

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

	Individual Quarter		Cumulative Quarter	
	31-Dec-2024	31-Dec-2023	Unaudited 31-Dec-2024	Audited 31-Dec-2023
	RM'000	RM'000	RM'000	RM'000
Revenue	23,009	21,525	91,594	89,538
Cost of sales	14,728	13,709	57,456	56,578
Gross profit	8,281	7,816	34,138	32,960
Other income	1,095	628	2,900	3,025
Administrative expenses	(4,861)	(5,003)	(20,159)	(19,212)
Distribution expenses	(2,466)	(1,849)	(9,545)	(7,188)
Operating profit	2,049	1,592	7,334	9,585
Finance costs	(236)	(279)	(1,105)	(1,138)
Profit before tax	1,813	1,313	6,229	8,447
Income tax expense	(668)	(102)	(2,463)	(2,165)
Profit for the financial period	1,145	1,211	3,766	6,282
Other comprehensive income/(loss), net of tax:				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	243	53	(94)	348
Other comprehensive income/(loss) for the financial period	243	53	(94)	348
Total comprehensive income for the financial period	1,388	1,264	3,672	6,630
Profit attributable to:				
Owners of the Group	1,146	1,329	3,850	6,600
Non-controlling interests	(1)	(118)	(84)	(318)
	1,145	1,211	3,766	6,282
Total comprehensive income attributable to:				
Owners of the Group	1,389	1,382	3,756	6,948
Non-controlling interests	(1)	(118)	(84)	(318)
	1,388	1,264	3,672	6,630
Earnings per share attributable to ordinary shareholders:				
Basic and diluted (sen) ⁽²⁾	0.35	0.40	1.17	2.01

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 2023 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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited	Audited
	As at	As at
	31-Dec-2024	31-Dec-2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	63,503	71,568
Right-of-use assets	305	676
Deferred tax assets	250	245
Total non-current assets	64,058	72,489
Current assets		
Inventories	36,065	33,413
Current tax assets	106	168
Trade and other receivables	17,618	16,740
Derivative financial assets	13	-
Short-term cash investments ⁽²⁾	40,490	41,469
Cash and bank balances	14,328	14,411
Total current assets	108,620	106,201
TOTAL ASSETS	172,678	178,690
EQUITY AND LIABILITIES		
Share capital	103,553	103,553
Other reserves	1,136	1,230
Merger deficit	(54,067)	(54,067)
Retained earnings	92,755	90,646
Equity attributable to owners of the Company	143,377	141,362
Non-controlling interests	7	91
TOTAL EQUITY	143,384	141,453
Non-current liabilities		
Loans and borrowings	9,236	11,215
Lease liabilities	61	275
Employee benefits	11	-
Deferred income	189	588
Deferred tax liabilities	5,563	6,418
Total non-current liabilities	15,060	18,496
Current liabilities		
Loans and borrowings	5,555	6,619
Lease liabilities	253	395
Deferred income	398	629
Current tax liabilities	257	378
Trade and other payables	7,771	10,720
Total current liabilities	14,234	18,741
TOTAL LIABILITIES	29,294	37,237
TOTAL EQUITY AND LIABILITIES	172,678	178,690
Net assets per share (RM)	0.44	0.43

HPMT Holdings Berhad

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

(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024



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 2023 and the accompanying explanatory notes attached to the interim financial report.
- (2) Fund placement with licensed financial institutions.

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

**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 2024	103,553	1,022	208	(54,067)	90,646	141,362	91	141,453
Total comprehensive (loss)/income for the financial period								
Profit for the financial period	-	-	-	-	3,850	3,850	(84)	3,766
Other comprehensive loss for the financial period	-	(94)	-	-	-	(94)	-	(94)
Total comprehensive (loss)/income	-	(94)	-	-	3,850	3,756	(84)	3,672
Transaction with owners								
Dividends paid	-	-	-	-	(1,741)	(1,741)	-	(1,741)
At 31 December 2024	103,553	928	208	(54,067)	92,755	143,377	7	143,384
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	-	-	-	-	6,600	6,600	(318)	6,282
Other comprehensive income for the financial period	-	348	-	-	-	348	-	348
Total comprehensive income	-	348	-	-	6,600	6,948	(318)	6,630
Transaction with owners								
Dividends paid	-	-	-	-	(2,135)	(2,135)	-	(2,135)
At 31 December 2023	103,553	1,022	208	(54,067)	90,646	141,362	91	141,453

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 2023 and the accompanying explanatory notes attached to the interim financial report.

