



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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 March 2024 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2023 RM'000	Current Year To Date Ended 31 March 2024 RM'000	Preceding year To Date Ended 31 March 2023 RM'000
Revenue	21,176	21,355	21,176	21,355
Cost of sales	(17,489)	(17,066)	(17,489)	(17,066)
<b>Gross profit</b>	<b>3,687</b>	<b>4,289</b>	<b>3,687</b>	<b>4,289</b>
Other income	702	271	702	271
Administration expenses	(2,971)	(2,690)	(2,971)	(2,690)
Selling and distribution costs	(207)	(264)	(207)	(264)
Finance costs	(602)	(327)	(602)	(327)
<b>Profit before taxation</b>	<b>609</b>	<b>1,279</b>	<b>609</b>	<b>1,279</b>
Taxation	(218)	(380)	(218)	(380)
<b>Net profit for the financial period, representing total comprehensive income for the financial period</b>	<b>391</b>	<b>899</b>	<b>391</b>	<b>899</b>
<b>Profit for the financial period, representing total comprehensive income for the financial period attributable to:</b>				
Equity owners of the Company	424	902	424	902
Non-controlling interests	(33)	(3)	(33)	(3)
	<b>391</b>	<b>899</b>	<b>391</b>	<b>899</b>
<b>Earnings per share attributable to the equity holders of the Company (sen)</b>	<b>0.11</b>	<b>0.23</b>	<b>0.11</b>	<b>0.23</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 2023 and the accompanying explanatory notes attached to this interim financial statements.

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

	<b>Unaudited As at 31 March 2024 RM'000</b>	<b>Audited As at 31 December 2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	42,036	38,074
Investment property	7,240	7,264
Right-of-use assets	79,007	47,298
Other receivables	37	55
	<b>128,320</b>	<b>92,691</b>
<b>Current assets</b>		
Inventories	13,750	12,309
Trade receivables	9,186	14,256
Other receivables	2,005	2,253
Tax recoverable	487	297
Cash and bank balances	13,903	7,278
	<b>39,331</b>	<b>36,393</b>
<b>TOTAL ASSETS</b>	<b>167,651</b>	<b>129,084</b>
<b>EQUITY</b>		
Share capital	49,981	49,981
Treasury shares	(401)	(401)
Merger deficit	(9,535)	(9,535)
Revaluation reserves	8,881	8,881
Retained profits	42,105	42,982
<b>Equity attributable to owners of the Company</b>	<b>91,031</b>	<b>91,908</b>
Non-controlling interests	1,011	44
<b>Total equity</b>	<b>92,042</b>	<b>91,952</b>
<b>LIABILITY</b>		
<b>Non-current liabilities</b>		
Lease liabilities	33,934	3,327
Bank borrowings	22,932	18,906
Deferred tax liabilities	7,797	7,440
	<b>64,663</b>	<b>29,673</b>
<b>Current Liabilities</b>		
Trade payables	3,256	1,894
Other payables	3,153	994
Provision for taxation	790	1,307
Lease liabilities	1,989	1,271
Bank borrowings	1,758	1,993
	<b>10,946</b>	<b>7,459</b>
<b>Total liabilities</b>	<b>75,609</b>	<b>37,132</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>167,651</b>	<b>129,084</b>
<b>Net assets per share attributable to equity holders of the Company (RM)</b>		
	0.23	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 FIRST QUARTER ENDED 31 MARCH 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
<b>Current year to date ended 31 March 2024</b>								
<b>At 1 January 2024</b>	49,981	(401)	8,881	(9,535)	42,982	91,908	44	91,952
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	424	424	(33)	391
<b>Transactions with owner</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 31 March 2024</b>	<b>49,981</b>	<b>(401)</b>	<b>8,881</b>	<b>(9,535)</b>	<b>42,105</b>	<b>91,031</b>	<b>1,011</b>	<b>92,042</b>
<b>Preceding year to date ended 31 March 2023</b>								
<b>At 1 January 2023</b>	49,981	(401)	8,881	(9,535)	35,309	84,235	(222)	84,013
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	902	902	(3)	899
<b>At 31 March 2023</b>	<b>49,981</b>	<b>(401)</b>	<b>8,881</b>	<b>(9,535)</b>	<b>36,211</b>	<b>85,137</b>	<b>(225)</b>	<b>84,912</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 2023 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 2024**

