lease liabilities	923	1,655
Deferred tax liabilities	17,137	24,386
RCULS – liability portion	14,218	21,476
Deferred income	92,916	100,048
Employee benefits	479	458
Other payable	507	507
Total non-current liabilities	<u>435,493</u>	<u>357,670</u>
Trade and other payables	114,344	114,524
Borrowings	280,565	435,968
Lease liabilities	750	706
RCULS – liability portion	6,909	6,679
Deferred income	7,158	7,187
Tax payable	80	255
Total current liabilities	<u>409,806</u>	<u>565,319</u>
TOTAL LIABILITIES	<u>845,299</u>	<u>922,989</u>
TOTAL EQUITY AND LIABILITIES	<u>1,210,056</u>	<u>1,314,744</u>
Net assets per share attributable to owners of the Company (RM)	0.73	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 FOURTH QUARTER ENDED 30 JUNE 2021

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 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
Current year-to-date ended 30 June 2021								
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 figures have not been audited

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

	Share capital	Redeemable convertible unsecured loan stocks ("RCULS") – equity portion	Hedging reserve	Exchange fluctuation reserve	Reserve for own shares	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	-	-	-	-	-	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 30 JUNE 2021**

	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2021 RM'000	30/06/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(29,368)	(55,356)
Adjustments for:-		
Depreciation and amortisation	66,455	68,542
Non-cash items	(3,113)	(4,862)
Dividend income	(572)	(753)
Net financing costs	22,859	28,788
Operating profit before changes in working capital	56,261	36,359
Changes in working capital		
Net change in current assets	10,539	36,178
Net change in current liabilities	(752)	(33,929)
Taxation paid	(893)	(234)
Net financing costs paid	(21,361)	(27,009)
Dividend received	572	753
Employee benefits paid	(33)	(14)
Net cash generated from operating activities	44,333	12,104
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(14,300)	(7,586)
Acquisition of right-of-use asset	-	(3,266)
Proceeds from disposal of property, plant and equipment	6	420
Net cash used in investing activities	(14,294)	(10,432)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	514,159	803,259
Repayments of borrowings	(569,643)	(821,747)
RCULS coupon payment	(7,889)	(8,053)
Payment of lease liabilities	(812)	(790)
Net cash used in financing activities	(64,185)	(27,331)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(34,146)	(25,659)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	84,739	110,336
EFFECT ON FOREIGN EXCHANGE	(12)	62
CASH & CASH EQUIVALENTS AT END OF PERIOD	50,581	84,739

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

	30/06/2021 RM'000	30/06/2020 RM'000
Deposits, cash and bank balances	50,581	84,739

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 500,576,868 ordinary shares to 500,968,725 ordinary shares by the issuance and allotment of 391,857 new ordinary shares arising from the conversion of RM274,300 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 500,968,725 ordinary shares by the issuance and allotment of 3,683,844 new ordinary shares arising from the conversion of RM2,578,693 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 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 June 2021, the total number of ordinary shares in the Company held by the ESS Trust was 133,334 ordinary shares. During the 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 loss	(6,489)
Included in the measure of segment losses are:	
Revenue from external customers	602,609
Depreciation and amortisation	66,189
Reconciliation of reportable segment loss to Consolidated LBT	
Reportable segment	(6,489)
Non-reportable segments	(20)
Interest income	567
Finance costs	(23,426)
Consolidated loss before taxation	(29,368)

	External Revenue RM'000	Depreciation and amortisation RM'000
Reportable segment	602,609	66,189
Non-reportable segment	2,032	266
Total	604,641	66,455

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 RM114.1 million and loss before taxation (“LBT”) of RM18.1 million as compared with revenue and LBT of RM79.6 million and RM20.4 million respectively for the corresponding quarter of the preceding financial year ended 30 June 2020 (“FY 2020”).

