

HIAP HUAT HOLDINGS BERHAD (“HIAP HUAT” OR “THE COMPANY”)

EXTENSION OF TIMEFRAME FOR THE UTILISATION OF PROCEEDS RAISED FROM THE PROPOSED PRIVATE PLACEMENT

1. INTRODUCTION

The Board of Directors of Hiap Huat (“**Board**”) wishes to announce that the Board has deliberated and resolved to extend the timeframe for the utilisation of proceeds raised from the Proposed Private Placement. The total gross proceeds raised from the Proposed Private Placement was RM8,887,995.

2. DETAILS OF THE EXTENSION OF TIMEFRAME FOR THE UTILISATION OF PROCEEDS

Hiap Huat and its subsidiaries (“**Group**”) have utilised approximately RM5,888,000 as of the date of this announcement from the total Proposed Private Placement proceeds. The details of the extension of timeframe of the Proposed Private Placement proceeds are set out as below:

No.	Details of utilisation	Proceeds Utilisation after Variation	Actual utilisation	Balance of proceeds unutilised	Expected timeframe for utilisation of proceeds (from the completion date ^(#))	Revised expected timeframe for utilisation of proceeds (from the completion date ^(#))
		RM’000	RM’000	RM’000		
1.	Part finance the construction of a new waste treatment facility	3,000	-	3,000	Within 18 months (11 August 2021 – 10 February 2023)	Within 30 months (11 August 2021 – 10 February 2024)
2.	Purchase of new palm oil waste refining system	4,000	4,000	-	-	-
3.	Estimated expenses for the Private Placement	250	250	-	-	-
4.	Working capital requirements	1,638	1,638	-	-	-
		8,888	5,888	3,000		

Notes:

(#) The completion date is on 11 August 2021.

3. RATIONALE

The rationale for the extension of time for the utilisation of proceeds was due to the delayed in the Council approval on the construction of a new waste treatment facility. As the Company has only obtained the approval recently, the Company would like to extend the expected timeframe for the utilisation of proceeds for another 12 months up to 11 February 2024 for the said construction of a new waste treatment facility.

4. APPROVALS REQUIRED

The extension is not subjected to any regulatory authorities or shareholders' approval. Nevertheless, the Board shall continue to be vigilant and prudent in managing the remaining Proposed Private Placement proceeds and will continue to disclose the status of the utilisation of proceeds in its quarterly results and annual reports until its full utilisation.

The Board is of the opinion that the aforementioned revise timeframe will not have any adverse effect on financial performance of Hiap Huat and is in the best interest of the Company.

This announcement is dated 27 February 2023.