

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
	RM'000	RM'000	RM'000	RM'000
Revenue	23,561	23,038	23,561	23,038
Cost of sales	14,977	13,842	14,977	13,842
<b>Gross profit</b>	<b>8,584</b>	<b>9,196</b>	<b>8,584</b>	<b>9,196</b>
Other income	962	632	962	632
Administrative expenses	(4,660)	(4,536)	(4,660)	(4,536)
Distribution expenses	(1,856)	(1,684)	(1,856)	(1,684)
<b>Operating profit</b>	<b>3,030</b>	<b>3,608</b>	<b>3,030</b>	<b>3,608</b>
Finance costs	(270)	(210)	(270)	(210)
<b>Profit before tax</b>	<b>2,760</b>	<b>3,398</b>	<b>2,760</b>	<b>3,398</b>
Income tax expense	(780)	(716)	(780)	(716)
<b>Profit for the financial period</b>	<b>1,980</b>	<b>2,682</b>	<b>1,980</b>	<b>2,682</b>
<b>Other comprehensive income, net of tax :</b>				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	139	37	139	37
<b>Other comprehensive income for the financial period</b>	<b>139</b>	<b>37</b>	<b>139</b>	<b>37</b>
<b>Total comprehensive income for the financial period</b>	<b>2,119</b>	<b>2,719</b>	<b>2,119</b>	<b>2,719</b>
<b>Profit attributable to:</b>				
Owners of the Group	2,051	2,682	2,051	2,682
Non-controlling interests	(71)	*	(71)	*
	<b>1,980</b>	<b>2,682</b>	<b>1,980</b>	<b>2,682</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Group	2,190	2,719	2,190	2,719
Non-controlling interests	(71)	*	(71)	*
	<b>2,119</b>	<b>2,719</b>	<b>2,119</b>	<b>2,719</b>
<b>Earnings per share attributable to ordinary shareholders :</b>				
Basic and diluted (sen) <sup>(2)</sup>	0.62	0.82	0.62	0.82

Notes:

- (1) The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.
- (2) Based on weighted average number of ordinary shares in HPMT ("Shares") in issue during the period under review.

\* (RM 343)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>**

	<b>Unaudited</b> As at <b>31-Mar-2023</b> RM'000	<b>Audited</b> As at <b>31-Dec-2022</b> RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	69,177	71,400
Right-of-use assets	781	637
Deferred tax assets	182	179
<b>Total non-current assets</b>	<b>70,140</b>	<b>72,216</b>
<b>Current assets</b>		
Inventories	30,889	31,204
Current tax assets	1,684	1,400
Trade and other receivables	24,369	17,703
Short-term cash investments <sup>(2)</sup>	26,262	21,186
Cash and bank balances	20,356	26,231
<b>Total current assets</b>	<b>103,560</b>	<b>97,724</b>
<b>TOTAL ASSETS</b>	<b>173,700</b>	<b>169,940</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	103,553	103,553
Other reserves	1,021	882
Merger deficit	(54,067)	(54,067)
Retained earnings	87,082	86,181
	137,589	136,549
<b>Non-controlling interests</b>	<b>338</b>	<b>409</b>
<b>TOTAL EQUITY</b>	<b>137,927</b>	<b>136,958</b>
<b>Non-current liabilities</b>		
Loans and borrowings	12,007	9,974
Lease liabilities	429	283
Deferred income	1,059	1,217
Deferred tax liabilities	6,954	7,108
<b>Total non-current liabilities</b>	<b>20,449</b>	<b>18,582</b>
<b>Current liabilities</b>		
Loans and borrowings	6,907	7,444
Lease liabilities	302	302
Deferred income	735	770
Current tax liabilities	1,010	160
Trade and other payables	6,321	5,669
Contract liabilities	19	52
Derivative financial liabilities	30	3
<b>Total current liabilities</b>	<b>15,324</b>	<b>14,400</b>
<b>TOTAL LIABILITIES</b>	<b>35,773</b>	<b>32,982</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>173,700</b>	<b>169,940</b>
Net assets per share (RM)	<b>0.42</b>	<b>0.42</b>

