



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 December 2024 RM'000	Preceding Year Corresponding Quarter Ended 31 December 2023 RM'000	Current Year To Date Ended 31 December 2024 RM'000	Preceding year To Date Ended 31 December 2023 RM'000
Revenue	62,693	25,772	139,712	87,181
Cost of sales	(58,381)	(18,743)	(120,282)	(64,182)
Gross profit	4,312	7,029	19,430	22,999
Other income	1,696	748	3,451	1,433
Administration expenses	(3,502)	(3,243)	(13,239)	(10,866)
Selling and distribution costs	(249)	(332)	(950)	(996)
Finance costs	(460)	(324)	(2,347)	(1,330)
Profit before taxation	1,797	3,878	6,345	11,240
Taxation	(117)	(1,374)	(2,523)	(3,301)
Net profit for the financial period/year, representing total comprehensive income for the financial period/year	1,680	2,504	3,822	7,939
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation of leasehold lands and factory lots	9,968	-	9,968	-
Deferred tax effect on revaluation of assets	(2,392)	-	(2,392)	-
Other comprehensive expense for the financial period/year	7,576	-	7,576	-
Total comprehensive (expense)/income for the financial period/year	9,256	2,504	11,398	7,939
Profit for the financial period/year, representing total comprehensive income for the financial period/year attributable to:				
Equity owners of the Company	1,838	2,344	4,013	7,673
Non-controlling interests	(158)	160	(191)	266
	1,680	2,504	3,822	7,939
Total comprehensive income attributable to:				
Equity owners of the Company	9,414	2,344	11,589	7,673
Non-controlling interests	(158)	160	(191)	266
	9,256	2,504	11,398	7,939
Earnings per share attributable to the equity holders of the Company (sen)	0.47	0.59	1.02	1.94

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 2023 and the accompanying explanatory notes attached to this interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Unaudited As at 31 December 2024 RM'000	Audited As at 31 December 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	58,609	38,074
Investment property	7,169	7,264
Right-of-use assets	237,131	47,298
Other receivables	623	55
	303,532	92,691
Current assets		
Inventories	14,306	12,309
Trade receivables	13,168	14,256
Other receivables	2,928	2,253
Tax recoverable	797	297
Short term investments	3,376	-
Fixed deposits	666	-
Cash and bank balances	13,531	7,278
	48,772	36,393
TOTAL ASSETS	352,304	129,084
EQUITY		
Share capital	49,981	49,981
Treasury shares	(401)	(401)
Merger deficit	(9,535)	(9,535)
Revaluation reserves	16,457	8,881
Retained profits	46,995	42,982
Equity attributable to owners of the Company	103,497	91,908
Non-controlling interests	1,333	44
Total equity	104,830	91,952
LIABILITY		
Non-current liabilities		
Lease liabilities	179,951	3,327
Bank borrowings	32,685	18,906
Deferred tax liabilities	10,518	7,440
	223,154	29,673
Current Liabilities		
Trade payables	9,558	1,894
Other payables	7,109	994
Contract liabilities	159	-
Provision for taxation	846	1,307
Lease liabilities	2,572	1,271
Bank borrowings	4,076	1,993
	24,320	7,459
Total liabilities	247,474	37,132
TOTAL EQUITY AND LIABILITIES	352,304	129,084
Net assets per share attributable to equity holders of the Company (RM)	0.27	0.23

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 2023 and the accompanying explanatory notes attached to this interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**

	<-----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
Financial year ended 31 December 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	-	-	-	-	4,013	4,013	(191)	3,822
Other comprehensive income for the financial year	-	-	7,576	-	-	7,576	-	7,576
Total comprehensive income for the financial year	-	-	7,576	-	4,013	11,589	(191)	11,398
Transactions with owner								
Acquisition of a subsidiary	-	-	-	-	-	-	(120)	(120)
Contribution received from NCI	-	-	-	-	-	-	1,600	1,600
Total transactions with owners	-	-	-	-	-	-	1,480	1,480
At 31 December 2024	49,981	(401)	16,457	(9,535)	46,995	103,497	1,333	104,830
Financial year ended 31 December 2023								
At 1 January 2023	49,981	(401)	8,881	(9,535)	35,309	84,235	(222)	84,013
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	7,673	7,673	266	7,939
At 31 December 2023	49,981	(401)	8,881	(9,535)	42,982	91,908	44	91,952

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 2023 and the accompanying explanatory notes attached to this interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**

