(Company No.: 201701041672 (1255845-W))







# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (1)

	Individua	l Quarter	Cumulativ	e Quarter
	30-Jun-2023	30-Jun-2022	30-Jun-2023	30-Jun-2022
	RM'000	RM'000	RM'000	RM'000
Revenue	23,231	22,818	46,792	45,856
Cost of sales	14,564	13,832	29,541	27,674
Gross profit	8,667	8,986	17,251	18,182
Other income	1,309	477	2,271	1,109
Administrative expenses	(4,900)	(4,397)	(9,560)	(8,933)
Distribution expenses	(1,801)	(1,751)	(3,657)	(3,435)
Operating profit	3,275	3,315	6,305	6,923
Finance costs	(295)	(205)	(565)	(415)
Profit before tax	2,980	3,110	5,740	6,508
Income tax expense	(823)	(373)	(1,603)	(1,089)
Profit for the financial period	2,157	2,737	4,137	5,419
Other comprehensive income, net of tax :  Item that may be reclassified subsequently to provide the subsequently the subsequ	ofit or loss			
Exchange differences on translation				
of foreign operations	173	(53)	312	(16)
Other comprehensive income for the				
financial period	173	(53)	312	(16)
Total comprehensive income for the financial period	2,330	2,684	4,449	5,403
Profit attributable to:				
Owners of the Group	2,252	2,741	4,303	5,423
Non-controlling interests	(95)	(4)	(166)	(4)
	2,157	2,737	4,137	5,419
Total comprehensive income attributable to:				
Owners of the Group	2,425	2,688	4,615	5,407
Non-controlling interests	(95)	(4)	(166)	(4)
	2,330	2,684	4,449	5,403
Earnings per share attributable to ordinary share	eholders :			
Basic and diluted (sen) <sup>(2)</sup>	0.69	0.83	1.31	1.65

<sup>(1)</sup> 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.

<sup>(2)</sup> Based on weighted average number of ordinary shares in HPMT ("Shares") in issue during the period under review.

(Company No.: 201701041672 (1255845-W))



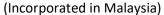




# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION $^{(1)}$

	Unaudited	Audited
	As at	As at
	30-Jun-2023 RM'000	31-Dec-2022 RM'000
ASSETS	WW 000	KIVI 000
Non-current assets		
Property, plant and equipment	71,384	71,400
Right-of-use assets	1,237	637
Deferred tax assets	238	179
Total non-current assets	72,859	72,216
Current assets		
Inventories	30,691	31,204
Current tax assets	1,680	1,400
Trade and other receivables	18,028	17,703
Short-term cash investments (2)	31,780	21,186
Cash and bank balances	20,701	26,231
Total current assets	102,880	97,724
TOTAL ASSETS	175,739	169,940
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	103,553	103,553
Other reserves	1,194	882
Merger deficit	(54,067)	(54,067)
Retained earnings	89,334	86,181
	140,014	136,549
Non-controlling interests	243	409
TOTAL EQUITY	140,257	136,958
Non-current liabilities		
Loans and borrowings	11,528	9,974
Lease liabilities	659	283
Deferred income	902	1,217
Deferred tax liabilities	6,572	7,108
Total non-current liabilities	19,661	18,582
Current liabilities		
Loans and borrowings	6,929	7,444
Lease liabilities	535	302
Deferred income	699	770
Current tax liabilities	1,990	160
Trade and other payables	5,476	5,669
Contract liabilities	<del>-</del>	52
Derivative financial liabilities	192	3
Total current liabilities	15,821	14,400
TOTAL LIABILITIES	35,482	32,982
TOTAL EQUITY AND LIABILITIES	175,739	169,940
Net assets per share (RM)	0.43	0.42

(Company No.: 201701041672 (1255845-W))







- (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.

