



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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 September 2025 RM'000	Preceding Year Corresponding Quarter Ended 30 September 2024 RM'000	Current Year To Date Ended 30 September 2025 RM'000	Preceding year To Date Ended 30 September 2024 RM'000
Revenue	76,635	28,724	157,214	77,019
Cost of sales	(65,683)	(22,821)	(134,920)	(61,901)
Gross profit	10,952	5,903	22,294	15,118
Other income	409	548	884	1,755
Administration expenses	(4,596)	(3,781)	(12,101)	(9,737)
Selling and distribution costs	(326)	(297)	(830)	(701)
Finance costs	(634)	(658)	(1,786)	(1,887)
Profit before taxation	5,805	1,715	8,461	4,548
Taxation	(2,159)	(669)	(3,699)	(2,406)
Net profit for the financial period/year, representing total comprehensive income for the financial period/year	3,646	1,046	4,762	2,142
Profit for the financial period/year, representing total comprehensive income for the financial period/year attributable to:				
Equity owners of the Company	3,591	1,050	5,265	2,175
Non-controlling interests	55	(4)	(503)	(33)
	3,646	1,046	4,762	2,142
Earnings per share attributable to the equity holders of the Company (sen)	0.91	0.27	1.33	0.55

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 SEPTEMBER 2025**

	Unaudited As at 30 September 2025 RM'000	Audited As at 31 December 2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	80,214	58,609
Investment property	7,098	7,169
Right-of-use assets	239,668	237,131
Other receivables	704	623
	327,684	303,532
Current assets		
Inventories	9,797	14,306
Trade receivables	40,966	13,168
Other receivables	5,421	2,928
Tax recoverable	1,586	797
Short term investments	480	3,375
Fixed deposits	689	666
Cash and bank balances	9,715	13,531
	68,654	48,771
TOTAL ASSETS	396,338	352,303
EQUITY		
Share capital	49,981	49,981
Treasury shares	(401)	(401)
Merger deficit	(9,535)	(9,535)
Revaluation reserves	16,457	16,457
Retained profits	52,261	46,995
Equity attributable to owners of the Company	108,763	103,497
Non-controlling interests	828	1,332
Total equity	109,591	104,829
LIABILITY		
Non-current liabilities		
Lease liabilities	182,376	179,951
Bank borrowings	30,860	32,685
Deferred tax liabilities	10,509	10,518
	223,745	223,154
Current Liabilities		
Trade payables	33,387	9,558
Other payables	8,675	7,109
Contract liabilities	-	159
Provision for taxation	3,217	846
Lease liabilities	3,672	2,572
Bank borrowings	14,051	4,076
	63,002	24,320
Total liabilities	286,747	247,474
TOTAL EQUITY AND LIABILITIES	396,338	352,303
	-	-
Net assets per share attributable to equity holders of the Company (RM)	0.28	0.27

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 THIRD QUARTER ENDED 30 SEPTEMBER 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
<u>Current year to date ended 30 September 2025</u>								
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	-	-	-	-	5,265	5,265	(503)	4,762
Transactions with owner								
Acquisition of a subsidiary	-	-	-	-	-	-	-	-
Contribution received from NCI	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
At 30 September 2025	49,981	(401)	16,457	(9,535)	52,260	108,762	829	109,591
<u>Preceding year to date ended 30 September 2024</u>								
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	-	-	-	-	2,175	2,175	(33)	2,142
Transactions with owners								
Acquisition of a subsidiary	-	-	-	-	-	-	(120)	(120)
Increase in share capital of subsidiary	-	-	-	-	-	-	1,600	1,600
Total transactions with owners	-	-	-	-	-	-	1,480	1,480
At 30 September 2024	49,981	(401)	8,881	(9,535)	45,157	94,083	1,491	95,574

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 THIRD QUARTER ENDED 30 SEPTEMBER 2025**

