

EP MANUFACTURING BHD.(Company No. 390116-T)
(Incorporated in Malaysia)**Condensed Consolidated Statement of Comprehensive Income**
For the Financial Year Ended 31 December 2012 - (Unaudited)

	Individual Quarter		Cumulative Period	
	Current quarter ended 31.12.2012 RM'000	Preceding year corresponding quarter ended 31.12.2011 RM'000 (Restated)	Current year-to-date 31.12.2012 RM'000	Preceding year-to-date 31.12.2011 RM'000 (Restated)
Revenue	133,192	170,039	522,550	578,309
Operating expenses	(113,037)	(138,173)	(437,035)	(464,393)
Depreciation and amortisation	(12,865)	(27,541)	(50,871)	(78,060)
Other income	1,902	2,459	7,678	5,430
Results from operating activities	9,192	5,814	42,322	41,286
Finance costs	(2,899)	(3,976)	(10,693)	(11,994)
Interest income	968	380	1,468	385
Net finance costs	(1,931)	(3,596)	(9,195)	(11,109)
Profit before income tax	7,261	2,218	33,127	30,177
Income tax (expenses)/credit	(420)	6,392	(3,722)	8,403
Profit for the year	6,841	8,610	29,405	38,580
Other comprehensive expense, net of tax				
Foreign currency translation differences for foreign operations	-	-	(4)	(1)
Other comprehensive expense for the year, net of tax	-	-	(4)	(1)
Total comprehensive income for the year	6,841	8,610	29,401	38,579
Profit attributable to :				
Owners of the Company	6,741	8,610	29,412	38,580
Non controlling interest	100	-	(7)	-
Profit for the year	6,841	8,610	29,405	38,580
Total comprehensive income attributable to :				
Owners of the Company	6,741	8,610	29,408	38,579
Non controlling interest	100	-	(7)	-
Total comprehensive income for the year	6,841	8,610	29,401	38,579
Earnings per ordinary share (sen):				
Basic	4.23	5.37	18.46	24.06
Diluted	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

EP MANUFACTURING BHD

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(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position

As at 31 December 2012 (Unaudited)

	31.12.2012 (Unaudited)	31.12.2011 (Audited) (Restated)	1.1.2011 (Audited) (Restated)
	RM'000	RM'000	RM'000
Assets			
Property, plant and equipment	305,886	272,748	309,566
Intangible assets	85,804	98,240	111,129
Deferred tax assets	3,217	5,783	5,478
Total non-current assets	394,907	376,776	426,193
Inventories	36,166	40,676	36,689
Trade and other receivables	102,700	71,813	82,277
Prepayment and other assets	14,471	6,696	2,785
Current tax assets	2,749	67	311
Cash and cash equivalents	65,317	72,255	33,191
Total current assets	221,422	191,507	180,253
Total assets	616,329	568,283	586,446
Equity			
Share capital	165,960	165,960	165,960
Reserves	150,967	126,490	95,555
Total equity attributable to owners of the Company	316,927	292,450	261,515
Non-controlling interest	29	-	-
Total equity	316,956	292,450	261,515
Liabilities			
Loan and borrowings	69,354	63,211	70,265
Deferred tax liabilities	3,359	3,661	12,823
Total non-current liabilities	72,713	66,872	83,091
Loan and borrowings	139,150	98,442	124,446
Current tax liabilities	1,499	158	136
Provision for warranties	4,326	5,390	4,743
Trade and other payables	80,091	103,379	112,515
Dividend payable	1,594	1,594	-
Total current liabilities	226,660	208,961	241,840
Total liabilities	299,373	275,833	324,931
Total equity and liabilities	616,329	568,283	586,446
Net assets per share attributable to owners of the Company (RM)			
	1.99	1.82	1.62

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Changes in Equity
For the Financial Year Ended 31 December 2012 (Unaudited)

←----- Atributable to equity holders of the Company -----→
←----- Non Distributable -----→ Distributable

	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
At 1 January 2012	165,960	14,069	(983)	(4,346)	99,513	274,213	-	274,213
Effect of transition to MFRS	-	-	-	-	18,237	18,237	-	18,237
At 1 January 2012 (Restated)	165,960	14,069	(983)	(4,346)	117,750	292,450	-	292,450
Total comprehensive income for the year	-	-	(4)	-	29,412	29,408	(7)	29,401
Reclassification	-	-	-	-	-	-	36	36
Dividend to owners of the Company	-	-	-	-	(4,780)	(4,780)	-	(4,780)
Repurchase of own shares	-	-	-	(152)	-	(152)	-	(152)
At 31 December 2012	165,960	14,069	(987)	(4,498)	142,383	316,927	29	316,956

