

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

	Individual Quarter		Cumulative Quarter	
	31-Mar-2022	31-Mar-2021	31-Mar-2022	31-Mar-2021
	RM'000	RM'000	RM'000	RM'000
Revenue	23,038	22,107	23,038	22,107
Cost of sales	13,842	11,933	13,842	11,933
Gross profit	9,196	10,174	9,196	10,174
Other income	632	652	632	652
Administrative expenses	(4,536)	(4,628)	(4,536)	(4,628)
Distribution expenses	(1,684)	(1,432)	(1,684)	(1,432)
Operating profit	3,608	4,766	3,608	4,766
Finance costs	(210)	(238)	(210)	(238)
Profit before tax	3,398	4,528	3,398	4,528
Income tax expense	(716)	(1,286)	(716)	(1,286)
Profit for the financial period	2,682	3,242	2,682	3,242
Other comprehensive income, net of tax :				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	37	86	37	86
Other comprehensive income for the financial period	2,719	3,328	2,719	3,328
Total comprehensive income for the financial period				
Profit attributable to:				
Owners of the Group	2,682	3,239	2,682	3,239
Non-controlling interests	*	3	*	3
	2,682	3,242	2,682	3,242
Total comprehensive income attributable to:				
Owners of the Group	2,719	3,325	2,719	3,325
Non-controlling interests	*	3	*	3
	2,719	3,328	2,719	3,328
Earnings per share attributable to owners of the parent:				
Basic and diluted (sen) ⁽²⁾	0.82	0.99	0.82	0.99

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 2021 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⁽¹⁾

	Unaudited As at 31-Mar-2022 RM'000	Audited As at 31-Dec-2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	67,352	68,612
Right-of-use assets	994	594
Deferred tax assets	145	150
Total non-current assets	68,491	69,356
Current assets		
Inventories	29,677	29,290
Current tax assets	838	162
Trade and other receivables	28,048	19,835
Derivative financial assets	7	21
Short-term cash investments ⁽²⁾	31,559	34,350
Cash and bank balances	22,201	23,470
Total current assets	112,330	107,128
TOTAL ASSETS	180,821	176,484
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	103,553	103,553
Other reserves	977	940
Merger deficit	(54,067)	(54,067)
Retained earnings	82,315	80,783
	132,778	131,209
Non-controlling interests	407	407
TOTAL EQUITY	133,185	131,616
Non-current liabilities		
Loans and borrowings	12,180	13,182
Lease liabilities	341	113
Deferred income	1,794	1,987
Deferred tax liabilities	6,521	6,436
Total non-current liabilities	20,836	21,718
Current liabilities		
Loans and borrowings	10,329	10,985
Lease liabilities	592	479
Deferred income	770	770
Current tax liabilities	701	265
Trade and other payables	14,304	10,413
Contract liabilities	104	238
Total current liabilities	26,800	23,150
TOTAL LIABILITIES	47,636	44,868
TOTAL EQUITY AND LIABILITIES	180,821	176,484
Net assets per share (RM)	0.40	0.40

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 2021 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⁽¹⁾

	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 2022	103,553	732	208	(54,067)	80,783	131,209	407	131,616
Total comprehensive income for the financial period								
Profit for the financial period	-	-	-	-	2,682	2,682	*	2,682
Other comprehensive income for the financial period	-	37	-	-	-	37	-	37
Total comprehensive income	-	37	-	-	2,682	2,719	-	2,719
Transaction with owners								
Dividends paid	-	-	-	-	(1,150)	(1,150)	-	(1,150)
At 31 March 2022	103,553	769	208	(54,067)	82,315	132,778	407	133,185
At 1 January 2021	103,553	586	208	(54,067)	73,188	123,468	368	123,836
Total comprehensive income for the financial period								
Profit for the financial period	-	-	-	-	3,239	3,239	3	3,242
Other comprehensive income for the financial period	-	86	-	-	-	86	-	86
Appropriation to statutory reserve	-	-	7	-	(7)	-	-	-
Total comprehensive income	-	86	7	-	3,232	3,325	3	3,328
Transaction with owners								
Dividends paid	-	-	-	-	(1,643)	(1,643)	-	(1,643)
At 31 March 2021	103,553	672	215	(54,067)	74,777	125,150	371	125,521

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 2021 and the accompanying explanatory notes attached to the interim financial report.