	Current Year To-date Ended 30 September 2025 RM'000	Preceding Year To-date Ended 30 September 2024 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	8,461	4,548
Adjustments:		
Depreciation of property, plant and equipment	2,966	2,634
Depreciation of investment properties	71	71
Adjustments to fair value due to change in market value of financial instruments		
Depreciation of right-of-use assets	3,442	3,713
Dividend income on short term investments	-	(47)
Fair value (gain) on short term investments	(16)	(28)
Bad debts written off	-	-
Gain on disposal of property, plant and equipment	(204)	(1)
Gain on disposal of right-of-use assets	-	-
Reversal of impairment loss on trade receivables	-	-
Fair Value Adjustment on Short Term Investment	-	-
Property, plant and equipment written off	3	19
Unrealised loss/(gain) on foreign exchange	(247)	-
Unwinding interest on non-trade receivables	(22)	-
Termination of contract	371	-
Interest income	(33)	-
Interest expenses	1,786	1,887
Operating profit before working capital changes	<u>16,578</u>	<u>12,796</u>
Net changes in working capital:		
Inventories	4,509	(6,553)
Receivables	(30,102)	6,218
Payables	25,394	4,035
Contract liabilities	(159)	-
Cash generated from operations	<u>16,220</u>	<u>16,496</u>
Interest received	18	-
Tax refund	38	-
Tax paid	(2,164)	(2,563)
Net cash from operating activities	<u>14,112</u>	<u>13,933</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	15	-
Purchase of property, plant and equipment	(24,628)	(13,996)
Additions to right-of-use assets	(4)	(753)
Proceeds from disposal of property, plant and equipment	257	1
Placement of fixed deposit	(23)	(666)
Redemption/(placement) of short term investments	2,912	(7,800)
Proceeds from issuance of shares in a subsidiary of NCI	-	1,600
Net outflow of acquisition of subsidiary	-	(2,092)
Net cash used in investing activities	<u>(21,471)</u>	<u>(23,706)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1,786)	(1,887)
Increase in cash in bank not available for general use	(2,470)	-
Drawdown of bank borrowings	10,639	17,252
Repayment of bank borrowings	(2,489)	(1,580)
Repayment of lease liabilities	(2,821)	(2,883)
Net cash from/ (used in) financing activities	<u>1,073</u>	<u>10,902</u>
Net increase/(decrease) in cash & cash equivalents	(6,286)	1,129
Cash and cash equivalents at beginning of the financial year	13,531	7,277
Cash and cash equivalents at end of the financial year	<u>7,245</u>	<u>8,406</u>
<u>Cash and Cash Equivalents at end of the financial year comprise the followings:</u>		
Fixed deposits with licenced banks	689	666
Cash and bank balances	7,245	8,406
Cash in bank not available for general use	2,470	-
	<u>10,404</u>	<u>9,072</u>
Less: Fixed deposit with licensed bank with maturity more than 3 months	(689)	(666)
Cash in bank not available for general use	(2,470)	-
	<u>7,245</u>	<u>8,406</u>

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 SEPTEMBER 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 September 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:

	Group 30 September 2025 RM'000
Approved and contracted for:	
- Factory construction	2,739
- Purchase of machineries	36,834
- Purchase of motor vehicle	732
	40,305

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 September 2025 were as follows:

<u>Unsecured contingent liabilities</u>	Group 30 September 2025 RM'000
Bank guarantee for performance bond given to suppliers	1,018

<u>Unsecured contingent liabilities</u>	Group 30 September 2025 RM'000
Corporate guarantee given to financial institutions and non-financial institutions for financing facilities granted to subsidiaries	101,329

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 September 2025	Year-to-date 30 September 2025
	RM'000	RM'000
Allowance to a person connected to certain Directors	16	50

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of performance

Financial review for third quarter ended 30 September 2025 (“Q3 FY2025”) versus corresponding quarter ended 30 September 2024 (“Q3 FY2024”)

	Current Quarter Ended				Cumulative Quarter Ended			
	30 September 2025	30 September 2024	Change		30 September 2025	30 September 2024	Change	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	76,635	28,724	47,911	166.80%	157,214	77,019	80,195	104.12%
Profit before taxation	5,805	1,715	4,090	238.50%	8,461	4,548	3,913	86.04%
Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)	8,675	4,568	4,107	89.91%	16,693	12,853	3,840	29.88%

In Q3 FY2025, the Group’s revenue recorded at RM76.63 million, marking an increase of 166.80% compared to RM28.72 million recorded in the previous corresponding quarter. This substantial growth was primarily driven by increase contribution from the sustainable products segment, which rose from 45.87% to 63.87% of total revenue. Geographically, domestic sales decline by 14.22%, while export sales experienced an increase of 230.41%.

