

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2015

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Revenue	172,697	10,577	301,018	29,483
Cost of sales	(112,897)	(9,788)	(201,052)	(29,241)
Gross profit	59,800	789	99,966	242
Operating expenses	(31,222)	(1,510)	(52,446)	(4,764)
Other operating income	626	75	820	89
Operating profit/ (loss)	29,204	(646)	48,340	(4,433)
Finance income	36	15	145	33
Finance Costs	(4,340)	-	(7,155)	-
Profit/(loss) before taxation	24,900	(631)	41,330	(4,400)
Taxation	(5,630)	40	(9,732)	351
Profit/(loss) for the period attributable to owners of the Company	19,270	(591)	31,598	(4,049)
Earnings/ (loss) per ordinary share (sen):-				
(a) Basic (NI)	4.02	(1.90)	10.62	(13.02)
(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)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2015 (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Profit/(loss) for the period	19,270	(591)	31,598	(4,049)
Foreign currency translation differences for foreign operations	30	(1)	55	(8)
Total comprehensive income/(expenses)for the period	19,300	(592)	31,653	(4,057)

(NI)

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 MARCH 2015

	As at end of current quarter 31/03/2015 RM'000	As at end of preceding financial year 30/06/2014 RM'000
ASSETS		
Property, plant and equipment	689,180	9,158
Deferred tax assets	9,372	1,637
Tax credit receivables	72,043	-
Total non-current assets	<u>770,595</u>	<u>10,795</u>
Inventories	79,613	2,939
Trade and other receivables	121,380	10,017
Current tax assets	40	-
Derivative financial assets	994	-
Deposits, cash and bank balances	73,684	7,473
Total current assets	<u>275,711</u>	<u>20,429</u>
TOTAL ASSETS	<u>1,046,306</u>	<u>31,224</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	479,094	62,188
Reserves	(83,554)	(44,109)
TOTAL EQUITY	<u>395,540</u>	<u>18,079</u>
LIABILITIES		
Borrowings	298,064	-
Deferred tax liabilities	36,059	-
Deferred income	61,783	-
Retirement benefits	1,006	127
Total non-current liabilities	<u>396,912</u>	<u>127</u>
Trade and other payables	136,588	13,018
Borrowings	113,466	-
Deferred income	3,800	-
Total current liabilities	<u>253,854</u>	<u>13,018</u>
TOTAL LIABILITIES	<u>650,766</u>	<u>13,145</u>
TOTAL EQUITY AND LIABILITIES	<u>1,046,306</u>	<u>31,224</u>
Net assets per share attributable to owners of the Company (RM)	0.83	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 MARCH 2015

	Share capital	Translation reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 31 March 2015				
At 1 July 2014	62,188	(5)	(44,104)	18,079
Profit for the period		-	31,598	31,598
Other comprehensive expense				
– foreign currency translation difference		55	-	55
Total comprehensive income for the period	-	55	31,598	31,653
Capital Reduction	(31,094)	-	31,094	-
Issue of ordinary shares	448,000	-	-	448,000
Goodwill on acquisition of common control subsidiary companies	-	-	(102,192)	(102,192)
At 31 March 2015	479,094	50	(83,604)	395,540
Preceding year corresponding period ended 31 March 2014				
At 1 July 2013	62,188	1	(38,659)	23,530
Loss for the period	-	-	(4,049)	(4,049)
Other comprehensive expense				
– foreign currency translation difference	-	(8)	-	(8)
Total comprehensive expense for the period	-	(8)	(4,049)	(4,057)
At 31 March 2014	62,188	(7)	(42,708)	19,473

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 MARCH 2015**

	Current Year-To-Date	Preceding Year Corresponding Period
	31/03/2015 RM'000	31/03/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) before taxation	41,330	(4,400)
Adjustments for:-		
Depreciation and amortisation	15,118	453
Non cash items	(400)	(72)
Dividend income	(220)	(171)
Net financing costs	7,009	(33)
Operating profit/(loss) before changes in working capital	62,837	(4,223)
Changes in working capital		
Net change in current assets	(6,500)	10,446
Net change in current liabilities	8,228	(5,887)
Taxation paid	(604)	(44)
Net financing (costs paid)/income received	(7,009)	33
Retirement benefits paid	-	(4)
Dividend received	220	171
Net cash generated from operating activities	57,172	492
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash and cash equivalents of subsidiary companies acquired	94,528	-
Acquisition of property, plant and equipment	(136,253)	(489)
Proceeds from disposal of property, plant and equipment	61	-
Net cash used in investing activities	(41,664)	(489)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	50,648	-
Net cash generated from financing activities	50,648	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	66,156	3
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,473	10,882
EFFECT ON FOREIGN EXCHANGE	55	(8)
CASH & CASH EQUIVALENTS AT END OF PERIOD	73,684	10,877

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

	31/03/2015 RM'000	31/03/2014 RM'000
Deposits, cash and bank balances	73,684	10,877

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.