* (RM 343)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW⁽¹⁾

	Cumulative Quarter	
	31-Mar-2022 RM'000	31-Mar-2021 RM'000
Cash flows from operating activities		
Profit before tax	3,398	4,528
Adjustments for:		
Depreciation of property, plant and equipment	2,055	2,102
Depreciation of right-of-use assets	157	94
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	40	174
Reversal of impairment loss on trade receivables	(5)	(12)
Finance costs	210	238
Interest income	(40)	(164)
Net fair value loss/(gain) on derivatives	14	(28)
Net unrealised foreign exchange (gain)/loss	(136)	28
Gain on lease modifications	1	-
Operating profit before working capital changes	5,239	6,767
<u>Changes in working capital:</u>		
Inventories	(428)	1,904
Trade and other receivables	(8,126)	(6,216)
Trade and other payables	3,586	(2,104)
Contract liabilities	(134)	125
Cash generated from operations	137	476
Income tax paid	(866)	(444)
Interest paid	(18)	(10)
Interest received	13	10
Net cash (used in)/from operating activities	(734)	32
Cash flows from investing activities		
Purchase of property, plant and equipment	(536)	(197)
Additional to right-of-use assets	(67)	-
Net changes of short-term cash investments	2,903	87
Proceeds from disposal of property, plant and equipment	264	-
Short-term cash investment income received	27	154
Net cash from investing activities	2,591	44

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

	Cumulative Quarter	
	31-Mar-2022 RM'000	31-Mar-2021 RM'000
Cash flows from financing activities		
Net drawdown/(repayment) of revolving credit	200	(150)
Net repayment of bankers' acceptances	(493)	(1,420)
Payment of lease liabilities	(104)	(94)
Drawdown of term loan	-	2,000
Repayment of term loans	(1,380)	(1,540)
Interest paid	(193)	(228)
Dividend paid	(1,150)	(1,643)
Net cash used in financing activities	(3,120)	(3,075)
Net decrease in cash and cash equivalent	(1,263)	(2,999)
Cash and cash equivalents at the beginning of the financial year	23,470	16,689
Effects of exchange differences on translation	(6)	85
Cash and cash equivalents at the end of the financial year	22,201	13,775

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

	Cumulative Quarter	
	31-Mar-2022 RM'000	31-Mar-2021 RM'000
Cash and bank balances	22,201	13,797
Short-term deposits placed with licensed banks	-	-
Cash and short-term deposits	22,201	13,797
Less: Bank overdrafts	-	(22)
Cash and cash equivalents at the end of the financial periods	22,201	13,775

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 2021 and the accompanying explanatory notes attached to this interim financial report.

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 2021 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 2021, except for the adoption of the following Amendments to MFRS.

Amendments to MFRSs effective for financial periods beginning on or after 1 January 2022:-

Amendments to MFRS 3	Reference to Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	

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 2021.

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 2022 are as follow :

- i) Special interim dividend of 0.35 sen per share amounting to RM 1,149,712 for the financial year ended 31 December 2021 was paid on 28 March 2022.

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-2022 RM'000	31-Mar-2021 RM'000	31-Mar-2022 RM'000	31-Mar-2021 RM'000
Revenue				
Manufacturing	20,937	20,874	20,937	20,874
Trading	1,472	682	1,472	682
Coating	629	551	629	551
Total	23,038	22,107	23,038	22,107

A10. Property, Plant and Equipment

- (i) Acquisitions and disposals

During current year, the Group acquired assets at cost of RM 0.80 million.

There were disposals of and written off assets with carrying amount of about RM2,000 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.

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

A10. Property, Plant and Equipment (continued)

(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.

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 2022
RM'000

23,233

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 2021.

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	14,638
Approved but not contracted for	
• Purchase of property, plant and equipment	17,077
Total	31,716

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-2022	31-Mar-2021	RM'000	%
	RM'000	RM'000		
Revenue	23,038	22,107	931	4.2%
Profit before Taxation	3,398	4,528	(1,130)	-25.0%

The Group recorded revenue and profit before taxation (“PBT”) of approximately RM 23.04 million and RM 3.40 million respectively during the current quarter under review, representing an increase of 4.2% and decrease of 25.0% as compared to RM 22.11 million and RM 4.53 million generated in the corresponding quarter ended 31 December 2021.