(Company No.: 201701041672 (1255845-W))

(Incorporated in Malaysia)

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023



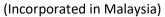
# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup>

	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
At 1 January 2023	103,553	674	208	(54,067)	86,181	136,549	409	136,958
Total comprehensive income								
for the financial period								
Profit for the financial period	-	-	-	-	4,303	4,303	(166)	4,137
Other comprehensive income for the financial period	-	312	-	-	-	312	-	312
Total comprehensive income	-	312	-	-	4,303	4,615	(166)	4,449
Transaction with owners								
Dividends paid	-	-	-	-	(1,150)	(1,150)	-	(1,150)
At 30 June 2023	103,553	986	208	(54,067)	89,334	140,014	243	140,257
At 1 January 2022 Total comprehensive income for the financial period	103,553	732	208	(54,067)	80,783	131,209	407	131,616
Profit for the financial period	-	-	-	-	5,423	5,423	(4)	5,419
Other comprehensive income for the financial period	-	(16)	-	-	-	(16)	-	(16)
Total comprehensive income	-	(16)	-	-	5,423	5,407	(4)	5,403
Transaction with owners								
Dividends paid		-	-		(1,150)	(1,150)	-	(1,150)
At 30 June 2022	103,553	716	208	(54,067)	85,056	135,466	403	135,869

#### 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.

(Company No.: 201701041672 (1255845-W))





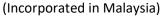


# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW $^{(1)}$

# **Cumulative Quarter**

	30-Jun-2023 RM'000	30-Jun-2022 RM'000
Cash flows from operating activities		
Profit before tax	5,740	6,508
Adjustments for:		
Depreciation of property, plant and equipment	4,649	4,255
Depreciation of right-of-use assets	301	319
Gain on disposal of property, plant and		
equipment	-	(457)
Property, plant and equipment written off	1	2
Government grant amortisation	(385)	(385)
Allowances for slow-moving inventories	264	93
Inventories written off	4	- (45)
Reversal of impairment loss on trade receivables	(1)	(15)
Finance costs Interest income	565	415
Net fair value loss/(gain) on derivatives	(236) 189	(75) (16)
Net unrealised foreign exchange gain	(619)	(151)
Gain on lease modifications	(013)	(2)
Operating profit before working capital	10,472	10,491
changes	<b>-9, -</b>	-5,.3-
Changes in working capital:		
Inventories	245	(4,318)
Trade and other receivables	275	(3,332)
Trade and other payables	(361)	(2,918)
Contract liabilities	(52)	(134)
Cash generated from operation	10,579	(211)
Tax refunded	-	2
Income tax paid	(649)	(1,252)
Interest paid	(35)	(36)
Interest received	63	29
Net cash from/(used in) operating activities	9,958	(1,468)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,531)	(2,641)
Additional to right-of-use assets	-	(76)
Net changes in short-term cash investments	(10,369)	3,375
Proceeds from disposal of property, plant and		
equipment	-	457
Short-term cash investment income	173	46
Net cash (used in)/from investing activities	(14,727)	1,161

(Company No.: 201701041672 (1255845-W))



INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (continued) (1)

# **Cumulative Quarter**

	30-Jun-2023	30-Jun-2022
	RM'000	RM'000
Cash flows from financing activities		
Net drawdown of revolving credit	200	200
Net repayment of bankers' acceptances	(739)	4,397
Payment of lease liabilities	(289)	(299)
Drawdown of term loans	3,468	-
Repayment of term loans	(2,295)	(2,736)
Interest paid	(530)	(379)
Dividends paid	(1,150)	(1,150)
Net cash (used in)/from financing activities	(1,335)	33
Net decrease in cash and cash equivalent  Cash and cash equivalents at the beginning of	(6,104)	(274)
the financial period	26,231	23,470
Effects of exchange differences on translation	308	(16)
Cash and cash equivalents at the end of the financial period	20,435	23,180

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

	Cumulative Quarter		
	30-Jun-2023	30-Jun-2022	
	RM'000	RM'000	
Cash and bank balances	20,701	23,180	
Short-term deposits placed with licensed banks	-	-	
Cash and short-term deposits	20,701	23,180	
Less: Bank overdrafts	(266)	-	
Cash and cash equivalents at the end of the	_	_	
financial period	20,435	23,180	

<sup>(1)</sup> 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.

