



**HIAP HUAT HOLDINGS BERHAD (200901038858 (881993-M))  
(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2025**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 June 2025 RM'000	Preceding Year Corresponding Quarter Ended 30 June 2024 RM'000	Current Year To Date Ended 30 June 2025 RM'000	Preceding year To Date Ended 30 June 2024 RM'000
Revenue	42,522	27,119	80,579	48,295
Cost of sales	(36,552)	(21,591)	(69,237)	(39,080)
<b>Gross profit</b>	<b>5,970</b>	<b>5,528</b>	<b>11,342</b>	<b>9,215</b>
Other income	135	505	475	1,207
Administration expenses	(3,845)	(2,985)	(7,505)	(5,956)
Selling and distribution costs	(191)	(197)	(504)	(404)
Finance costs	(589)	(627)	(1,152)	(1,229)
<b>Profit before taxation</b>	<b>1,480</b>	<b>2,224</b>	<b>2,656</b>	<b>2,833</b>
Taxation	(749)	(1,519)	(1,540)	(1,737)
<b>Net profit for the financial period/year, representing total comprehensive income for the financial period/year</b>	<b>731</b>	<b>705</b>	<b>1,116</b>	<b>1,096</b>
<b>Profit for the financial period/year, representing total comprehensive income for the financial period/year attributable to:</b>				
Equity owners of the Company	1,125	701	1,674	1,125
Non-controlling interests	(395)	4	(558)	(29)
	<b>731</b>	<b>705</b>	<b>1,116</b>	<b>1,096</b>
<b>Earnings per share attributable to the equity holders of the Company (sen)</b>	<b>0.28</b>	<b>0.18</b>	<b>0.42</b>	<b>0.28</b>

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2025**

	<b>Unaudited As at 30 June 2025 RM'000</b>	<b>Audited As at 31 December 2024 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	75,846	58,609
Investment property	7,122	7,169
Right-of-use assets	238,615	237,131
Other receivables	542	623
	<b>322,125</b>	<b>303,532</b>
<b>Current assets</b>		
Inventories	17,577	14,306
Trade receivables	17,767	13,168
Other receivables	3,684	2,928
Tax recoverable	1,099	797
Short term investments	476	3,375
Fixed deposits	666	666
Cash and bank balances	8,348	13,531
	<b>49,618</b>	<b>48,771</b>
<b>TOTAL ASSETS</b>	<b>371,743</b>	<b>352,303</b>
<b>EQUITY</b>		
Share capital	49,981	49,981
Treasury shares	(401)	(401)
Merger deficit	(9,535)	(9,535)
Revaluation reserves	16,457	16,457
Retained profits	48,669	46,995
<b>Equity attributable to owners of the Company</b>	<b>105,171</b>	<b>103,497</b>
Non-controlling interests	774	1,332
<b>Total equity</b>	<b>105,945</b>	<b>104,829</b>
<b>LIABILITY</b>		
<b>Non-current liabilities</b>		
Lease liabilities	181,417	179,951
Bank borrowings	30,906	32,685
Deferred tax liabilities	10,512	10,518
	<b>222,836</b>	<b>223,154</b>
<b>Current Liabilities</b>		
Trade payables	20,123	9,558
Other payables	8,185	7,109
Contract liabilities	-	159
Provision for taxation	1,899	846
Lease liabilities	3,247	2,572
Bank borrowings	9,509	4,076
	<b>42,963</b>	<b>24,320</b>
<b>Total liabilities</b>	<b>265,798</b>	<b>247,474</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>371,743</b>	<b>352,303</b>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>	<b>0.27</b>	<b>0.27</b>

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

	<-----Attributable to Equity Holders of the Company ----->							
	<----- Non-distributable ----->				Distributable			
	Share Capital	Treasury Shares	Revaluation Reserves	Merger Deficit	Retained Profits	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Current year to date ended 30 June 2025</u></b>								
At 1 January 2025	49,981	(401)	16,457	(9,535)	46,995	103,497	1,332	104,829
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	1,674	1,674	(558)	1,116
<b>Transactions with owner</b>								
Acquisition of a subsidiary	-	-	-	-	-	-	-	-
Contribution received from NCI	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	-
<b>At 30 June 2025</b>	<b>49,981</b>	<b>(401)</b>	<b>16,457</b>	<b>(9,535)</b>	<b>48,669</b>	<b>105,171</b>	<b>774</b>	<b>105,945</b>
<b><u>Preceding year to date ended 30 June 2024</u></b>								
At 1 January 2024	49,981	(401)	8,881	(9,535)	42,982	91,908	44	91,952
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	1,125	1,125	(29)	1,096
<b>Transactions with owners</b>								
Acquisition of a subsidiary	-	-	-	-	(1,301)	(1,301)	400	(901)
Increase in share capital of subsidiary	-	-	-	-	-	-	600	600
<b>Total transactions with owners</b>	-	-	-	-	(1,301)	(1,301)	1,000	(301)
<b>At 30 June 2024</b>	<b>49,981</b>	<b>(401)</b>	<b>8,881</b>	<b>(9,535)</b>	<b>42,806</b>	<b>91,732</b>	<b>1,015</b>	<b>92,747</b>

