

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Revenue	116,749	9,594	128,321	18,906
Cost of sales	(77,774)	(9,304)	(88,155)	(19,453)
<b>Gross profit /(loss)</b>	<b>38,975</b>	<b>290</b>	<b>40,166</b>	<b>(547)</b>
Operating expenses	(20,246)	(2,276)	(21,224)	(3,254)
Other operating income /(expenses)	189	(39)	194	14
<b>Operating profit/ (loss)</b>	<b>18,918</b>	<b>(2,025)</b>	<b>19,136</b>	<b>(3,787)</b>
Finance income	96	9	109	18
Finance Costs	(2,815)	-	(2,815)	-
<b>Profit/(loss) before taxation</b>	<b>16,199</b>	<b>(2,016)</b>	<b>16,430</b>	<b>(3,769)</b>
Taxation	(4,005)	74	(4,102)	311
<b>Profit/(loss) for the period attributable to owners of the Company</b>	<b>12,194</b>	<b>(1,942)</b>	<b>12,328</b>	<b>(3,458)</b>
<b>Earnings/ (loss) per ordinary share (sen):-</b>				
(a) Basic <i>(NI)</i>	3.15	(6.25)	5.90	(11.12)
(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 2014.

**HUME INDUSTRIES BERHAD  
(FORMERLY KNOWN AS NARRA INDUSTRIES BERHAD)  
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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2014 ( cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
<b>Profit/(loss) for the period</b>	12,194	(1,942)	12,328	(3,458)
Foreign currency translation differences for foreign operations	31	(2)	25	(7)
<b>Total comprehensive income/(expenses)for the period</b>	12,225	(1,944)	12,353	(3,465)

*(N1)*

The calculation of basic earnings per share for the corresponding quarter/period of the preceding financial year ended 30 June 2014 had been adjusted by using the reduced number of ordinary shares of 31,093,800 ordinary shares of RM1.00 each.

**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 2014.**

**HUME INDUSTRIES BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT**  
**31 DECEMBER 2014**

	As at end of current quarter 31/12/2014 RM'000	As at end of preceding financial year 30/06/2014 RM'000
<b>ASSETS</b>		
Property, plant and equipment	643,301	9,158
Deferred tax assets	9,451	1,637
Tax credit receivables	72,185	-
<b>Total non-current assets</b>	<u>724,937</u>	<u>10,795</u>
Inventories	88,229	2,939
Trade and other receivables	108,210	10,017
Current tax assets	51	-
Derivative financial assets	1,103	-
Deposits, cash and bank balances	36,851	7,473
<b>Total current assets</b>	<u>234,444</u>	<u>20,429</u>
<b>TOTAL ASSETS</b>	<u>959,381</u>	<u>31,224</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	479,094	62,188
Reserves	(101,478)	(44,109)
<b>TOTAL EQUITY</b>	<u>377,616</u>	<u>18,079</u>
<b>LIABILITIES</b>		
Borrowings	296,063	-
Deferred tax liabilities	30,961	-
Deferred income	62,869	-
Retirement benefits	1,118	127
<b>Total non-current liabilities</b>	<u>391,011</u>	<u>127</u>
Trade and other payables	122,136	13,018
Borrowings	64,818	-
Deferred income	3,800	-
<b>Total current liabilities</b>	<u>190,754</u>	<u>13,018</u>
<b>TOTAL LIABILITIES</b>	<u>581,765</u>	<u>13,145</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>959,381</u>	<u>31,224</u>
Net assets per share attributable to owners of the Company (RM)	0.79	0.58

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD  
ENDED 31 DECEMBER 2014**

	Share capital	Translation reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
<b>Current year-to-date ended 31 December 2014</b>				
At 1 July 2014	62,188	(5)	(44,104)	18,079
Profit for the period		-	12,328	12,328
Other comprehensive expense				
– foreign currency translation difference		25	-	25
Total comprehensive income for the period	-	25	12,328	12,353
Capital Reduction	(31,094)	-	31,094	-
Issue of ordinary shares	448,000	-	-	448,000
Goodwill on acquisition of common control subsidiary companies	-	-	(100,816)	(100,816)
At 31 December 2014	479,094	(20)	(101,498)	377,616
<b>Preceding year corresponding period ended 31 December 2013</b>				
At 1 July 2013	62,188	1	(38,659)	23,530
Loss for the period	-	-	(3,458)	(3,458)
Other comprehensive expense				
– foreign currency translation difference	-	(7)	-	(7)
Total comprehensive expense for the period	-	(7)	(3,458)	(3,465)
At 31 December 2013	62,188	(6)	(42,117)	20,065