**HUME INDUSTRIES BERHAD
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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 financial year-to-date, 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 financial year-to-date, the Company had also 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: -

	Construction Materials RM'000		External Revenue RM'000	Depreciation and amortisation RM'000
Reportable segment profit	48,242			
Included in the measure of segment profit are:				
Revenue from external customers		266,338		
Depreciation and amortisation		14,684		
Reconciliation of reportable segment profit				
Profit				
Reportable segment	48,242			
Non-reportable segments	98			
Finance income	145			
Finance costs	(7,155)			
Consolidated profit before taxation	41,330			
Reportable segment		266,338	14,684	
Non-reportable segment		34,680	434	
Total		301,018	15,118	

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.

11. Review of Performance

For the quarter under review, the Group recorded a revenue of RM172.7 million and a profit before taxation ("PBT") of RM24.9 million as compared with a revenue of RM10.6 million and a loss before tax ("LBT") of RM0.6 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 RM301.0 million and RM41.3 million respectively as compared with a revenue and LBT of RM29.5 million and RM4.4 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 in the preceding quarter.

12. Material changes in PBT against the immediate preceding quarter

The Group recorded a PBT of RM24.9 million for the quarter under review as compared with a PBT of RM16.2 million recorded in the preceding quarter. The increase in PBT in the quarter under review was mainly attributable to the full 3 months' profit contribution from the newly acquired construction materials business compared with the 2 months' profit contribution in the preceding quarter.

13. Prospects

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
	31/03/2015 RM'000	31/03/2015 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from short term investments	(87)	(220)
Depreciation and amortisation	8,887	15,118
Reversal of impairment loss on trade receivables	-	(26)
Inventories written down	1,006	2,731
Gain on foreign exchange	(919)	(2,056)
Fair value loss on derivative instruments	109	327
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
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Current taxation				
Malaysian - current year	454	2	340	6
- prior year	(1)	(5)	(1)	(5)
	453	(3)	339	1
Deferred taxation				
Malaysian - current years	5,177	(37)	9,393	(352)
	5,630	(40)	9,732	(351)

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 remaining outstanding condition whereby the Company is to obtain occupational certificates (“OC”) for the 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 owned by HCCT Group within 24 months from 28 April 2014, being the date of the SC’s approval letter. The approval for OC is still pending and the Company is pursuing the matter.

18. Group’s borrowings and debt securities

Particulars of the Group’s borrowings and debt securities as at 31 March 2015 are as follows:-

	RM’000
(i) Secured short term borrowings	33,118
Unsecured short term borrowings	80,348
	<hr/>
	113,466
(ii) Secured long term borrowings	298,064
	<hr/>
	411,530
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There were no borrowings denominated in foreign currencies as at 31 March 2015.

19. Changes in material litigation

There are no material litigations as at the date of this report.

20. Dividend

- (a) The Board has declared an interim single tier dividend of 3.0 sen per share for the financial year ending 30 June 2015 (2013/2014: Nil) to be paid on 3 June 2015 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 19 May 2015.

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 19 May 2015 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, single tier dividend of 3.0 sen per share (2013/2014: Nil) has been declared.

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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 RM19,270,000 (3rd quarter 2013/2014: loss attributable to owners of the Company of RM591,000) by the weighted average number of ordinary shares during the quarter of 479,093,800 (3rd 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 RM31,598,000 (2013/2014: loss attributable to owners of the Company of RM4,049,000) by the weighted average number of ordinary shares during the period of 297,604,749 (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.

Weighted average number of ordinary shares

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2015 '000	Preceding Year Corresponding Quarter 31/03/2014 '000	Current Year- To-Date 31/03/2015 '000	Preceding Year Corresponding Period 31/03/2014 '000
Issued ordinary shares at beginning of period	479,094	31,094	31,094	31,094
Effect of issue of ordinary shares	-	-	266,511	-
Weighted average number of ordinary shares (basic)	479,094	31,094	297,605	31,094

(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
	31/03/2015 RM'000	30/06/2014 RM'000
Total retained earnings/ (accumulated losses) of the Company and its subsidiaries:-		
-realised	134,566	(36,083)
-unrealised	(26,761)	1,740
	<u>107,805</u>	<u>(34,343)</u>
Less: Consolidation adjustments	(191,409)	(9,761)
Group's accumulated losses	<u>(83,604)</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
29 April 2015