

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

	Individual Quarter		Cumulative Quarter	
	31-Dec-2025	31-Dec-2024	Unaudited 31-Dec-2025	Audited 31-Dec-2024
	RM'000	RM'000	RM'000	RM'000
Revenue	21,448	23,009	89,454	91,594
Cost of sales	13,831	14,728	58,224	57,456
Gross profit	7,617	8,281	31,230	34,138
Other income	467	1,095	3,715	2,900
Administrative expenses	(4,038)	(4,861)	(18,510)	(20,159)
Distribution expenses	(2,414)	(2,466)	(9,082)	(9,545)
Operating profit	1,632	2,049	7,353	7,334
Finance costs	(176)	(236)	(862)	(1,105)
Profit before tax	1,456	1,813	6,491	6,229
Income tax expense	(74)	(668)	(1,442)	(2,463)
Profit for the financial period	1,382	1,145	5,049	3,766
Other comprehensive (loss)/income, net of tax:				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(91)	243	(81)	(94)
Other comprehensive (loss)/income for the financial period	(91)	243	(81)	(94)
Total comprehensive income for the financial period	1,291	1,388	4,968	3,672
Profit attributable to:				
Owners of the Group	1,382	1,146	5,233	3,850
Non-controlling interests	-	(1)	(184)	(84)
	1,382	1,145	5,049	3,766
Total comprehensive income attributable to:				
Owners of the Group	1,291	1,389	5,152	3,756
Non-controlling interests	-	(1)	(184)	(84)
	1,291	1,388	4,968	3,672
Earnings per share attributable to ordinary shareholders:				
Basic and diluted (sen) ⁽²⁾	0.42	0.35	1.59	1.17

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 2024 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-2025	31-Dec-2024
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	55,339	63,503
Right-of-use assets	61	305
Deferred tax assets	275	250
Total non-current assets	55,675	64,058
Current assets		
Inventories	27,826	36,065
Current tax assets	16	106
Trade and other receivables	15,164	17,618
Derivative financial assets	4	13
Short-term cash investments ⁽²⁾	49,092	40,490
Cash and bank balances	21,713	14,328
Total current assets	113,815	108,620
TOTAL ASSETS	169,490	172,678
EQUITY AND LIABILITIES		
Share capital	103,553	103,553
Other reserves	1,055	1,136
Merger deficit	(54,067)	(54,067)
Retained earnings	96,306	92,755
Equity attributable to owners of the Company	146,847	143,377
Non-controlling interests	-	7
TOTAL EQUITY	146,847	143,384
Non-current liabilities		
Loans and borrowings	7,259	9,235
Lease liabilities	8	61
Employee benefits	-	11
Deferred income	-	189
Deferred tax liabilities	4,342	5,563
Total non-current liabilities	11,609	15,059
Current liabilities		
Loans and borrowings	3,128	5,555
Lease liabilities	55	253
Deferred income	189	399
Current tax liabilities	759	257
Trade and other payables	6,902	7,771
Derivative financial liabilities	1	-
Total current liabilities	11,034	14,235
TOTAL LIABILITIES	22,643	29,295
TOTAL EQUITY AND LIABILITIES	169,490	172,678
Net assets per share (RM)	0.45	0.44

HPMT Holdings Berhad

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

(Incorporated in Malaysia)

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025



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 2024 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 2025

**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 2025	103,553	928	208	(54,067)	92,755	143,377	7	143,384
Total comprehensive (loss)/income for the financial period								
Profit for the financial period	-	-	-	-	5,233	5,233	(184)	5,049
Other comprehensive loss for the financial period	-	(81)	-	-	-	(81)	-	(81)
Total comprehensive (loss)/income	-	(81)	-	-	5,233	5,152	(184)	4,968
Transaction with owners								
Acquisition of subsidiary	-	-	-	-	(664)	(664)	177	(487)
Dividends paid	-	-	-	-	(1,018)	(1,018)	-	(1,018)
At 31 December 2025	103,553	847	208	(54,067)	96,306	146,847	-	146,847
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

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 2024 and the accompanying explanatory notes attached to the interim financial report.