Notes:

- (1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.
- (2) Fund placement with licensed financial institutions.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup>**

	Share capital RM'000	Exchange reserve RM'000	PRC statutory reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interest RM'000	Total equity RM'000
<b>At 1 January 2023</b>	<b>103,553</b>	<b>674</b>	<b>208</b>	<b>(54,067)</b>	<b>86,181</b>	<b>136,549</b>	<b>409</b>	<b>136,958</b>
<b>Total comprehensive income for the financial period</b>								
Profit for the financial period	-	-	-	-	2,051	2,051	(71)	1,980
Other comprehensive income for the financial period	-	139	-	-	-	139	-	139
<b>Total comprehensive income</b>	<b>-</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>2,051</b>	<b>2,190</b>	<b>(71)</b>	<b>2,119</b>
<b>Transaction with owners</b>								
Dividends paid	-	-	-	-	(1,150)	(1,150)	-	(1,150)
<b>At 31 March 2023</b>	<b>103,553</b>	<b>813</b>	<b>208</b>	<b>(54,067)</b>	<b>87,082</b>	<b>137,589</b>	<b>338</b>	<b>137,927</b>
<b>At 1 January 2022</b>	<b>103,553</b>	<b>732</b>	<b>208</b>	<b>(54,067)</b>	<b>80,783</b>	<b>131,209</b>	<b>407</b>	<b>131,616</b>
<b>Total comprehensive income for the financial period</b>								
Profit for the financial period	-	-	-	-	2,682	2,682	*	2,682
Other comprehensive income for the financial period	-	37	-	-	-	37	-	37
<b>Total comprehensive income</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>2,682</b>	<b>2,719</b>	<b>-</b>	<b>2,719</b>
<b>Transaction with owners</b>								
Dividends paid	-	-	-	-	(1,150)	(1,150)	-	(1,150)
<b>At 31 March 2022</b>	<b>103,553</b>	<b>769</b>	<b>208</b>	<b>(54,067)</b>	<b>82,315</b>	<b>132,778</b>	<b>407</b>	<b>133,185</b>

Notes:

(1) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

\*(RM 343)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW<sup>(1)</sup>**

	Cumulative Quarter	
	31-Mar-2023 RM'000	31-Mar-2022 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	2,760	3,398
Adjustments for:		
Depreciation of property, plant and equipment	2,274	2,055
Depreciation of right-of-use assets	151	157
Gain on disposal of property, plant and equipment	-	(264)
Property, plant and equipment written off	-	2
Government grant amortisation	(193)	(193)
Allowances for slow-moving inventories	127	40
Reversal of impairment loss on trade receivables	(1)	(5)
Finance costs	270	210
Interest income	(100)	(40)
Net fair value loss on derivatives	27	14
Net unrealised foreign exchange gain	(366)	(136)
Gain on lease modifications	-	(1)
<b>Operating profit before working capital changes</b>	<b>4,949</b>	<b>5,237</b>
<u>Changes in working capital:</u>		
Inventories	188	(428)
Trade and other receivables	(6,268)	(8,124)
Trade and other payables	620	3,586
Contract liabilities	(33)	(134)
Cash generated from operation	(544)	137
Income tax paid	(371)	(866)
Interest paid	(17)	(16)
Interest received	31	13
Net cash used in operating activities	(901)	(732)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(49)	(536)
Additional to right-of-use assets	-	(68)
Net changes in short-term cash investments	(4,993)	2,903
Proceeds from disposal of property, plant and equipment	-	264
Short-term cash investment income	69	27
Net cash (used in)/from investing activities	(4,973)	2,590

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (continued) <sup>(1)</sup>**