At 1 January 2011	165,960	14,069	(982)	(2,689)	67,123	243,481	-	243,481
Effect of transition to MFRS	-	-	-	-	18,034	18,034	-	18,034
At 1 January 2011 (Restated)	165,960	14,069	(982)	(2,689)	85,157	261,515	-	261,515
Total comprehensive income for the year as previously stated	-	-	(1)	-	38,377	38,376	-	38,376
Effect of transition to MFRS	-	-	-	-	203	203	-	203
Total comprehensive income for the year as restated	-	-	(1)	-	38,580	38,579	-	38,579
Dividends to owners of the Company	-	-	-	-	(5,987)	(5,987)	-	(5,987)
Repurchase of own shares	-	-	-	(1,657)	-	(1,657)	-	(1,657)
At 31 December 2011 (Restated)	165,960	14,069	(983)	(4,346)	117,750	292,450	-	292,450

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2012 -(Unaudited)

	12 months Ended 31.12.2012 RM'000	12 months Ended 31.12.2011 RM'000 (Restated)
Cash flows from operating activities:		
Profit before taxation	33,127	30,177
Adjustments for:		
Non cash items	50,871	78,060
Non-operating items	9,315	21,480
Operation profit before working capital changes	93,313	129,717
Decrease/ (increase) in inventories	4,384	(3,987)
Decrease/ (increase) in trade and other receivables	(40,010)	6,344
(Decrease)/ increase in trade and other payables	(23,359)	(9,999)
(Decrease)/ increase in provision	(2,907)	(1,985)
Cash generated from operations	31,422	120,090
Income tax paid	(2,810)	(807)
Net cash generated from operating activities	28,612	119,283
Cash flows from investing activities:		
Interest received	1,468	835
Pledged deposits with licensed banks	(772)	(7,116)
(Increase)/ decrease in development costs	16	(3,006)
Proceeds from disposal of property, plant & equipment	32	38
Purchase of property, plant & equipment	(69,915)	(31,881)
Net cash used in investing activities	(69,171)	(41,080)
Cash flows from financing activities:		
Finance cost paid	(10,663)	(11,994)
Net drawdown/(repayment) of bank borrowings	50,395	(26,400)
Repayment in finance lease liabilities	(3,544)	(6,811)
Dividends paid to owners of the Company	(3,187)	(4,393)
Repurchase of shares	(152)	(1,657)
Net cash from/(used in) financing activities	32,849	(51,255)
Net (decrease)/increase in cash and cash equivalents	(7,710)	26,948
Cash and cash equivalents as at beginning	53,317	26,369
Cash and cash equivalents as at end	45,607	53,317

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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A Notes to the Interim Financial Statements Pursuant to MFRS 134

A1. Basis of preparation

First-time adoption of Malaysian Financial Reporting Standards (MFRSs)

These condensed consolidated interim financial statements for the fourth quarter ended 31 December 2012 are unaudited and have been prepared in accordance with MFRS 134: *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for a full annual financial statements.

For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRSs).

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ended 31 December 2012. MFRS 1: *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in Note (A2 (ii)) below.

A2. Changes in accounting policies

A2 (i) Application of MFRSs

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRSs. As the requirements under FRSs and MFRSs are similar, the significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

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A2. Changes in accounting policies (Cont'd)

A2 (ii) Property, plant and equipment

Under FRS, the Group has previously adopted cost model for its land and buildings.

Upon adoption to MFRS, the Group has elected to apply the optional exemption to measure certain property, plant and equipment at fair value at the date of transition to MFRSs and use that fair value as deemed cost under MFRSs.

The aggregate fair value of these property, plant and equipment as at 1 January 2011 was determined to be RM138.600 million compared to the then carrying amount of RM117.974 million under FRSs.