	Current Year To-date Ended 31 December 2024 RM'000	Preceding Year To-date Ended 31 December 2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,345	11,240
Adjustments:		
Depreciation of property, plant and equipment	3,670	4,914
Depreciation of investment properties	95	95
Depreciation of right-of-use assets	4,483	2,572
Dividend income on short term investments	(32)	-
Fair value (gain) on short term investments	(86)	-
Bad debts written off	-	21
Gain on disposal of property, plant and equipment	(59)	(42)
Gain on disposal of right-of-use assets	-	(237)
Gain on modification of a lease contract	(1,631)	-
Provision for slow moving inventories	-	127
Fair Value Adjustment on Short Term Investment	-	-
Property, plant and equipment written off	24	29
Net (gain)/loss on impairment of financial assets:		
- Trade receivables	-	(69)
Unrealised loss/(gain) on foreign exchange	141	110
Unwinding interest on non-trade receivables	(14)	-
Interest income	(31)	(376)
Interest expenses	2,347	1,330
Operating profit before working capital changes	<u>15,252</u>	<u>19,714</u>
Net changes in working capital:		
Inventories	(1,997)	(4,850)
Receivables	513	(3,234)
Payables	9,871	(1,557)
Contract liabilities	159	-
Cash generated from operations	<u>23,798</u>	<u>10,073</u>
Tax refund	-	175
Tax paid	<u>(3,537)</u>	<u>(2,838)</u>
Net cash from operating activities	<u>20,261</u>	<u>7,410</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	20	293
Dividend received	32	-
Purchase of property, plant and equipment	(19,678)	(12,683)
Additions to right-of-use assets	(49)	(599)
Proceeds from disposal of property, plant and equipment	59	48
Proceeds from disposal of right-of-use assets	-	300
Placement of fixed deposit with maturity more than 3 months	(666)	5,500
Redemption/(placement) of short term investments	(3,290)	83
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>(24,064)</u>	<u>(7,058)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2,347)	(1,330)
Drawdown of bank borrowings	17,968	3,342
Repayment of bank borrowings	(2,106)	(6,936)
Repayment of lease liabilities	(3,402)	(1,633)
Net cash from/ (used in) financing activities	<u>10,113</u>	<u>(6,557)</u>
Net increase/(decrease) in cash & cash equivalents	6,310	(6,315)
Effect of exchange translation differences on cash and cash equivalents	(57)	-
Cash and cash equivalents at beginning of the financial year	7,278	13,593
Cash and cash equivalents at end of the financial year	<u>13,531</u>	<u>7,278</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>13,531</u>	<u>7,278</u>
	14,197	7,278
Less: Fixed deposit with licensed bank with maturity more than 3 months	(666)	-
	<u>13,531</u>	<u>7,278</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 2023 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 DECEMBER 2024

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 2023 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 2023.

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 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards-Volume 11	Annual Improvements to MFRS Accounting Standards-Volume 11	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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 December 2024, 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 December 2024 RM'000
Approved and contracted for:	
- Factory construction	2,806
- Purchase of machineries	20,809
- Purchase of motor vehicle	3,703
	27,318

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

On 8 March 2024, the Company incorporated an indirect subsidiary namely, Bio Energz Sdn Bhd. Its principal business is recycling and refining of sustainable products.

Save as disclosed above, there were no changes in the composition of the Group during the current year-to-date period.

A15. Contingent liabilities and contingent assets

The contingent liabilities as at 31 December 2024 were as follows:

	Group 31 December 2024 RM'000
<u>Unsecured contingent liabilities</u>	
Bank guarantee for performance bond given to supplies	815

	Group 31 December 2024 RM'000
<u>Unsecured contingent liabilities</u>	
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 2023.

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 December 2024	Year-to-date 31 December 2024
	RM’000	RM’000
Allowance to a person connected to certain Directors	17	67

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of performance

	Current Quarter Ended				Cumulative Quarter Ended			
	31 December 2024	31 December 2023	Change		31 December 2024	31 December 2023	Change	
	RM’000	RM’000	RM’000	%	RM’000	RM’000	RM’000	%
Revenue	62,693	25,772	36,921	143.26%	139,712	87,181	52,531	60.26%
Profit before taxation	1,797	3,878	(2,081)	-53.66%	6,345	11,240	(4,895)	-43.55%
Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)	4,056	5,867	(1,811)	-30.87%	16,909	19,775	(2,866)	-14.49%

Financial review for fourth quarter ended 31 December 2024 (“Q4 FY2024”) versus corresponding quarter ended 31 December 2023 (“Q4 FY2023”)

The Group registered revenue at RM62.69 million in Q4 FY2024 against RM25.77 million in Q4 FY2023, an increase of 143.26%. The increase in revenue in Q4 FY 2024 was mainly due to revenue contribution from sustainable products (increase from 17.97% to 32.60%) segment and recycled petroleum products (increase from 18.49% to 45.53%) segment.