Revenue increased in the quarter under review as compared with the corresponding quarter of FY 2020, mainly due to higher sales volume recorded as in the corresponding quarter of FY 2020, operations were affected by longer stoppage period of Movement Control Order (“MCO”) imposition. The Group recorded lower LBT of RM18.1 million for the quarter under review as compared with LBT RM20.4 million in the corresponding quarter of the preceding financial year mainly due to lower production costs against higher rebate of cement selling price.

For the financial year-to-date, the Group recorded revenue of RM604.6 million and LBT of RM29.4 million as compared with revenue and LBT of RM585.4 million and RM55.4 million respectively for the corresponding period of FY 2020. Lower LBT recorded in the financial year-to-date was mainly contributed by the higher cement profit margin on lower production cost as well as lower finance cost.

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

	Current quarter 30/06/2021 RM’000	Immediate preceding quarter 31/03/2021 RM’000
Revenue	114,075	160,738
Loss before taxation	(18,140)	(15,148)

The Group recorded LBT of RM18.1 million for the quarter under review as compared with RM15.1 million for the immediate preceding quarter, mainly attributable to lower cement sales volume coupled with a higher rebate of cement selling price.

13. Prospects

The country went into Movement Control Order 3.0 since June 2021, to control the impact of the third wave of COVID-19. Though a National Recovery Plan was announced, the recovery of economic activities is uncertain. With no clear line of sight of the immediate future, the Group continues to focus on tactical strategies in responding to market volatility whilst improving internal operational efficiency.

14. Profit forecast / profit guaranteed

This note is not applicable.

The figures have not been audited

15. **Loss before taxation**

	Current Year Quarter	Current Year To-date
	30/06/2021 RM'000	30/06/2021 RM'000
Loss before taxation is arrived at after charging/(crediting) :-		
Dividend income from short term investments	(132)	(572)
Write back of impairment loss on trade receivables (net)	335	(549)
Depreciation and amortisation	16,604	66,455
(Reversal)/Provision for slow moving inventories	(86)	2,813
Gain on foreign exchange	(42)	(354)

16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Current taxation				
Malaysian - current year	189	5,520	868	3,506
- prior year	5	(33)	4	14
	194	5,487	872	3,520
Deferred taxation				
Malaysian - current year	(1,511)	(8,412)	(3,564)	(12,855)
- prior year	595	(1,117)	684	(117)
	(916)	(9,529)	(2,880)	(12,972)
	(722)	(4,042)	(2,008)	(9,452)



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 June 2021 are as follows:

	RM'000
Borrowings:	
Unsecured short term borrowings	280,565
Unsecured long term borrowings	309,313
	<u>589,878</u>

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

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

The USD denominated borrowings include RM20.6 million which foreign currency exchange rate has been fixed on drawdown of the term loan. The Group's borrowings have decreased from RM645.1 million to RM589.9 million due to repayment of bank borrowings in the financial year-to-date.

	RM'000
Debt Securities:	
RCULS – liability portion	
- Current	6,909
- Non-current	14,218
	<u>21,127</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 June 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. Loss Per Ordinary Share

(a) Basic loss per ordinary share

The basic loss per ordinary share for the quarter under review is calculated by dividing the Group's loss attributable to owners of the Company of RM17,418,000 (4th quarter 2019/2020: RM16,389,000) by the weighted average number of ordinary shares during the quarter of 500,801,216 (4th quarter 2019/2020: 494,724,036).

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 RM27,360,000 (2019/2020: RM45,904,000) by the weighted average number of ordinary shares during the period of 499,401,367 (2019/2020: 494,727,200).

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
	30/06/2021 '000	30/06/2020 '000	30/06/2021 '000	30/06/2020 '000
Issued ordinary shares at beginning of period	500,557	497,147	497,285	492,255
Effect of RCULS conversion	278	23	2,221	2,472
Less:				
Trust shares purchased during the year	(50)	-	(133)	-
Effect of Trust shares vested	17	-	28	-
	(33)	-	(105)	-
Weighted average number of ordinary shares (basic)	500,802	497,170	499,401	494,727
Basic loss per ordinary share (sen)	(3.48)	(3.30)	(5.48)	(9.28)

(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 30 June 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	6,134	14

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
15 September 2021