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

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

	Cumulative Quarter	
	Unaudited 31-Dec-2024 RM'000	Audited 31-Dec-2023 RM'000
Cash flows from operating activities		
Profit before tax	6,229	8,447
Adjustments for:		
Depreciation of property, plant and equipment	9,621	9,529
Depreciation of right-of-use assets	401	436
Loss on disposal of property, plant and equipment	8	-
Property, plant and equipment written off	7	1
Government grant amortisation	(629)	(770)
Allowances for slow-moving inventories	554	511
Inventories written off	11	35
Impairment loss on trade receivables	36	5
Finance costs	1,105	1,138
Interest income	(877)	(654)
Employee benefits	11	-
Net fair value gain on derivatives	(13)	(3)
Net gain on unrealised foreign exchange	(782)	(247)
Loss/(Gain) on lease modifications	36	(2)
Operating profit before working capital changes	15,718	18,426
<u>Changes in working capital:</u>		
Inventories	(3,216)	(2,755)
Trade and other receivables	(1,157)	1,042
Trade and other payables	(3,331)	937
Contract liabilities	-	(52)
Cash generated from operation	8,014	17,598
Income tax refunded	-	536
Income tax paid	(3,382)	(2,007)
Interest paid	(64)	(70)
Interest received	223	157
Net cash from operating activities	4,791	16,214
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,070)	(5,356)
Net changes in short-term cash investments	1,684	(19,889)
Proceeds from disposal of property, plant and equipment	15	-
Short-term cash investment income	654	497
Net cash from/(used in) investing activities	1,283	(24,748)

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

	Cumulative Quarter	
	Unaudited 31-Dec-2024 RM'000	Audited 31-Dec-2023 RM'000
Cash flows from financing activities		
Drawdown of revolving credit	500	1,200
Net repayment of bankers' acceptances	(1,383)	(1,103)
Payment of lease liabilities	(421)	(431)
Drawdown of term loans	-	3,922
Repayment of term loans	(1,993)	(3,948)
Repayment of hire purchase	(62)	(66)
Interest paid	(1,041)	(1,068)
Dividends paid	(1,741)	(2,135)
Net cash used in financing activities	(6,141)	(3,629)
Net decrease in cash and cash equivalents	(67)	(12,163)
Cash and cash equivalents at the beginning of the financial period	14,411	26,231
Effects of exchange differences on translation	(91)	343
Cash and cash equivalents at the end of the financial period	14,253	14,411

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

	Cumulative Quarter	
	Unaudited 31-Dec-2024 RM'000	Audited 31-Dec-2023 RM'000
Cash and bank balances	14,328	14,411
Less: Bank overdrafts	(75)	-
Cash and cash equivalents at the end of the financial period	14,253	14,411

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 2023 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 2023 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 2023, except for the adoption of the following Amendments to MFRS.

Amendments to MFRSs effective for financial periods beginning on or after 1 January 2024:-

Amendments to MFRSs

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows

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 2023.

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 2024 are as follows:

- i) Second interim dividend of 0.35 sen per share amounting to RM 1,149,712 for the financial year ended 31 December 2023 was paid on 8 April 2024.
- ii) First interim dividend of 0.18 sen per share amounting to RM 591,280 for the financial year ended 31 December 2024 was paid on 30 September 2024.

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-Dec-2024 RM'000	31-Dec-2023 RM'000	31-Dec-2024 RM'000	31-Dec-2023 RM'000
Revenue				
Manufacturing	21,400	20,004	86,584	84,793
Trading	924	973	2,403	2,790
Coating	685	548	2,607	1,955
Total	23,009	21,525	91,594	89,538

A10. Property, Plant and Equipment

- (i) Acquisitions and disposals

During current year, the Group acquired assets at cost of RM 1.59 million.

There were disposals of and written off assets with carrying amount of about RM 29,415 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.

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 December 2024
RM'000

16,508

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 2023.

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	297
Approved but not contracted for	
• Purchase of property, plant and equipment	9,492
Total	9,789

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-Dec-2024	31-Dec-2023		
	RM'000	RM'000	RM'000	%
Revenue	23,009	21,525	1,484	6.9%
Profit before Taxation	1,813	1,313	500	38.1%

The Group recorded revenue and profit before taxation (“PBT”) of approximately RM 23.01 million and RM 1.81 million respectively during the current quarter under review, representing an increase of 6.9% and 38.1% as compared to RM 21.53 million and RM 1.31 million generated in the corresponding quarter ended 31 December 2023.