(Company No.: 201701041672 (1255845-W))

(Incorporated in Malaysia)

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023



# 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 - 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.

(Company No.: 201701041672 (1255845-W))

(Incorporated in Malaysia)

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023



### 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		
	30-Jun-2023	30-Jun-2022	30-Jun-2023	30-Jun-2022	
	RM'000	RM'000	RM'000	RM'000	
Revenue					
Manufacturing	22,105	20,938	44,479	41,875	
Trading	535	1,117	1,326	2,589	
Coating	591	763	987	1,392	
Total	23,231	22,818	46,792	45,856	

# A10. Property, Plant and Equipment

#### (i) Acquisitions and disposals

During current year, the Group acquired assets at cost of RM 4.63 million.

There were written off assets with carrying amount of about RM589 during the current period under review.

# (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.

(Company No.: 201701041672 (1255845-W))

(Incorporated in Malaysia)





# 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**

As at 30 June 2023 RM'000

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

26,587

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:

	RM'000
Approved and contracted for	
Purchase of property, plant and equipment	3,981
Approved but not contracted for	
Purchase of property, plant and equipment	15,659
Total	19,640

#### **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.

(Company No.: 201701041672 (1255845-W))

(Incorporated in Malaysia)





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

#### **B1. Review of Performance**

	Individual Quarter			
	30-Jun-2023	30-Jun-2022	Chang	es
	RM'000	RM'000	RM'000	%
Revenue	23,231	22,818	413	1.8%
Profit before Taxation	2,980	3,110	(130)	-4.2%

The Group recorded revenue and profit before taxation ("PBT") of approximately RM 23.23 million and RM 2.98 million respectively during the current quarter under review, representing an increase of 1.8% and decrease of 4.2% as RM 22.82 million and RM 3.11 million generated in the corresponding quarter ended 30 June 2022.

#### **B2. Comparison with Immediate Preceding Quarter**

	Current Quarter 30-Jun-2023	Preceding Quarter 31-Mar-2023	Chang	es
	RM'000	RM'000	RM'000	%
Revenue	23,231	23,561	(330)	-1.4%
Profit before Taxation	2,980	2,760	220	8.0%

The Group revenue for the current quarter was RM 23.23 million, a decrease of RM 0.33 million as compared to RM 23.56 million generated during the preceding quarter. Revenue from the manufacturing segment decreased by RM 0.27 million or 1.2% due to decreased orders from dealers to replenish their inventory levels. Revenue from the trading segment decreased by RM0.26 million or 32.4% with decrease in trading sales. Revenue from the coating segment increased by RM0.20 million or 49.2%.

The Group's reported profit before tax of RM 2.98 million for the current quarter is approximately RM 0.22 million higher as compared to profit before tax of the preceding quarter of RM 2.76 million. The increase in PBT is primarily attributable to foreign exchange gain, marginal improvement on gross profit and decrease in the distribution expenses as compared to preceding quarter.

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

Throughout the year 2023, the prospects of the global manufacturing industry is anticipated to be dampened by the prevailing global economic uncertainties; predominantly from protracted geopolitical conflicts, stagnating global growth and inflation as well as the 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.