However, the gross profit margin dropped from 27.27% to 6.88% in Q4 FY2024. This was mainly due to the increase in sales of sustainable products which has a lower margin.

As a result, the Group closed at RM1.80 million of profit before tax and EBITDA of RM4.06 million in the current quarter compared to RM3.88 million of profit before tax and EBITDA of RM5.87 million in the corresponding quarter.

Financial review for the year-to-date ended 31 December 2024 (“YTD FY2024”) versus 31 December 2023 (“YTD FY2023”)

On year-to-date basis, the Group achieved a revenue of RM139.71 million in YTD FY2024 compared to RM87.18 million in YTD FY2023. The increase in revenue in YTD FY2024 was mainly due to revenue contribution from sustainable products (increase from 13.30% to 36.31%) segment.

The gross profit margin, however was down from 26.38% to 13.91% in YTD FY2024. This was mainly due to the increase in sales of sustainable products which has a lower margin.

For YTD FY2024, the Group posted profit before tax at RM6.35 million against RM11.24 million in YTD FY2023. EBITDA marked to RM16.91 million in YTD FY2024 compared with RM19.78 million in YTD FY2023.

B2. Financial review of current quarter ended 31 December 2024 (“Q4 FY2024”) versus immediate preceding quarter ended 30 September 2024 (“Q3 FY2024”)

	Financial Quarter Ended			
	31 December 2024	30 September 2024	Change	
	RM'000	RM'000	RM'000	%
Revenue	62,693	28,724	33,969	118.26%
Profit before taxation	1,797	1,715	82	4.79%
Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)	4,056	4,568	(512)	-11.21%

In the current quarter, the Group recorded revenue at RM62.69 million, representing a 118.26% increase from the immediate preceding quarter. It was mainly contributed by increased in recycled petroleum products segment by 717.21%, followed by sustainable products segment by 55.12%.

At the quarter end, the Group registered profit before tax of RM1.80 million and EBITA of RM4.06 million as compared to the profit before tax of RM1.72 million and EBITDA of RM4.57 million in Q3 FY2024.

B3. Prospects

The Board of Directors (“the Board”) anticipates that the growth momentum of the industry in which our operations operate will moderate in comparison to 2023, largely due to the subdued global economic conditions.

The oil price is expected to remain volatile which may affect the demand for the Group’s products and services.

While the Group is mindful of the external environment, the Board is seeking opportunity to expand the business of the Group by exploring new stream of revenue to diversify and complement our existing business. In doing this, the Group would invest in capital expenditure in current financial year. Meanwhile, the Board would continue to focus on efficient production process and prudent financial management to sustain the business.

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 December 2024	31 December 2023	31 December 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Current Tax				
- Current period	(786)	1,560	2,557	3,380
Deferred Tax				
- origination and reversal of temporary differences	903	(186)	(34)	(79)
	117	1,374	2,523	3,301

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 December 2024 are as follows:

	Long Term RM'000	Short Term RM'000	Total RM'000
<u>Secured</u>			
-Term Loan	32,685	4,076	36,761
	32,685	4,076	36,761

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 31 December 2024	2023	Ended 31 December 2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Interest income	(31)	(33)	(31)	(376)
Interest expenses	460	324	2,347	1,330
Depreciation of property, plant and equipment	1,036	1,032	3,670	4,914
Depreciation of investment properties	23	24	95	95
Depreciation of right-of-use assets	770	642	4,483	2,572
Dividend income on short term investments	15	-	(32)	-
Gain on disposal of property, plant and equipment	(58)	1	(59)	(42)
Gain on disposal of right-of-use assets	-	-	-	(237)
Property, plant and equipment written off	5	8	24	29

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 31 December 2024	2023	Ended 31 December 2024	2023
	RM'000	RM'000	RM'000	RM'000
Group's net profit attributable to equity holders of the Company (RM'000)	1,838	2,344	4,013	7,673
Weighted average number of ordinary shares (RM'000)	395,025	395,025	395,025	395,025
Earnings per share (sen)				
- Basic	0.47	0.59	1.02	1.94

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 28 February 2025.

By order of the Board,

DATO' CHAN SAY HWA
Executive Chairman cum Group Managing Director

28 February 2025