	<b>Current Year To-date Ended 31 March 2024 RM'000</b>	<b>Preceding Year To-date Ended 31 March 2023 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	609	1,279
Adjustments:		
Depreciation of property, plant and equipment	875	1,314
Depreciation of investment properties	24	23
Depreciation of right-of-use assets	1,205	618
Gain on disposal of property, plant and equipment	(1)	(24)
Property, plant and equipment written off	4	6
Interest income	-	(130)
Interest expenses	602	327
Operating profit before working capital changes	3,318	3,413
(Increase)/decrease in working capital:		
Inventories	(1,441)	1,728
Receivables	5,336	(3,134)
Payables	3,521	963
Cash generated from operations	10,734	2,970
Tax paid	(568)	(803)
<b>Net cash from operating activities</b>	<b>10,166</b>	<b>2,167</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	-	1
Purchase of property, plant and equipment	(4,841)	(826)
Additions to right-of-use assets	(866)	(19)
Proceeds from disposal of property, plant and equipment	1	24
Withdrawal/(placement) of fixed deposit	-	(8,100)
<b>Net cash used in investing activities</b>	<b>(5,706)</b>	<b>(8,920)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(602)	(327)
Drawdown of borrowings	3,472	545
Repayment of bank borrowings	(286)	(349)
Repayment of lease liabilities	(419)	(402)
<b>Net cash generated from/ (used in) financing activities</b>	<b>2,165</b>	<b>(533)</b>
<b>Net increase/(decrease)/ in cash &amp; cash equivalents</b>	<b>6,625</b>	<b>(7,286)</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>7,278</b>	<b>13,593</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>13,903</b>	<b>6,307</b>
<b><u>Cash and Cash Equivalents at end of the period comprise the followings:</u></b>		
Fixed deposits with licenced banks	-	13,600
Cash and bank balances	13,903	6,307
	13,903	19,907
Less: Fixed deposit with licensed bank with maturity more than 3 months	-	(13,600)
	13,903	6,307

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 MARCH 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 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 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
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 March 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:

	<b>Group</b>
	<b>31 March 2024</b>
	<b>RM'000</b>
Approved and contracted for:	
- Purchase of machineries	1,811
- Factory construction	3,862
	<hr/>
	<u>5,673</u>

**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 financial period under review

**A15. Contingent liabilities and contingent assets**

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

The Group has issued corporate guarantees to financial institutions for banking facilities granted to certain subsidiaries up to a limit of RM42.8 million of which RM26.1 million has been utilized as at 31 March 2024. Apart from this, the Group issued bank guarantee to customers and suppliers amounted to RM0.85 million in relation to performance bond.

**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:

	<b>Group</b>	
	<b>Quarter ended 31 March 2024</b>	<b>Year-to-date 31 March 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Allowance to a person connected to certain Directors	17	17

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

**B1. Review of performance**

	<b>Current Quarter Ended</b>				<b>Cumulative Quarter Ended</b>			
	<b>31 March 2024</b>	<b>31 March 2023</b>	<b>Change</b>		<b>31 March 2024</b>	<b>31 March 2023</b>	<b>Change</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	21,176	21,355	(179)	-0.84%	21,176	21,355	(179)	-0.84%
Profit before taxation	609	1,279	(670)	-52.38%	609	1,279	(670)	-52.38%
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")	3,314	3,431	(117)	-3.41%	3,314	3,431	(117)	-3.41%

**Financial review for first quarter ended 31 March 2024 ("Q1 FY2024") versus corresponding quarter ended 31 March 2023 ("Q1 FY2023")**

The Group registered revenue of RM21.18 million in Q1 FY2024, compared to RM21.36 million in previous corresponding quarter representing a decrease of 0.84%. Sales in scheduled waste collection decreased by RM0.46 million, and sales in recycled petroleum and petrochemicals decreased by RM6.55 million. This was offset by increase in sales in sustainable products segment amounted to RM6.83 million. Geographically, domestic sales decreased by 53.03% and overseas sales registered an increase of 83.30%.