**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 2014.**

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD  
ENDED 31 DECEMBER 2014**

	Current Year-To-Date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before taxation	16,430	(3,769)
Adjustments for:-		
Depreciation and amortisation	6,231	303
Non cash items	(81)	(12)
Dividend income	(133)	(115)
Net financing costs	2,706	(18)
Operating profit/(loss) before changes in working capital	25,153	(3,611)
Changes in working capital		
Net change in current assets	(2,037)	11,154
Net change in current liabilities	(6,223)	(7,303)
Taxation paid	(162)	(47)
Net financing (costs paid )/income received	(2,706)	18
Retirement benefits paid	-	(4)
Dividend received	133	115
<b>Net cash generated from operating activities</b>	<b>14,158</b>	<b>322</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash and cash equivalents of subsidiary companies acquired	95,904	-
Acquisition of property, plant and equipment	(80,770)	(446)
Proceeds from disposal of property, plant and equipment	61	
<b>Net cash generated from/ (used in) investing activities</b>	<b>15,195</b>	<b>(446)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>29,353</b>	<b>(124)</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>7,473</b>	<b>10,882</b>
<b>EFFECT ON FOREIGN EXCHANGE</b>	<b>25</b>	<b>(7)</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<b>36,851</b>	<b>10,751</b>

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

	31/12/2014 RM'000	31/12/2013 RM'000
Deposits, cash and bank balances	36,851	10,751

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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**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 2014. 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 2014.

The Group has adopted the MFRSs, amendments and interpretations effective for annual periods beginning on or after 1 January 2014 and 1 July 2014 where applicable to the Group. The initial adoption of these applicable MFRS, 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**

During the preceding quarter, the Company had completed its capital restructuring involving a share capital reduction via the cancellation of RM0.50 of the par value of every existing ordinary share of RM1.00 each and a share consolidation of 2 resultant ordinary shares of RM0.50 each into 1 ordinary share of RM1.00 each and consequently, the issued and paid-up ordinary share capital of the Company had been reduced from 62,187,600 ordinary shares of RM1.00 each to 31,093,800 ordinary shares of RM1.00 each.

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

During the quarter under review, the Company issued and allotted 448,000,000 new ordinary shares of RM1.00 each as consideration shares pursuant to the acquisitions of the entire equity interests in Hume Concrete Sdn Bhd (formerly known as Hume Industries (Malaysia) Sdn Bhd) and Hume Cement Sdn Bhd.

There were no share buy-back, 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.

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 profit	<u>18,542</u>	
Included in the measure of segment profit are:		
Revenue from external customers	104,211	
Depreciation and amortisation	<u>5,943</u>	
<b>Reconciliation of reportable segment profit</b>		
<b>Profit</b>		
Reportable segment	18,542	
Non-reportable segments	594	
Finance income	109	
Finance costs	<u>(2,815)</u>	
Consolidated profit before taxation	<u>16,430</u>	
	<b>External Revenue RM'000</b>	
	<b>Depreciation and amortisation RM'000</b>	
Reportable segment	104,211	5,943
Non-reportable segment	24,110	288
<b>Total</b>	<u>128,321</u>	<u>6,231</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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**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 other than as mentioned below :

During the quarter under review, the Company has completed the acquisitions of the entire equity interests in Hume Concrete Sdn Bhd (formerly known as Hume Industries (Malaysia) Sdn Bhd) (“HCCT”) and Hume Cement Sdn Bhd (“HCMT”) as disclosed in Note 6 and accordingly HCCT and HCMT became subsidiaries of the Company.

**11. Review of Performance**

For the quarter under review, the Group recorded a revenue of RM116.7 million and a profit before taxation (“PBT”) of RM16.2 million as compared with a revenue of RM9.6 million and a loss before tax (“LBT”) of RM2.0 million recorded in the corresponding quarter of the preceding financial year ended 30 June 2014 (“FY 2014”).

For the financial year-to-date, the Group recorded a revenue and PBT of RM128.3 million and RM16.4 million respectively as compared with a revenue and LBT of RM18.9 million and RM3.8 million recorded in the corresponding period of FY 2014.

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 (formerly known as Hume Industries (Malaysia) Sdn Bhd) and Hume Cement Sdn Bhd during the quarter under review on 20 October 2014.

**12. Material changes in PBT against the immediate preceding quarter**

The Group recorded a PBT of RM16.2 million for the quarter under review as compared with a PBT of RM0.2 million recorded in the preceding quarter. The increase in PBT in the quarter under review was mainly attributable to the profit contribution from the newly acquired construction materials business as disclosed in Note 11.