B2. Comparison with Immediate Preceding Quarter

	Current Quarter	Preceding Quarter	Changes	
	31-Mar-2022	31-Dec-2021	RM'000	%
	RM'000	RM'000		
Revenue	23,038	21,806	1,232	5.6%
Profit before Taxation	3,398	3,225	173	5.4%

The Group revenue for the current quarter was RM 23.04 million, an increase of RM 1.23 million as compared to RM 21.81 million generated during the preceding quarter. Revenue from the manufacturing segment increased by RM 1.57 million or 8.1% due to increased orders from dealers to replenish their inventory levels. Revenue from the trading segment decreased by RM0.15 million or 9.0% with decrease in trading sales. Revenue from the coating segment decreased by RM0.19 million or 23.2% with decrease in coating sales.

The Group’s reported profit before tax of RM 3.40 million for the current quarter is approximately RM 0.17 million higher as compared to profit before tax of the preceding quarter of RM 3.23 million. The increase in PBT is primarily attributable to higher revenue derived in current quarter.

B3. Prospects for the Current Financial Year

The Year 2022 is projected to remain uncertain and challenging with slightly more positive sentiments predicated on more international border re-opening. However, these positive sentiments have been marred by the recent geopolitical developments of the Russia-Ukraine war and China's economy which has caused supply chain disruption and cost increases globally.

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 and maintain profitability.

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-2022 RM'000	31-Mar-2021 RM'000	31-Mar-2022 RM'000	31-Mar-2021 RM'000
Current Income Tax	626	1,090	626	1,090
Deferred Tax	90	196	90	196
Total	716	1,286	716	1,286

The effective tax rate of the Group is 21.1% which is lower than the statutory tax rate, this is mainly due to higher 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 36 months	34,000	8,036	23.6%
(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%
Total		42,310	16,346	

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-2022 RM'000	As at 31-Mar-2021 RM'000
Long-term Borrowings (secured)			
(i) Term Loan	MYR	10,759	12,641
	EUR	1,421	4,286
Sub-total		12,180	16,927
Short-term borrowings (secured)			
(i) Term Loan	MYR	1,874	1,865
	EUR	2,693	3,970
(ii) Bank Acceptance	USD	4,562	2,737
(iii) Revolving Credit	MYR	1,200	1,148
(iv) Bank Overdraft	MYR	-	22
Sub-total		10,329	9,742
Total borrowings		22,509	26,669

We utilise credit facilities such as overdrafts 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 2022, the outstanding foreign currency forward contracts are as follows:

	Contract / Notional Amount RM'000	Fair Value Asset / (Liabilities) RM'000
Forward Currency Contracts		
Less than 1 year	714	7

The Group's 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 RM0.01 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-2022 RM'000	31-Mar-2021 RM'000	31-Mar-2022 RM'000	31-Mar-2021 RM'000
Profit after tax attributable to the owner of the Group (RM'000)	2,682	3,239	2,682	3,239
Weighted average number of ordinary shares in issue ('000)	328,489	328,489	328,489	328,489
Basic EPS (sen) ⁽¹⁾	0.82	0.99	0.82	0.99
Diluted EPS (sen) ⁽²⁾	0.82	0.99	0.82	0.99

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-2022 RM'000	31-Mar-2021 RM'000	31-Mar-2022 RM'000	31-Mar-2021 RM'000
Interest income	(40)	(164)	(40)	(164)
Other income	(200)	(347)	(200)	(347)
Gain on disposal of property, plant and equipment	(264)	-	(264)	-
Interest expense	210	238	210	238
Depreciation of property, plant and equipment	2,055	2,102	2,055	2,102
Depreciation of right-of-use assets	157	94	157	94
Allowance for slow-moving inventories	40	174	40	174
Reversal of impairment loss on trade receivables	(5)	(12)	(5)	(12)
Realised loss/(gain) on foreign exchange	22	(129)	22	(129)
Unrealised (gain)/loss on foreign exchange	(136)	28	(136)	28
Unrealised loss/(gain) on derivatives	14	(28)	14	(28)

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