	Cumulative Quarter	
	31-Mar-2023 RM'000	31-Mar-2022 RM'000
<b>Cash flows from financing activities</b>		
Net drawdown of revolving credit	-	200
Net repayment of bankers' acceptances	(956)	(493)
Payment of lease liabilities	(141)	(104)
Drawdown of term loans	3,468	-
Repayment of term loans	(1,098)	(1,380)
Interest paid	(253)	(194)
Dividends paid	(1,150)	(1,150)
Net cash used in financing activities	(130)	(3,121)
Net decrease in cash and cash equivalent	(6,004)	(1,263)
<b>Cash and cash equivalents at the beginning of the financial period</b>	26,231	23,470
Effects of exchange differences on translation	129	(6)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>20,356</b>	<b>22,201</b>

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	Cumulative Quarter	
	31-Mar-2023 RM'000	31-Mar-2022 RM'000
Cash and bank balances	20,356	22,201
Less: Bank overdrafts	-	-
<b>Cash and cash equivalents at the end of the financial period</b>	<b>20,356</b>	<b>22,201</b>

Notes:

- (1) The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

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## **PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING**

### **A1. Basis of Preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements.

This interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

### **A2. Significant Accounting Policies**

The accounting policies adopted by the Group in the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2022, except for the adoption of the following Amendments to MFRS.

Amendments to MFRSs effective for financial periods beginning on or after 1 January 2023:-

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies
Amendment to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendment to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The initial application of the abovementioned standards and amendments do not have any material impacts to the current and future periods financial statements upon their first adoption.

### **A3. Auditors' Report**

There was no qualification on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2022.

### **A4. Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal and cyclical factors during the current quarter and financial year-to-date under review.

### **A5. Material Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date under review.

### **A6. Material Changes in Estimates**

There were no changes in estimates that have a material effect in the current quarter and financial year-to-date under review.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (continued)**

**A7. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current quarter and financial year-to-date under review.

**A8. Dividends Paid**

Dividends paid during the financial year ended 31 December 2023 are as follow :

- i) Second interim dividend of 0.35 sen per share amounting to RM 1,149,712 for the financial year ended 31 December 2022 was paid on 27 March 2023.

**A9. Segmental Information**

The Group's operating segments are manufacturing, trading and coating services. These operating segments are required to be organised and managed for the purpose of making decisions about resource allocation and performance assessment. The Group's segmental revenue are as follows:

	Individual Quarter		Cumulative Quarter	
	31-Mar-2023 RM'000	31-Mar-2022 RM'000	31-Mar-2023 RM'000	31-Mar-2022 RM'000
<b>Revenue</b>				
<b>Manufacturing</b>	22,374	20,937	22,374	20,937
<b>Trading</b>	791	1,472	791	1,472
<b>Coating</b>	396	629	396	629
<b>Total</b>	<b>23,561</b>	<b>23,038</b>	<b>23,561</b>	<b>23,038</b>

**A10. Property, Plant and Equipment**

- (i) Acquisitions and disposals

During current year, the Group acquired assets at cost of RM 0.05 million.

- (ii) Impairment losses

There were no impairment losses during the current quarter and financial year-to-date under review.

- (iii) Valuation

The Group has not carried out any valuation on its property, plant and equipment during the current quarter and financial year-to-date under review.



**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (continued)**

**A11. Material Events Subsequent to the end of the Quarter**

There were no material events subsequent to the end of the current quarter and financial period under review that have not been reflected in the interim financial report.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial period under review.

**A13. Contingent Liabilities and Contingent Assets**

Corporate Guarantee issued to financial institutions in respect of banking facilities granted to subsidiary companies.

**As at 31 March 2023**  
**RM'000**

**24,221**

Save for the above, there were no changes in contingent assets and contingent liabilities of the Group, since the last audited accounts as at 31 December 2022.