(Company No.: 201701041672 (1255845-W))

(Incorporated in Malaysia)





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

# **B5. Tax Expense**

	Individual Qu	arter	Cumulative Quarter		
	30-Jun-2023 30-Jun-2022		30-Jun-2023	30-Jun-2022	
	RM'000	RM'000	RM'000	RM'000	
Current Income Tax	1,261	249	2,198	875	
Deferred Tax	(438)	124	(595)	214	
Total	823	373	1,603	1,089	

The effective tax rate of the Group is 27.9% 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

Detai	ls of utilisation of proceeds	Estimated timeframe for	Amount of proceeds	Actual Utilisation	Percentage utilised
		utilisation upon Listing	RM'000	RM'000	%
(i)	Purchase of new machineries				
	and equipment	Within 60 months (1)	34,000	22,279	65.5%
(ii)	Working Capital:				
- Fi	nished goods inventories	Within 24 months	1,000	1,000	100.0%
- S1	taff costs and raw materials	Within 24 months	1,910	1,910	100.0%
(iii)	Estimated listing expenses	Immediate	5,400	5,400	100.0%
Total			42,310	30,589	

#### 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.

(Company No.: 201701041672 (1255845-W))

(Incorporated in Malaysia)





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

#### **B8. Group Borrowings**

			As at 30-Jun-2023	As at 30-Jun-2022
		Currency	RM'000	RM'000
Long	g-term Borrowings (secure	d)		
(i)	Term Loan	MYR	11,528	10,291
		EUR	-	898
Sub-total		_	11,528	11,189
Shor	t-term borrowings (secure	ed)		
(i)	Term Loan	MYR	1,926	1,872
		EUR	990	2,264
(ii)	Bank Acceptance	MYR	1,747	-
		USD	-	9,719
(iii)	Revolving Credit	MYR	2,000	1,200
(iv)	Bank Overdraft	MYR	266	-
Sub-total		_	6,929	15,055
Total borrowings			18,457	26,244

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	· ` '
Forward Currency Contracts		
Less than 1 year	7,916	(192)

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 RM0.19 million arising from changes in fair value of derivatives.

(Company No.: 201701041672 (1255845-W))

(Incorporated in Malaysia)

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023



# 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

A first interim dividend for the financial year ending 31 December 2023, amounting to RM 0.99 million computed based on 328,489,000 ordinary shares as at 30 June 2023 has been declared by the Board of Directors on 29 August 2023:

(i) Amount per Share: Single tier dividend of 0.30 sen per ordinary share

(ii) Previous corresponding period as at 30 June 2022: 0.50 sen

(iii) Entitlement Date: 18 September 2023

(iv) Payment Date: 09 October 2023

The total dividend declared for the current financial year ending 31 December 2023: 0.30 sen per share.

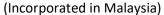
# **B12.** Earnings Per Share ("EPS")

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

	Individual Quarter		Cumulative Quarter	
	30-Jun-2023	30-Jun-2022	30-Jun-2023	30-Jun-2022
	RM'000	RM'000	RM'000	RM'000
Profit after tax attributable to the owner				
of the Group (RM'000)	2,252	2,741	4,303	5,423
Weighted average number of ordinary				
shares in issue ('000)	328,489	328,489	328,489	328,489
Basic EPS (sen) <sup>(1)</sup>	0.69	0.83	1.31	1.65
Diluted EPS (sen) <sup>(2)</sup>	0.69	0.83	1.31	1.65

- (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.

(Company No.: 201701041672 (1255845-W))







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

# **B13. Profit Before Tax**

	Individual Quarter		Cumulative Quarter	
	30-Jun-2023	30-Jun-2022	30-Jun-2023	30-Jun-2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(136)	(35)	(236)	(75)
Other income	(195)	(196)	(399)	(396)
Gain on disposal of property, plant and				
equipment	-	(193)	-	(457)
Interest expense	295	205	565	415
Depreciation of property, plant and				
equipment	2,375	2,200	4,649	4,255
Depreciation of right-of-use assets	150	162	301	319
Allowance for slow-moving inventories	137	53	264	93
Inventories written off	4	-	4	-
Reversal of impairment loss on trade				
receivables	-	(10)	(1)	(15)
Realised (gain)/loss on foreign exchange	(725)	69	(1,015)	91
Unrealised gain on foreign exchange	(253)	(15)	(619)	(151)
Unrealised loss/(gain) on derivatives	162	(30)	189	(16)

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