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025

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

	Cumulative Quarter	
	Unaudited 31-Dec-2025 RM'000	Audited 31-Dec-2024 RM'000
Cash flows from operating activities		
Profit before tax	6,491	6,229
Adjustments for:		
Depreciation of property, plant and equipment	8,871	9,621
Depreciation of right-of-use assets	238	401
Loss on disposal of property, plant and equipment	6	8
Property, plant and equipment written off	1	7
Government grant amortisation	(398)	(629)
Allowances for slow-moving inventories	990	554
Inventories written off	29	11
(Reversal)/Impairment loss on trade receivables	(14)	36
Bad debts written off	1	-
Loss on termination of lease	-	36
Finance costs	862	1,105
Interest income	(429)	(877)
Employee benefits	-	11
Net fair value loss/(gain) on derivatives	10	(13)
Net unrealised foreign exchange loss/(gain)	721	(782)
Operating profit before changes in working capital	17,379	15,718
<u>Changes in working capital:</u>		
Inventories	7,220	(3,216)
Trade and other receivables	2,240	(1,157)
Trade and other payables	(1,353)	(3,331)
Cash generated from operations	25,486	8,014
Income tax refunded	649	-
Income tax paid	(2,744)	(3,382)
Interest paid	(48)	(64)
Interest received	412	223
Net cash from operating activities	23,755	4,791
Cash flows from investing activities		
Purchase of property, plant and equipment	(692)	(1,070)
Proceeds from disposal of property, plant and equipment	3	15
Net changes in short-term cash investments	(9,135)	1,684
Short-term cash investment income	17	654
Net cash (used in)/from investing activities	(9,807)	1,283

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

	Cumulative Quarter	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Cash flows from financing activities		
(Repayment)/Drawdown of revolving credit	(2,800)	500
Net drawdown/(repayment) of bankers' acceptances	445	(1,383)
Payment of lease liabilities	(245)	(421)
Repayment of term loans	(1,920)	(1,993)
Repayment of hire purchase	(55)	(62)
Interest paid	(814)	(1,041)
Dividends paid	(1,018)	(1,741)
Net cash used in financing activities	<u>(6,407)</u>	<u>(6,141)</u>
Net increase/(decrease) in cash and cash equivalents	7,541	(67)
Cash and cash equivalents at the beginning of the financial period	14,253	14,411
Effects of exchange differences on translation	(81)	(91)
Cash and cash equivalents at the end of the financial period	<u>21,713</u>	<u>14,253</u>

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

	Cumulative Quarter	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Cash and bank balances	21,713	14,328
Less: Bank overdrafts	-	(75)
Cash and cash equivalents at the end of the financial period	<u>21,713</u>	<u>14,253</u>

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 2024 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 2024 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 2024, except for the adoption of the following Amendments to MFRS.

Amendments to MFRSs effective for financial periods beginning on or after 1 January 2025:-

Amendments to MFRSs

MFRS 121

The Effects of Changes in Foreign Exchange Rates

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 2024.

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 2025 are as follows:

- i) Second interim dividend of 0.18 sen per share amounting to RM 591,280 for the financial year ended 31 December 2024 was paid on 14 April 2025.
- ii) First interim dividend of 0.13 sen per share amounting to RM 427,036 for the financial year ended 31 December 2025 was paid on 01 October 2025.

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-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Revenue				
Manufacturing	20,260	21,400	85,076	86,584
Trading	536	924	1,642	2,403
Coating	652	685	2,736	2,607
Total	21,448	23,009	89,454	91,594

A10. Property, Plant and Equipment

- (i) Acquisitions and disposals

During current year, the Group acquired assets at cost of RM 0.72 million.

There were disposals of and written off assets with carrying amount of about RM 10,525 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 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, except as follows:

On 12 September 2025, HPMT Holdings Berhad acquired the remaining 25% equity interest in Pentagon Coating Technologies Sdn. Bhd. (“Pentagon”) for a total cash consideration of RM487,500. Following the acquisition, Pentagon became a wholly-owned subsidiary of the Company.

A13. Contingent Liabilities and Contingent Assets

	As at 31 December 2025
	RM'000
Corporate Guarantee issued to financial institutions in respect of banking facilities granted to subsidiary companies.	10,858

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 2024.

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	2,609
Approved but not contracted for	
• Purchase of property, plant and equipment	14,374
Total	16,983

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-2025	31-Dec-2024	RM'000	%
	RM'000	RM'000		
Revenue	21,448	23,009	(1,561)	-6.8%
Profit before Taxation	1,456	1,813	(357)	-19.7%

The Group recorded revenue and profit before taxation (“PBT”) of approximately RM 21.45 million and RM 1.46 million respectively during the current quarter under review, representing a decrease of 6.8% and 19.7% as compared to RM 23.01 million and RM 1.81 million generated in the corresponding quarter ended 31 December 2024.