**A14. Material Capital Commitment**

The capital commitments of the Group as at the end of the quarter under review were as follows:

	<b>RM'000</b>
Approved and contracted for	
• Purchase of property, plant and equipment	4,816
Approved but not contracted for	
• Purchase of property, plant and equipment	17,980
<b>Total</b>	<b>22,796</b>

**A15. Significant Related Party Transactions**

There were no significant related party transactions during the current quarter and financial period under review.

**A16. Fair Value of Financial Liabilities**

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Review of Performance**

	Individual Quarter		Changes	
	31-Mar-2023	31-Mar-2022	RM'000	%
	RM'000	RM'000		
Revenue	23,561	23,038	523	2.3%
Profit before Taxation	2,760	3,398	(638)	-18.8%

The Group recorded revenue and profit before taxation (“PBT”) of approximately RM 23.56 million and RM 2.76 million respectively during the current quarter under review, representing an increase of 2.3% and decrease of 18.8% as RM 23.04 million and RM 3.40 million generated in the corresponding quarter ended 31 March 2022.

**B2. Comparison with Immediate Preceding Quarter**

	Current Quarter	Preceding Quarter	Changes	
	31-Mar-2023	31-Dec-2022	RM'000	%
	RM'000	RM'000		
Revenue	23,561	20,885	2,676	12.8%
Profit before Taxation	2,760	1,214	1,546	127.3%

The Group revenue for the current quarter was RM 23.56 million, an increase of RM 2.68 million as compared to RM 20.89 million generated during the preceding quarter. Revenue from the manufacturing segment increased by RM 4.51 million or 25.2% due to increased orders from dealers to replenish their inventory levels. Revenue from the trading segment decreased by RM1.52 million or 65.8% with decrease in trading sales. Revenue from the coating segment decreased by RM0.31 million or 44.0%.

The Group’s reported profit before tax of RM 2.76 million for the current quarter is approximately RM 1.55 million higher as compared to profit before tax of the preceding quarter of RM 1.21 million. The increase in PBT is primarily attributable to higher revenue derived in current quarter.

**B3. Prospects for the Current Financial Year**

For year 2023, market sentiments remain challenging due to significant concerns over uncertainties arising from protracted geopolitical conflicts, weaker-than-expected global growth, elevated global inflation, and mounting wage pressure.

Despite these uncertainties, the Group continues to enhance the efficiency of its production processes and improve the competitiveness of our products. The Group remains cautiously optimistic that it will weather the storm.

**B4. Profit Forecast**

The Group has not issued any profit forecast in any form of public documentation and announcement.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (continued)**

**B5. Tax Expense**

	Individual Quarter		Cumulative Quarter	
	31-Mar-2023 RM'000	31-Mar-2022 RM'000	31-Mar-2023 RM'000	31-Mar-2022 RM'000
Current Income Tax	937	626	937	626
Deferred Tax	(157)	90	(157)	90
<b>Total</b>	<b>780</b>	<b>716</b>	<b>780</b>	<b>716</b>

The effective tax rate of the Group is 28.3% which is higher than the statutory tax rate, this is mainly due to lower tax allowances claimable for current year.

**B6. Status of Corporate Proposals**

There are no corporate proposals announced but pending completion as at the date of this interim report.

**B7. Utilisation of Proceeds from the Public Issue**

Details of utilisation of proceeds	Estimated timeframe for utilisation upon Listing	Amount of proceeds RM'000	Actual Utilisation RM'000	Percentage utilised %
(i) Purchase of new machineries and equipment	Within 60 months <sup>(1)</sup>	34,000	22,279	65.5%
(ii) Working Capital:				
- Finished goods inventories	Within 24 months	1,000	1,000	100.0%
- Staff costs and raw materials	Within 24 months	1,910	1,910	100.0%
(iii) Estimated listing expenses	Immediate	5,400	5,400	100.0%
<b>Total</b>		<b>42,310</b>	<b>30,589</b>	

Notes :

