

HUME INDUSTRIES BERHAD (62227-X)

Key Pertinent Questions and Answers at the 37th Annual General Meeting of HUME INDUSTRIES BERHAD held at the Theatrette, Level 1, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur on Wednesday, 25 October 2017 at 10.00 a.m.

1. What is your view on the industry woe? First half of the financial year was performing well but not the next half. Will the industry pick up after this?

In 2016, cement demand saw a decline of 6.1% averaging at 18.9 million ton cement consumption in Peninsula Malaysia as compared to 20.1 million ton in 2015. During the first half of 2017, cement consumption has declined by 13.6%. The outlook for the second half of 2017 remains flattish. The overall 2017 outlook is foreseen to be 6%-7% lower than 2016.

2. Why the Profit Before Tax had declined as opposed to the increase in Revenue?

Cement industry experienced a drop in demand coupled with an increase in cement production capacity. The deterioration in cement price and the hike in cost of sales had impacted the profitability. In tandem with this, our strategy is to manage our production cost efficiently by continuously improving on productivity and efficiency.