Following the completion of the acquisition of a subsidiary, KL Bunkering (M) Sdn Bhd ("KLB") in January 2024, the financial results of KLB have been included in the Group accounts. KLB carries a long-term sublease agreement to lease a parcel of land from a third party, resulting in recognition of right-of-use assets and lease liability on the accounts of KLB. The depreciation on right-of-use assets and interest on lease liability amount to a sum of RM0.17 million per month.

The Group recorded the gross profit margin at 17.41% in the current quarter, a drop of 2.67% as compared to 20.08% in the corresponding quarter. Lower gross profit margin was mainly due to the depreciation on right-of-use assets in KLB, and higher material purchases of the Group in the current quarter with higher purchase price as compared to Q1 FY2023. In addition, there were increases in labour cost and depreciation charges for current quarter under review. These increases in costs were partially offset by the decrease in factory overhead cost, mainly on upkeep of factory and machinery.

For current quarter under review, the Group recorded a lower profit before tax at RM0.61 million compared to RM1.28 million in previous corresponding quarter. EBITDA for current quarter was RM3.31 million compared to RM3.43 million in Q1 FY2023.

**B2. Financial review of current quarter ended 31 March 2024 (“Q1 FY2024”) versus immediate preceding quarter ended 31 December 2023 (“Q4 FY2023”)**

	Financial Quarter Ended			
	31 March 2024	31 December 2023	Change	
	RM'000	RM'000	RM'000	%
Revenue	21,176	25,771	(4,595)	-17.83%
Profit before taxation	609	4,005	(3,396)	-84.79%
Earnings before interest, taxes, depreciation and amortisation (“EBITDA”)	3,314	5,993	(2,679)	-44.70%

The revenue of the Group in the current quarter amounted to RM21.18 million, decreased by 17.83% from RM25.77 million registered in Q4 FY2023. Sales in scheduled waste collection and recycled petroleum & petrochemicals decreased by RM4.79 million and RM1.90 million respectively, while sales in sustainable products registered an increase of RM2.20 million.

The group recorded lower profit before tax in current quarter at RM0.61 million compared to RM4.00 million in Q4 FY2023 mainly due to lower revenue recorded, higher material costs and higher depreciation charges. EBITDA for current quarter was RM3.31 million compared to RM5.99 million in Q4 FY2023.

**B3. Prospects**

Management anticipates that the growth momentum of the economy will continue to decelerate 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 Directors are 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 Management 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 Quarters ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	RM'000	RM'000	RM'000	RM'000
<b>Current Tax</b>				
- Current period	218	380	218	380

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate, mainly due to non-deductible expenses.

**B6. Bank borrowings**

The Group's bank borrowings as at 31 March 2024 are as follows:

	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total RM'000</b>
<u>Secured</u>			
-Term Loan	22,932	1,758	24,690
	22,932	1,758	24,690

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**

	<b>Current Quarter Ended 31 March</b>		<b>Cumulative Quarters Ended 31 March</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Profit before taxation is arrived at after charging/(crediting):				
Interest income	-	(130)	-	(130)
Interest expenses	602	327	602	327
Depreciation of property, plant and equipment	875	1,314	875	1,314
Depreciation of investment properties	24	23	24	23
Depreciation of right-of-use assets	1,205	618	1,205	618
Gain on disposal of property, plant and equipment	(1)	(24)	(1)	(24)
Property, plant and equipment written off	4	6	4	6

**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.

	<b>Current Quarter Ended 31 March</b>		<b>Cumulative Quarter Ended 31 March</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Group's net profit attributable to equity holders of the Company (RM'000)	424	902	424	902
Weighted average number of ordinary shares (RM'000)	395,025	395,025	395,025	395,025
Earnings per share (sen)				
- Basic	0.11	0.23	0.11	0.23

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 of Directors in accordance with a resolution of the Directors dated 29 May 2024.

By order of the Board of Directors

DATO' CHAN SAY HWA  
Executive Chairman cum Group Managing Director

29 May 2024