**13. Prospects**

Following the completion of the acquisitions of Hume Concrete Sdn Bhd (formerly known as Hume Industries (Malaysia) Sdn Bhd) and Hume Cement Sdn Bhd, the Group is now principally involved in the manufacture and sale of concrete products and cement and cement-related products which are expected to contribute positively to the performance of the Group for the financial year ending 30 June 2015 (“FY 2015”).

Barring any unforeseen circumstances, the Board expects the Group to perform satisfactorily in FY 2015.

**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
	31/12/2014 RM'000	31/12/2014 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from short term investments	(94)	(133)
Depreciation and amortisation	6,085	6,231
Reversal of impairment loss on trade receivables	(26)	(26)
Inventories written down	1,702	1,725
Gain on foreign exchange	(1,113)	(1,137)
Fair value loss on derivative instruments	218	218
Gain on disposal of quoted/unquoted investments or properties	-	-
Impairment of property, plant and equipment	-	-

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Current taxation				
Malaysian - current year	(117)	2	(114)	4
Deferred taxation				
Malaysian - current years	4,122	(76)	4,216	(315)
	4,005	(74)	4,102	(311)

Taxation for the quarter under review and financial year-to-date mainly represent provision of deferred tax.

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**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 (formerly known as Hume Industries (Malaysia) Sdn Bhd) (“HCCT”) and Hume Cement Sdn Bhd, which were completed on 20 October 2014, is subject to the condition whereby the Company is to obtain occupational certificates (“OC”) for the following properties owned by HCCT Group within 24 months from 28 April 2014, being the date of the SC’s approval letter. The status are as follows:

- (i) 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 which the Company is taking the necessary actions to obtain the OC; and
- (ii) industrial land with a single-storey detached office, 11 single-storey detached factory buildings and 16 open storage yards bearing postal address No. 6A, Jalan Undan, Batu 5.5, Jalan Tuaran, 88450, Kota Kinabalu, Sabah which the Company is deemed to have complied with the condition.

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

Particulars of the Group’s borrowings and debt securities as at 31 December 2014 are as follows:-

	<b>RM’000</b>
(i) Secured short term borrowings	35,118
Unsecured short term borrowings	29,700
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	64,818
(ii) Secured long term borrowings	296,063
	<hr/>
	360,881
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There were no borrowings denominated in foreign currencies as at 31 December 2014.

**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 31 December 2014 of the financial year ending 30 June 2015 (2<sup>nd</sup> quarter 2013/2014 : Nil).
- b) For the financial year-to-date, no dividend has been declared (2013/2014: Nil)

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

(a) Basic earnings/(loss) 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 RM12,194,000 (2<sup>nd</sup> quarter 2013/2014: loss attributable to owners of the Company of RM1,942,000) by the weighted average number of ordinary shares during the quarter of 386,572,061 (2<sup>nd</sup> quarter 2013/2014: 31,093,800).

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 RM12,328,000 (2<sup>nd</sup> quarter 2013/2014: loss attributable to owners of the Company of RM3,458,000) by the weighted average number of ordinary shares during the period of 208,832,930 (2<sup>nd</sup> quarter 2013/2014: 31,093,800).

The calculation of basic earnings per share for the corresponding quarter/period of the preceding financial year ended 30 June 2014 had been adjusted by using the reduced number of ordinary shares of 31,093,800 ordinary shares.

	<b>Weighted average number of ordinary shares</b>			
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 31/12/2014 '000</b>	<b>Preceding Year Corresponding Quarter 31/12/2013 '000</b>	<b>Current Year- To-Date 31/12/2014 '000</b>	<b>Preceding Year Corresponding Period 31/12/2013 '000</b>
Issued ordinary shares at beginning of period	31,094	31,094	31,094	31,094
Effect of issue of ordinary shares	355,478	-	177,739	-
<b>Weighted average number of ordinary shares (basic)</b>	<b>386,572</b>	<b>31,094</b>	<b>208,833</b>	<b>31,094</b>

(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.

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**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
	31/12/2014 RM'000	30/06/2014 RM'000
Total retained earnings/ (accumulated losses) of the Company and its subsidiaries:-		
-realised	106,709	(36,083)
-unrealised	(21,674)	1,740
	<u>85,035</u>	<u>(34,343)</u>
Less: Consolidation adjustments	(186,533)	(9,761)
Group's accumulated losses	<u>(101,498)</u>	<u>(44,104)</u>

By Order of the Board  
Hume Industries Berhad  
(Formerly known as Narra Industries Berhad)

Joanne Leong Wei Yin  
Valerie Mak Mew Chan  
Company Secretaries

Kuala Lumpur  
22 January 2015