

HUME INDUSTRIES BERHAD (62227-X)

Key Pertinent Questions and Answers at the 39th Annual General Meeting of HUME INDUSTRIES BERHAD held at the Auditorium, Ground Floor, Menara Hong Leong, No. 6 Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur on Thursday, 7 November 2019 at 10.30 a.m.

1. What are the Group's strategies to turnaround the business loss?

The low cement selling price was the primary cause of the Group's reported loss during the financial year ended 30 June ("FY") 2019. Cement manufacturers need higher cement selling price to turnaround the business.

2. In FY 2019, two of the cement manufacturers in Malaysia have completed a merger & acquisition exercise. Is the Group considering a merger with the other Hong Leong Group of companies?

The Board believes a merger exercise will not help to improve the situation and is not considering a merger at the moment.

3. The Group has reported losses in FY 2018 and FY 2019, and the losses will likely continue in financial year ending 30 June 2020. Is the Group considering a capital call?

The Board will not eliminate the possibility of a fresh capital call in the event that the cement industry does not recover from the low selling price and the business continues to suffer losses. However, the Board is pleased to note that cement selling price has recently improved and hopes that this trend will continue.