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

	<b>Current Year To-date Ended 30 June 2025 RM'000</b>	<b>Preceding Year To-date Ended 30 June 2024 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,656	2,833
Adjustments:		
Depreciation of property, plant and equipment	1,984	1,744
Depreciation of investment properties	47	47
Depreciation of right-of-use assets	2,202	2,433
Dividend income on short term investments	-	-
Fair value (gain) on short term investments	(12)	-
Gain on disposal of property, plant and equipment	(204)	(1)
Property, plant and equipment written off	4	15
Unrealised loss/(gain) on foreign exchange	(234)	-
Unwinding interest on non-trade receivables	(15)	-
Termination of contract	16	-
Interest income	(23)	-
Interest expenses	1,152	1,229
Operating profit before working capital changes	7,573	8,300
Net changes in working capital:		
Inventories	(3,271)	(2,312)
Receivables	(5,026)	3,990
Payables	11,640	8,215
Contract liabilities	(159)	-
Cash generated from operations	10,757	18,193
Interest received	12	-
Tax refund	8	-
Tax paid	(803)	(1,576)
<b>Net cash from operating activities</b>	<b>9,974</b>	<b>16,617</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	12	-
Purchase of property, plant and equipment	(19,278)	(11,671)
Additions to right-of-use assets	(8)	(1,663)
Proceeds from disposal of property, plant and equipment	257	1
Redemption/(placement) of short term investments	2,912	-
<b>Net cash used in investing activities</b>	<b>(16,105)</b>	<b>(13,333)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,152)	(1,229)
Drawdown of bank borrowings	5,268	4,136
Repayment of bank borrowings	(1,614)	(883)
Repayment of lease liabilities	(1,554)	(1,325)
<b>Net cash from/ (used in) financing activities</b>	<b>948</b>	<b>699</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(5,183)</b>	<b>3,983</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>13,531</b>	<b>7,278</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>8,348</b>	<b>11,261</b>
<b>Cash and Cash Equivalents at end of the financial year comprise the followings:</b>		
Fixed deposits with licenced banks	666	-
Cash and bank balances	8,348	11,261
	9,014	11,261
Less: Fixed deposit with licensed bank with maturity more than 3 months	(666)	-
	8,348	11,261

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial statement.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS 134):**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with MFRS134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of Hiap Huat Holdings Berhad and its group of companies (“the Group”) for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial report.

**A2. Summary of material accounting policies**

The significant accounting policies and methods of computation adopted in the preparation of this interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2024.

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements to MFRS Accounting Standards-Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

**A2. Summary of material accounting policies (continued)**

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

The initial application of the new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

**A3. Auditors' report**

The audit report of the Group's preceding annual Financial Statements was not subject to any qualification.

**A4. Seasonal or cyclical factors**

The principal businesses of the Group were not significantly affected by seasonal or cyclical factors.

**A5. Items of unusual nature and amount**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

**A6. Material changes in estimates**

There were no changes in the estimates of amount reported in prior financial period that had a material effect in the current quarter under review.

**A7. Issuances, cancellations, repurchase, resale and repayments of debts and equity securities**

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the current financial period under review.

As at 30 June 2025, a total of 4,113,000 buy-back shares were held as treasury shares and carried at cost.

**A8. Dividends paid**

No dividend has been paid during the quarter under review.

**A9. Segmental information**

No segmental reporting is prepared as the principal activities of the Group are predominantly carried out in Malaysia and are engaged in a single business segment of manufacturing, recycling and refining all kinds of petroleum-based products, petrochemicals, and sustainable products.

**A10. Valuation of property, plant and equipment**

The property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses. There was no revaluation of property, plant and equipment for the current financial period. The valuation of property, plant and equipment of the Group has been brought forward without amendment from the previous financial years.