The Group’s gross profit margin decreases to 14.29% in the current quarter from 20.55% in the corresponding quarter, representing decline of 6.26%. This was primarily attributable to increase in sales of sustainable products which generally command lower profit margin.

B1. Review of performance (continued)

Financial review for third quarter ended 30 September 2025 (“Q3 FY2025”) versus corresponding quarter ended 30 September 2024 (“Q3 FY2024”)

With the above, the Group recorded RM5.80 million of profit before tax in Q3 FY2025, an increase of 238.50% from RM1.71 million recorded in Q3 FY2024. EBITDA increased by RM4.11 million, reaching to a total of RM8.67 million in Q3 FY2025.

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

On year-to-date, the Group achieved a revenue of RM157.21 million in YTD FY2025, an increase of 104.12% as compared to RM77.02 million in YTD FY2024. The increase was primarily attributable to the increase sales in the sustainable products segment whose contribution to total revenue from 39.33% to 65.92%. The export sales representing 89.05% of the total revenue in YTD FY2025 while local sales have decreased the revenue contribution from 28.32% to 10.95%.

The gross profit margin, however, was down by 5.45% to 14.18% in YTD FY2025. The decrease in the gross profit margin was due to the increase in sales of sustainable products which generally command lower profit margin.

For YTD FY2025, the Group recorded a higher profit before tax at RM8.46 million compared to RM4.55 million in YTD FY2024. EBITDA marked at RM16.69 million in YTD FY2025 compared to RM12.85 million in YTD FY2024.

B2. Financial review of current quarter ended 30 September 2025 (“Q3 FY2025”) versus immediate preceding quarter ended 30 June 2025 (“Q2 FY2025”)

	Financial Quarter Ended			
	30 September 2025	30 June 2025	Change	
	RM'000	RM'000	RM'000	%
Revenue	76,635	42,522	34,114	80.23%
Profit before taxation	5,805	1,480	4,326	292.33%
Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)	8,675	4,230	4,445	105.08%

In the current quarter, the Group’s revenue amounted to RM76.63 million, an increase of 80.23% from RM42.52 million registered in Q3 FY2025. The higher sales were mainly due to higher sales contribution from sustainable products segment, which accounted for 63.87% of the total revenue in Q3 FY2025.

The Group recorded higher profit before tax of RM5.81 million in the current quarter compared to RM1.48 million in Q2 FY2025, mainly driven by higher revenue recorded. EBITDA for current quarter was RM8.67 million compared to RM4.23 million in Q2 FY2025.

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.

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 September 2025	30 September 2024	30 September 2025	30 September 2024
	RM'000	RM'000	RM'000	RM'000
Current Tax				
- Current period	2,159	1,606	3,699	3,343
Deferred Tax				
- origination and reversal of temporary differences	-	(937)	-	(937)
	2,159	669	3,699	2,406

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 September 2025 are as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
<u>Secured</u>			
-Term Loan	30,860	14,051	44,911
	30,860	14,051	44,911

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 September 2025	2024	Ended 30 September 2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(10)	-	(33)	-
Interest expenses	634	658	1,786	1,887
Depreciation of property, plant and equipment	982	890	2,966	2,634
Depreciation of investment properties	24	24	71	71
Depreciation of right-of-use assets	1,240	1,280	3,442	3,713
Dividend income on short term investments	-	16	-	47
Gain on disposal of property, plant and equipment	-	-	(204)	(1)
Property, plant and equipment written off	-	4	3	19

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 Ended 30 September		Cumulative Quarter Ended 30 September	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group's net profit attributable to equity holders of the Company (RM'000)	3,591	1,050	5,265	2,175
Weighted average number of ordinary shares (RM'000)	395,025	395,025	395,025	395,025
Earnings per share (sen)				
- Basic	0.91	0.27	1.33	0.55

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 26 November 2025.

By order of the Board,

DATO' CHAN SAY HWA
Executive Chairman

26 November 2025