



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2025

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2025**

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|--|--|
| | Current Quarter Ended 31 March 2025 RM'000 | Preceding Year Corresponding Quarter Ended 31 March 2024 RM'000 | Current Year To Date Ended 31 March 2025 RM'000 | Preceding year To Date Ended 31 March 2024 RM'000 |
| Revenue | 38,057 | 21,176 | 38,057 | 21,176 |
| Cost of sales | (32,685) | (17,489) | (32,685) | (17,489) |
| Gross profit | 5,372 | 3,687 | 5,372 | 3,687 |
| Other income | 340 | 702 | 340 | 702 |
| Administration expenses | (3,660) | (2,971) | (3,660) | (2,971) |
| Selling and distribution costs | (313) | (207) | (313) | (207) |
| Finance costs | (563) | (602) | (563) | (602) |
| Profit before taxation | 1,176 | 609 | 1,176 | 609 |
| Taxation | (791) | (218) | (791) | (218) |
| Net profit for the financial period/year, representing total comprehensive income for the financial period/year | 385 | 391 | 385 | 391 |
| Profit for the financial period/year, representing total comprehensive income for the financial period/year attributable to: | | | | |
| Equity owners of the Company | 549 | 424 | 549 | 424 |
| Non-controlling interests | (163) | (33) | (163) | (33) |
| | 385 | 391 | 385 | 391 |
| Earnings per share attributable to the equity holders of the Company (sen) | 0.14 | 0.11 | 0.14 | 0.11 |

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 31 MARCH 2025**

| | Unaudited As at 31 March 2025 RM'000 | Audited As at 31 December 2024 RM'000 |
|--|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 64,396 | 58,609 |
| Investment property | 7,146 | 7,169 |
| Right-of-use assets | 238,423 | 237,131 |
| Other receivables | 583 | 623 |
| | 310,548 | 303,532 |
| Current assets | | |
| Inventories | 16,748 | 14,306 |
| Trade receivables | 20,746 | 13,168 |
| Other receivables | 3,079 | 2,928 |
| Tax recoverable | 913 | 797 |
| Short term investments | 472 | 3,375 |
| Fixed deposits | 666 | 666 |
| Cash and bank balances | 10,687 | 13,531 |
| | 53,311 | 48,771 |
| TOTAL ASSETS | 363,859 | 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 | 47,544 | 46,995 |
| Equity attributable to owners of the Company | 104,046 | 103,497 |
| Non-controlling interests | 1,169 | 1,332 |
| Total equity | 105,215 | 104,829 |
| LIABILITY | | |
| Non-current liabilities | | |
| Lease liabilities | 181,736 | 179,951 |
| Bank borrowings | 31,439 | 32,685 |
| Deferred tax liabilities | 10,515 | 10,518 |
| | 223,690 | 223,154 |
| Current Liabilities | | |
| Trade payables | 16,999 | 9,558 |
| Other payables | 6,854 | 7,109 |
| Contract liabilities | - | 159 |
| Provision for taxation | 1,432 | 846 |
| Lease liabilities | 3,090 | 2,572 |
| Bank borrowings | 6,579 | 4,076 |
| | 34,954 | 24,320 |
| Total liabilities | 258,644 | 247,474 |
| TOTAL EQUITY AND LIABILITIES | 363,859 | 352,303 |
| Net assets per share attributable to equity holders of the Company (RM) | 0.27 | 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 FIRST QUARTER ENDED 31 MARCH 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 |
| Current year to date ended 31 March 2025 | | | | | | | | |
| At 1 January 2025 | 49,981 | (401) | 16,457 | (9,535) | 46,995 | 103,497 | 1,333 | 104,830 |
| Profit for the financial year, representing total comprehensive income for the financial year | - | - | - | - | 549 | 549 | (163) | 385 |
| Transactions with owner | | | | | | | | |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | - |
| Contribution received from NCI | - | - | - | - | - | - | - | - |
| Total transactions with owners | - | - | - | - | - | - | - | - |
| At 31 March 2025 | 49,981 | (401) | 16,457 | (9,535) | 47,544 | 104,046 | 1,170 | 105,215 |
| Preceding year to date ended 31 March 2024 | | | | | | | | |
| 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 | - | - | - | - | 424 | 424 | (33) | 391 |
| Transactions with owners | | | | | | | | |
| Acquisition of a subsidiary | - | - | - | - | (1,301) | (1,301) | 400 | (901) |
| Increase in share capital of subsidiary | - | - | - | - | - | - | 600 | 600 |
| Total transactions with owners | - | - | - | - | (1,301) | (1,301) | 1,000 | (301) |
| At 31 March 2024 | 49,981 | (401) | 8,881 | (9,535) | 42,105 | 91,031 | 1,011 | 92,042 |