**A11. Capital commitments**

Authorised capital expenditures for property, plant and equipment not provided for in the financial statements were as follows:

	<b>Group</b> <b>30 June 2025</b> <b>RM'000</b>
Approved and contracted for:	
- Factory construction	2,772
- Purchase of machineries	40,091
- Purchase of motor vehicle	1,303
	44,166

**A12. Material subsequent event**

There are no material events subsequent to the end of the current financial period under review up to the date of this announcement that have not been reflected in these interim financial statements.

**A13. Significant event during the period**

There were no significant events during the current financial period under review that have not been reflected in these interim financial statements.

**A14. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial period under review

**A15. Contingent liabilities and contingent assets**

The contingent liabilities as at 30 June 2025 were as follows:

<u>Unsecured contingent liabilities</u>	<b>Group</b> <b>30 June 2025</b> <b>RM'000</b>
Bank guarantee for performance bond given to supplies	1,339

<u>Unsecured contingent liabilities</u>	<b>Group</b> <b>30 June 2025</b> <b>RM'000</b>
Corporate guarantee given to financial institutions and non-financial institutions for financing facilities granted to subsidiaries	99,117

**A16. Financial risk management**

All aspects of the Group’s financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as for the financial year ended 31 December 2024.

**A17. Status on corporate proposals**

There were no corporate proposals announced but not completed at the latest practicable date of this quarterly report.

**A18. Related party transaction**

Related party transactions for the quarter under review in which certain Directors have direct/indirect interest are as follows:

	Group	
	Quarter ended 30 June 2025	Year-to-date 30 June 2025
	RM’000	RM’000
Allowance to a person connected to certain Directors	17	34

**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. Review of performance**

**Financial review for second quarter ended 30 June 2025 (“Q2 FY2025”) versus corresponding quarter ended 30 June 2024 (“Q2 FY2024”)**

	Current Quarter Ended				Cumulative Quarter Ended			
	30 June 2025	30 June 2024	Change		30 June 2025	30 June 2024	Change	
	RM’000	RM’000	RM’000	%	RM’000	RM’000	RM’000	%
Revenue	42,522	27,119	15,403	56.80%	80,579	48,295	32,284	66.85%
Profit before taxation	1,480	2,224	(744)	-33.47%	2,656	2,833	(177)	-6.26%
Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)	4,230	4,971	(741)	-14.90%	8,018	8,286	(268)	-3.23%

The Group’s revenue was recorded at RM42.52 million in Q2 FY2025, a 56.80% increase compared to RM27.12 million in Q2 FY2024. The increase in revenue in Q2 FY 2025 was primarily driven by a substantial increase in sustainable products (increase from 37.90% to 70.82%) segment.

However, the gross profit margin dropped from 20.38% to 14.04% in Q2 FY2025. This was mainly due to the increase in sales of sustainable products which has a lower margin.

As a result, the Group’s profit before tax closed at RM1.48 million, a decrease of 33.47% from RM2.22 million in Q2 FY2024. This decrease was mainly due to lower gross profit margin and higher overhead cost. Similarly, EBITDA decreased by 14.90% to RM4.23 million from RM4.97 million.

**Financial review for the financial period year-to-date ended 30 June 2025 (“YTD FY2025”) versus 30 June 2024 (“YTD FY2024”)**

On a year-to-date basis, the Group achieved a revenue of RM80.58 million in YTD FY2025, an increase of 66.85% from RM48.30 million in YTD FY2024. The export sales representing 86.59% of total revenue in YTD FY2025 have grown to RM35.82 million while local sales have reduced by 24.66%. Lower margin products drove a significant increase in the export sales, even as local sales declined.

However, the gross profit margin dropped from 20.38% to 14.04% in Q2 FY2025. This was mainly due to the increase in sales of sustainable products which has a lower margin.

For YTD FY2025, the Group recorded profit before tax at RM2.66 million, representing 6.26% decrease from profit before tax of RM2.83 million in YTD FY2024. EBITDA amounted to RM8.02 million in YTD FY2025, a decrease of RM0.27 million as compared to RM8.29 million in YTD FY2024.