B2. Comparison with Immediate Preceding Quarter

	Current Quarter	Preceding Quarter	Changes	
	31-Dec-2025	30-Sep-2025	RM'000	%
	RM'000	RM'000		
Revenue	21,448	22,576	(1,128)	-5.0%
Profit before Taxation	1,456	2,151	(695)	-32.3%

The Group revenue for the current quarter was RM 21.45 million, a decrease of RM 1.13 million as compared to RM22.58 million generated during the preceding quarter. Revenue from the trading segment increased by RM 0.16 million or 42.6% with increase in trading sales. Revenue from the manufacturing segment decreased by RM 1.24 million or 5.8% due to decreased orders from dealers to replenish their inventory levels. Revenue from the coating segment decreased by RM 0.05 million or 7.1%.

The Group’s reported profit before taxation of RM 1.46 million for the current quarter is approximately RM 0.70 million lower as compared to profit before taxation of the preceding quarter of RM 2.15 million. The decrease in PBT was primarily attributable to lower gross profit generated in the current quarter.

B3. Prospects for the Next Financial Year

The economic outlook for 2026 is expected to remain challenging, with continued upward pressure on key raw materials, particularly tungsten carbide. Coupled with intensifying competition, margin compression and currency fluctuations, these factors are anticipated to continue affecting the cutting tools industry.

In view of the above market conditions, the Group will continue to place emphasis on operational efficiency and prudent margin management. Nevertheless, the Group remains cautious, but expects that its ongoing margin improvement initiatives will help mitigate the impact of the challenging operating environment.

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-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Current Income Tax	310	662	2,688	3,322
Deferred Tax	(236)	6	(1,246)	(859)
Total	74	668	1,442	2,463

The Group's effective tax rate was 22.2%, lower than the statutory income tax rate, mainly due to the reversal of excess prior year tax provision arising from a lower actual tax charge.

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	28,685	84.4%
(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	36,995	

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	As at 31-Dec-2025 RM'000	As at 31-Dec-2024 RM'000
Long-term Borrowings (secured)			
(i) Term loans	MYR	7,197	9,117
(ii) Hire purchase	MYR	62	119
Sub-total		7,259	9,236
Short-term borrowings (secured)			
(i) Term loans	MYR	1,919	1,918
(ii) Hire purchase	MYR	64	62
(iii) Bankers' acceptances	MYR	381	-
	USD	64	-
(iv) Revolving credits	MYR	700	3,500
(v) Bank Overdraft	MYR	-	75
Sub-total		3,128	5,555
Total borrowings		10,387	14,791

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 2025, 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	568	3

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

During the year, the Group recognised a loss 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 2025, amounting to RM 0.89 million computed based on 328,489,000 ordinary shares as at 31 December 2025 has been declared by the Board of Directors on 24 February 2026:

- (i) Amount per Share: Single tier dividend of 0.27 sen per ordinary share
- (ii) Previous corresponding period as at 31 December 2024: 0.18 sen
- (iii) Entitlement Date: 18 March 2026
- (iv) Payment Date: 15 April 2026

The total dividend declared for the current financial year ending 31 December 2025: 0.40 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-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Profit after tax attributable to the owner of the Group (RM'000)	1,382	1,146	5,233	3,850
Weighted average number of ordinary shares in issue ('000)	328,489	328,489	328,489	328,489
Basic EPS (sen) ⁽¹⁾	0.42	0.35	1.59	1.17
Diluted EPS (sen) ⁽²⁾	0.42	0.35	1.59	1.17

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 2025

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

	Individual Quarter		Cumulative Quarter	
	31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
	RM'000	RM'000	RM'000	RM'000
Interest income	(105)	(99)	(429)	(877)
Other income	(694)	(278)	(1,536)	(1,228)
Loss on disposal of property, plant and equipment	-	20	6	8
Interest expense	176	236	862	1,105
Depreciation of property, plant and equipment	2,080	2,365	8,871	9,621
Depreciation of right-of-use assets	35	93	238	401
Allowance for slow-moving inventories	292	266	990	554
Inventories written off	4	5	29	11
(Reversal)/Impairment loss on trade receivables	(139)	36	(14)	36
Bad debts written off	1	-	1	-
Realised loss/(gain) on foreign exchange	333	427	(1,749)	1,668
Unrealised (gain)/loss on foreign exchange	(115)	(1,095)	721	(782)
Fair value loss/(gain) on derivatives	-	52	10	(13)

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