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 FIRST QUARTER ENDED 31 MARCH 2025**

| | Current Year To-date Ended 31 March 2025 RM'000 | Preceding Year To-date Ended 31 March 2024 RM'000 |
|---|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 1,176 | 609 |
| Adjustments: | | |
| Depreciation of property, plant and equipment | 992 | 875 |
| Depreciation of investment properties | 24 | 24 |
| Depreciation of right-of-use assets | 1,046 | 1,205 |
| Fair value (gain) on short term investments | (8) | - |
| Gain on disposal of property, plant and equipment | (127) | (1) |
| Property, plant and equipment written off | 1 | 4 |
| Unrealised loss/(gain) on foreign exchange | (6) | - |
| Unwinding interest on non-trade receivables | (8) | - |
| Interest income | (13) | - |
| Interest expenses | 563 | 602 |
| Operating profit before working capital changes | <u>3,640</u> | <u>3,318</u> |
| Net changes in working capital: | | |
| Inventories | (2,442) | (1,441) |
| Receivables | (7,669) | 5,336 |
| Payables | 7,185 | 3,521 |
| Contract liabilities | (158) | - |
| Cash generated from operations | <u>556</u> | <u>10,734</u> |
| Tax paid | (324) | (568) |
| Net cash from operating activities | <u>232</u> | <u>10,166</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest received | 7 | - |
| Purchase of property, plant and equipment | (6,781) | (4,841) |
| Additions to right-of-use assets | 705 | (866) |
| Proceeds from disposal of property, plant and equipment | 127 | 1 |
| Redemption/(placement) of short term investments | 2,912 | - |
| Net cash used in investing activities | <u>(3,030)</u> | <u>(5,706)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest paid | (563) | (602) |
| Drawdown of bank borrowings | 2,053 | 3,472 |
| Repayment of bank borrowings | (796) | (286) |
| Repayment of lease liabilities | (739) | (419) |
| Net cash from/ (used in) financing activities | <u>(45)</u> | <u>2,165</u> |
| Net increase/(decrease) in cash & cash equivalents | (2,843) | 6,625 |
| Cash and cash equivalents at beginning of the financial year | 13,530 | 7,278 |
| Cash and cash equivalents at end of the financial year | <u>10,687</u> | <u>13,903</u> |
| <u>Cash and Cash Equivalents at end of the financial year comprise the followings:</u> | | |
| Fixed deposits with licenced banks | 666 | - |
| Cash and bank balances | <u>10,687</u> | <u>13,903</u> |
| | 11,353 | 13,903 |
| Less: Fixed deposit with licensed bank with maturity more than 3 months | (666) | - |
| | <u>10,687</u> | <u>13,903</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 31 MARCH 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 31 March 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 31 March 2025 RM'000 |
|------------------------------|---|
| Approved and contracted for: | |
| - Factory construction | 2,739 |
| - Purchase of machineries | 17,028 |
| - Purchase of motor vehicle | 1,307 |
| | 21,074 |

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 31 March 2025 were as follows:

| <u>Unsecured contingent liabilities</u> | Group 31 March 2025 RM'000 |
|--|---|
| Bank guarantee for performance bond given to suppliers | 1,092 |

| <u>Unsecured contingent liabilities</u> | Group 31 March 2025 RM'000 |
|---|---|
| Corporate guarantee given to financial institutions and non-financial institutions for financing facilities granted to subsidiaries | 96,294 |

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 31 March 2025 | Year-to-date 31 March 2025 |
| | RM'000 | RM'000 |
| | | |
| Allowance to a person connected to certain Directors | 17 | 17 |

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of performance

Financial review for first quarter ended 31 March 2025 ("Q1 FY2025") versus corresponding quarter ended 31 March 2024 ("Q1 FY2024")

| | Current Quarter Ended | | | | Cumulative Quarter Ended | | | |
|---|-----------------------|---------------|--------|--------|--------------------------|---------------|--------|--------|
| | 31 March 2025 | 31 March 2024 | Change | | 31 March 2025 | 31 March 2024 | Change | |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Revenue | 38,057 | 21,176 | 16,881 | 79.72% | 38,057 | 21,176 | 16,881 | 79.72% |
| Profit before taxation | 1,176 | 609 | 567 | 93.09% | 1,176 | 609 | 567 | 93.09% |
| Earnings before interest, taxes, depreciation and amortisation ("EBITDA") | 3,788 | 3,314 | 474 | 14.30% | 3,788 | 3,314 | 474 | 14.30% |

The Group recorded a significant increase in revenue for Q1 FY2025, reaching RM38.06 million. This represents a substantial growth of 79.72% compared to RM21.18 million in Q1 FY2024. The strong revenue growth was primarily driven by the sustainable products segment, whose contribution to total revenue increased significantly from 32.28% in Q1 FY2024 to 63.74% in Q1 FY2025.