(1) On 27 May 2022, the Company announced the extension of timeframe for the utilisation of proceeds allocated for purchase of new machineries and equipment from within 36 months to within 60 months.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the company dated 17 May 2019.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (continued)**

**B8. Group Borrowings**

	Currency	As at 31-Mar-2023 RM'000	As at 31-Mar-2022 RM'000
<b>Long-term Borrowings (secured)</b>			
(i) Term Loan	MYR	12,007	10,759
	EUR	-	1,421
<b>Sub-total</b>		<b>12,007</b>	<b>12,180</b>
<b>Short-term borrowings (secured)</b>			
(i) Term Loan	MYR	2,113	1,874
	EUR	1,464	2,693
(ii) Bank Acceptance	MYR	1,530	-
	USD	-	4,562
(iii) Revolving Credit	MYR	1,800	1,200
<b>Sub-total</b>		<b>6,907</b>	<b>10,329</b>
<b>Total borrowings</b>		<b>18,914</b>	<b>22,509</b>

We utilise credit facilities such as overdrafts, revolving credit and bankers' acceptances to partially finance our working capital. In addition, we utilise term loans to finance purchase of our manufacturing equipment and factory building. The credit facilities are secured by corporate guarantees, specific debentures and properties.

**B9. Derivative Financial Instruments**

As at 31 March 2023, the outstanding foreign currency forward contracts are as follows:

	Contract / Notional Amount RM'000	Fair Value Asset / (Liabilities) RM'000
<b>Forward Currency Contracts</b>		
Less than 1 year	5,255	(30)

The Group enter into forward currency contracts to hedge against the net exposure to movements in exchange rate arising from sales, purchase and finance cost.

The Group recognised a loss of RM0.03 million arising from changes in fair value of derivatives.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (continued)**

**B10. Material Litigation**

As at the date of this interim financial report, the Group is not engaged in any material litigation or arbitration proceedings either as plaintiff or defendant, and the Directors are not aware of any proceedings pending or threatened against the Group, which may materially and adversely affect the financial position or business performance of the Group.

**B11. Dividend**

No dividend has been declared by the Company during the current quarter and financial year-to-date under review.

**B12. Earnings Per Share (“EPS”)**

The basic and diluted EPS for the current quarter and financial year-to-date is computed as below:

	Individual Quarter		Cumulative Quarter	
	31-Mar-2023 RM'000	31-Mar-2022 RM'000	31-Mar-2023 RM'000	31-Mar-2022 RM'000
Profit after tax attributable to the owner of the Group (RM'000)	2,051	2,682	2,051	2,682
Weighted average number of ordinary shares in issue ('000)	328,489	328,489	328,489	328,489
Basic EPS (sen) <sup>(1)</sup>	0.62	0.82	0.62	0.82
Diluted EPS (sen) <sup>(2)</sup>	0.62	0.82	0.62	0.82

Notes:

- (1) Basic EPS is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the period under review.
- (2) Diluted EPS is equivalent to the basic EPS as the Company does not have any convertible securities as at the end of the financial period under review.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (continued)**

**B13. Profit Before Tax**

	Individual Quarter		Cumulative Quarter	
	31-Mar-2023	31-Mar-2022	31-Mar-2023	31-Mar-2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(100)	(40)	(100)	(40)
Other income	(204)	(200)	(204)	(200)
Gain on disposal of property, plant and equipment	-	(264)	-	(264)
Interest expense	270	210	270	210
Depreciation of property, plant and equipment	2,274	2,055	2,274	2,055
Depreciation of right-of-use assets	151	157	151	157
Allowance for slow-moving inventories	127	40	127	40
Reversal of impairment loss on trade receivables	(1)	(5)	(1)	(5)
Realised (gain)/loss on foreign exchange	(290)	22	(290)	22
Unrealised gain on foreign exchange	(366)	(136)	(366)	(136)
Unrealised loss on derivatives	27	14	27	14

Save as disclosed above, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.