B2. Comparison with Immediate Preceding Quarter

	Current Quarter	Preceding Quarter	Changes	
	31-Dec-2024	30-Sep-2024		
	RM'000	RM'000	RM'000	%
Revenue	23,009	23,156	(147)	-0.6%
Profit before Taxation	1,813	683	1,130	165.4%

The Group revenue for the current quarter was RM 23.01 million, a decrease of RM 0.15 million as compared to RM 23.16 million generated during the preceding quarter. Revenue from the trading segment increased by RM 0.46 million or 100.4% with increase in trading sales. Revenue from the coating segment increased by RM 0.04 million or 5.7%. Revenue from the manufacturing segment decreased by RM 0.65 million or 2.9% due to decreased orders from dealers to replenish their inventory levels.

The Group’s reported profit before taxation of RM 1.81 million for the current quarter is approximately RM 1.13 million higher as compared to profit before taxation of the preceding quarter of RM 0.68 million. The increase in is primarily attributable to foreign exchange gain.

B3. Prospects for the Next Financial Year

The economic landscape in 2025 is projected to experience a soft landing as global inflation stabilizes, with modest economic growth. However, challenges such as heightened competition, currency fluctuations and supply chain disruptions are expected to persist, rendering growth sluggish. Amid ongoing uncertainties, our confidence in the industry’s resilience remains cautious.

Despite these challenges, the Group remains focused towards expanding revenues, optimizing production processes, and driving product innovation to maintain competitiveness.

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-Dec-2024 RM'000	31-Dec-2023 RM'000	31-Dec-2024 RM'000	31-Dec-2023 RM'000
Current Income Tax	662	(49)	3,322	2,921
Deferred Tax	6	151	(859)	(756)
Total	668	102	2,463	2,165

The effective tax rate of the Group is 39.5% which is higher than the statutory income tax rate, this is mainly due to certain expenses being not deductible for tax purposes, losses of certain subsidiaries not being available for set off against taxable profits of other subsidiaries and 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 84 months ⁽¹⁾⁽²⁾	34,000	27,801	81.8%
(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	36,111	

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.
- (2) On 21 May 2024, the Company announced the further extension of timeframe for the utilisation of proceeds allocated for purchase of new machineries and equipment from within 60 months to within 84 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	Unaudited As at 31-Dec-2024 RM'000	Audited As at 31-Dec-2023 RM'000
Long-term Borrowings (secured)			
(i) Term loans	MYR	9,117	11,034
(ii) Hire purchase	MYR	119	181
Sub-total		9,236	11,215
Short-term borrowings (secured)			
(i) Term loans	MYR	1,918	1,919
	EUR	-	255
(ii) Hire purchase	MYR	62	62
(iii) Bankers' acceptances	MYR	-	1,383
(iv) Revolving credits	MYR	3,500	3,000
(v) Bank Overdraft	MYR	75	-
Sub-total		5,555	6,619
Total borrowings		14,791	17,834

We utilise credit facilities such as overdrafts, revolving credits 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 December 2024, 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	1,873	13

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.

During the year, the Group recognised a gain of approximately 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

A second interim dividend for the financial year ending 31 December 2024, amounting to RM 0.59 million computed based on 328,489,000 ordinary shares as at 31 December 2024 has been declared by the Board of Directors on 25 February 2025:

- (i) Amount per Share: Single tier dividend of 0.18 sen per ordinary share
- (ii) Previous corresponding period as at 31 December 2023: 0.35 sen
- (iii) Entitlement Date: 17 March 2025
- (iv) Payment Date: 14 April 2025

The total dividend declared for the current financial year ending 31 December 2024: 0.36 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	
	31-Dec-2024 RM'000	31-Dec-2023 RM'000	31-Dec-2024 RM'000	31-Dec-2023 RM'000
Profit after tax attributable to the owner of the Group (RM'000)	1,146	1,329	3,850	6,600
Weighted average number of ordinary shares in issue ('000)	328,489	328,489	328,489	328,489
Basic EPS (sen) ⁽¹⁾	0.35	0.40	1.17	2.01
Diluted EPS (sen) ⁽²⁾	0.35	0.40	1.17	2.01

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.

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)****B13. Profit Before Tax**

	Individual Quarter		Cumulative Quarter	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(99)	(244)	(877)	(654)
Other income	(278)	(266)	(1,228)	(861)
Loss on disposal of property, plant and equipment	20	-	8	-
Interest expense	236	279	1,105	1,138
Depreciation of property, plant and equipment	2,365	2,441	9,621	9,529
Depreciation of right-of-use assets	93	83	401	436
Allowance for slow-moving inventories	266	128	554	511
Inventories written off	5	7	11	35
Impairment loss on trade receivables	36	-	36	5
Realised loss/(gain) on foreign exchange	427	(209)	1,668	(1,260)
Unrealised (gain)/loss on foreign exchange	(1,095)	92	(782)	(247)
Fair value loss/(gain) on derivatives	52	(2)	(13)	(3)

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