Despite the higher revenue, the gross profit margin for the current quarter decline to 14.12% from 17.41% in Q1 FY2024, a drop of 3.30%. This reduction in gross profit margin was primarily attributable by higher sales volume of low gross profit margin sustainable products.

With the above, the Group recorded RM1.18 million of profit before tax in Q1 FY2025, approximately 97.09% increase from RM0.61 million recorded in Q1 FY2024. EBITDA for current quarter was RM3.79 million compared to RM3.31 million in Q1 FY2024.

B2. Financial review of current quarter ended 31 March 2025 (“Q1 FY2025”) versus immediate preceding quarter ended 31 December 2024 (“Q4 FY2024”)

| | Financial Quarter Ended | | | |
|---|-------------------------|------------------|----------|---------|
| | 31 March 2025 | 31 December 2024 | Change | |
| | RM'000 | RM'000 | RM'000 | % |
| | | | | |
| Revenue | 38,057 | 62,693 | (24,636) | -39.30% |
| Profit before taxation | 1,176 | 1,797 | (621) | -34.56% |
| Earnings before interest, taxes, depreciation and amortisation (“EBITDA”) | 3,788 | 4,056 | (268) | -6.61% |
| | | | | |

The Group's revenue for Q1 FY2025 decreased by 39.30% to RM38.06 million, from RM62.69 million recorded in Q4 FY2024. This decrease was primarily due to a significant reduction in revenue contribution by the recycled petroleum products segment (decrease from 45.53% to 9.24%). This decline was partially mitigated by an increased revenue contribution from the sustainable products segment (increase from 32.60% to 63.74%).

In Q1 FY2025, despite the lower revenue during the quarter, the gross profit margin increased from 6.88% in Q4 FY2024 to 14.12%. This improvement was primarily driven by higher sales contribution from sustainable products and effective reduction in material costs, leading to better overall gross profit margin.

Other income reduced by RM1.36 million mainly due to lower foreign exchange gains compared to Q4 FY2024.

The Group incurred total operating expenses of RM3.97 million in Q1 FY2025 as compared to RM3.77 million in Q4 FY2024. The increase was further impacted by higher administrative cost. Concurrently, the finance costs increased by RM0.10 million, primarily attributable to interest charges on loan reimbursements and new hire purchases initiated during the quarter.

As results, the Group recorded lower profit before tax in the current quarter at RM1.18 million compared to RM1.80 million in Q4 FY2024. EBITDA for current quarter was RM3.79 million compared to RM4.06 million in Q4 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.

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.

B3. Prospects (continued)

In relation to our established segment of oil product manufacturing, 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 | |
|---|---------------|---------------|--------------------------|---------------|
| | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current Tax | | | | |
| - Current period | 791 | 218 | 791 | 218 |
| Deferred Tax | | | | |
| - origination and reversal of temporary differences | 937 | - | 937 | - |
| | 1,728 | 218 | 1,728 | 218 |

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 31 March 2025 are as follows:

| | Long Term RM'000 | Short Term RM'000 | Total RM'000 |
|----------------|---------------------|----------------------|-----------------|
| <u>Secured</u> | | | |
| -Term Loan | 31,439 | 6,579 | 38,018 |
| | 31,439 | 6,579 | 38,018 |

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 Ended 31 March | | Cumulative Quarter Ended 31 March | |
|--|-----------------------------------|--------|--------------------------------------|--------|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before taxation is arrived at after charging/(crediting): | | | | |
| Interest income | (13) | - | (13) | - |
| Interest expenses | 563 | 602 | 563 | 602 |
| Depreciation of property, plant and equipment | 992 | 875 | 992 | 875 |
| Depreciation of investment properties | 24 | 24 | 24 | 24 |
| Depreciation of right-of-use assets | 1,046 | 1,205 | 1,046 | 1,205 |
| Gain on disposal of property, plant and equipment | (127) | (1) | (127) | (1) |
| Property, plant and equipment written off | 1 | 4 | 1 | 4 |

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 31 March | | Cumulative Quarter Ended 31 march | |
|---|-----------------------------------|---------|--------------------------------------|---------|
| | 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) | 549 | 424 | 549 | 424 |
| Weighted average number of ordinary shares (RM'000) | 395,025 | 395,025 | 395,025 | 395,025 |
| Earnings per share (sen) | | | | |
| - Basic | 0.14 | 0.11 | 0.14 | 0.11 |

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 30 May 2025.

By order of the Board,

DATO' CHAN SAY HWA
Executive Chairman

30 May 2025