**B2. Financial review of current quarter ended 30 June 2025 (“Q2 FY2025”) versus immediate preceding quarter ended 31 March 2025 (“Q1 FY2025”)**

	Financial Quarter Ended			
	30 June 2025	31 March 2025	Change	
	RM'000	RM'000	RM'000	%
Revenue	42,522	38,057	4,465	11.73%
Profit before taxation	1,480	1,176	304	25.82%
Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)	4,230	3,788	442	11.68%

In the current quarter, the Group achieved its revenue at RM42.52 million, an increase by 11.73% as compared to RM38.06 million in Q1 FY2025. It was mainly contributed by sustainable products (increase from 63.74% to 70.82%) segment.

The Group recorded higher profit before tax in the current quarter at RM1.48 million compared to RM1.18 million in Q1 FY2025 mainly due to higher revenue recorded. EBITDA for current quarter was RM4.23 million compared to RM3.79 million in Q1 FY2024.

**B3. Prospects**

The Group anticipates a mixed economic climate in 2025, with global deceleration and domestic inflationary pressures continuing to be factors. We are closely monitoring the Ringgit's volatility and its potential impact on our operational costs and supply chains.

Within our industry, oil prices are expected to remain volatile, which will impact the demand and pricing of our traditional oil products. The Group is prepared to adapt to these fluctuations.

A key strategic driver for the Group is the significant expansion into the biofuel products segment. This new segment represents a vital step in our diversification strategy and commitment to sustainable solutions. We foresee strong growth opportunities here, leveraging increasing market demand for renewable energy sources.

**B3. Prospects (continued)**

This expansion positions the Group strongly to capitalize on the growing global demand for renewable energy. We are optimistic about the significant growth opportunities presented by our biofuel products and are committed to leveraging this strategic move.

For our established manufacturing of oil products, the Group will continue to focus on operational efficiency and cost management to maintain competitiveness. Our aim is to ensure resilience within this segment amidst evolving market conditions.

The Management remains dedicated to upholding stringent internal controls and sound financial management. These principles are fundamental to sustaining the Group's business growth and profitability throughout 2025 and beyond.

**B4. Profit guarantee or profit forecast**

No profit guarantee or profit forecast has been issued by the Group previously in any public document.

**B5. Taxation**

	Quarter ended		Cumulative Quarter ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	RM'000	RM'000	RM'000	RM'000
<b>Current Tax</b>				
- Current period	749	1,519	1,540	1,737
	749	1,519	1,540	1,737

The effective tax rate of the Group for the current year-to-date was higher than the statutory tax rate, mainly due to non-deductible expenses as well as certain subsidiaries registered loss before taxation.

**B6. Bank borrowings**

The Group's bank borrowings as at 30 June 2025 are as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
<u>Secured</u>			
-Term Loan	30,906	9,509	40,415
	30,906	9,509	40,415

All bank borrowings are denominated in Ringgit Malaysia.

**B7. Material litigation**

The Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Directors of the Group do not have any knowledge of proceedings pending or threatened against the Company and/or its subsidiaries, or of any fact likely to give rise to any proceeding, which might materially and adversely affect the financial position or business of the Group as at the date of this report.

**B8. Dividends**

No dividends has been declared or recommended in respect of the current financial period under review.

**B9. Disclosure of profit or loss items for the period**

	Current Quarter		Cumulative Quarter	
	Ended 30 June		Ended 30 June	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(10)	-	(23)	-
Interest expenses	589	627	1,152	1,229
Depreciation of property, plant and equipment	992	869	1,984	1,744
Depreciation of investment properties	23	23	47	47
Depreciation of right-of-use assets	1,156	1,228	2,202	2,433
Dividend income on short term investments	-	25	-	31
Gain on disposal of property, plant and equipment	(77)	-	(204)	(1)
Property, plant and equipment written off	2	11	3	15

**B10. Earnings per share**

Basic earnings per share is calculated by dividing the Group's net profit attributable to the owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period, excluding ordinary shares purchased by the Company and held as treasury shares.

	Current Quarter		Cumulative Quarter	
	Ended 30 June		Ended 30 June	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Group's net profit attributable to equity holders of the Company (RM'000)	1,125	701	1,674	1,125
Weighted average number of ordinary shares (RM'000)	395,025	395,025	395,025	395,025
Earnings per share (sen)				
- Basic	0.28	0.18	0.42	0.28

The Group has no dilution impact in their earnings/(loss) per share as there was no potential dilutive ordinary shares during the current financial period.

**B11. Authority for issue**

The interim financial statements were reviewed by the Audit Committee of the Company and duly authorised for issue by the Board in accordance with a resolution of the Directors dated 22 August 2025.

By order of the Board,

DATO' CHAN SAY HWA  
Executive Chairman

22 August 2025