The impact arising from the change is summarized as follows:

	1 January 2011 RM'000	31 December 2011 RM'000
Consolidated statement of comprehensive income		
Administrative expenses – depreciation	-	(203)
Adjustment before tax	-	(203)
	=====	=====
Consolidated statement of financial position		
Fair value gain on property, plant and equipment	20,626	20,829
Related tax effect	(2,592)	(2,592)
Adjustment to retained earnings	18,034	18,237
	=====	=====

A2 (iii) MFRSs, Amendments to MFRSs and IC Interpretation Issued but not yet effective

At the date of authorization of these condensed consolidated interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

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A2. Changes in accounting policies (Cont'd)

A2 (iii) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective (Cont'd)

MFRSs, Amendments to MFRSs and IC Interpretation effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

MFRSs, Amendments to MFRSs and IC Interpretation effective for annual periods beginning on or after 1 January 2013

- MFRS 10 Consolidated Financial Statements
- MFRS 11 Joint Arrangements
- MFRS 12 Disclosure of Interests in Other Entities
- MFRS 13 Fair Value Measurement
- MFRS 119 Employee Benefits (2011)
- MFRS 127 Separate Financial Statements (2011)
- MFRS 128 Investments in Associates and Joint Ventures (2011)
- IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendments to MFRS 7 - Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 1 First-time Adoption of Financial Reporting Standards – Government Loans
- Amendments to MFRS 1 First-time Adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 101 Presentation of Financial Statements (Annual Improvements 2009 – 2011 Cycle)
- Amendments to MFRS 116 Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)
- Amendment to MFRS 132 Financial Instruments: Presentation (Annual Improvements 2009 – 2011 Cycle)
- Amendments to MFRS 134 Interim Financial Reporting (Annual Improvements 2009 -2011 Cycle)
- Amendments to MFRS 10 Consolidated Financial Statements - Transition Guidance
- Amendments to MFRS 11 Joint Arrangements - Transition Guidance
- Amendments to MFRS 12 Disclosure of Interests in Other Entities - Transition Guidance

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A2. Changes in accounting policies (Cont'd)

A2 (iii) MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective (Cont'd)

MFRSs, Amendments to MFRSs and IC Interpretation effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

MFRSs, Amendments to MFRSs and IC Interpretation effective for annual periods beginning on or after 1 January 2015

- MFRS 9 Financial Instruments (2009)
- MFRS 9 Financial Instruments (2010)
- Amendments to MFRS 7 Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosure

A3. Audit qualifications

The audited financial statements of the Group for the financial year ended 31 December 2011 was not subject to any qualification.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence for this financial year to date.

A5. Material changes in estimates

There were no changes in nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the financial year to date.

A6. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

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A7. Seasonality or cyclical of operations

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

A8. Segmental information

Segment information is presented in respect of the Group's business segment:

(a) For individual quarter

	Automotive		Water		Consolidated	
	3 months ended 31/12/2012 RM'000	3 months ended 31/12/2011 RM'000	3 months ended 31/12/2012 RM'000	3 months ended 31/12/2011 RM'000	3 months ended 31/12/2012 RM'000	3 months ended 31/12/2011 RM'000
REVENUE:						
Total revenue	132,968	172,940	845	5,241	133,833	178,181
Less: Inter-segment revenue	(641)	(8,112)	-	-	(641)	(8,112)
Revenue from external customers	132,347	164,828	845	5,241	133,192	170,069
RESULTS:						
Profit before taxation	13,502	7,762	(6,241)	(5,544)	7,261	2,218
Profit before taxation includes:						
Depreciation and amortisation	(3,977)	(24,121)	(8,888)	(3,420)	(12,865)	(27,541)
Interest income	936	378	32	2	968	380
Interest expense	(3,013)	(4,008)	114	32	(2,899)	(3,976)

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A8. Segmental information (Cont'd)

Segment information is presented in respect of the Group's business segment:
(Cont'd)

(b) For cumulative period

	Automotive		Water		Consolidated	
	12 months ended 31/12/2012	12 months ended 31/12/2011	12 months ended 31/12/2012	12 months ended 31/12/2011	12 months ended 31/12/2012	12 months ended 31/12/2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE:						
Total revenue	517,027	571,765	17,216	17,996	534,243	589,761
Less: Inter-segment revenue	(11,693)	(11,472)	-	-	(11,693)	(11,472)
Revenue from external customers	505,334	560,313	17,216	17,996	522,550	578,309
RESULTS:						
Profit before taxation	42,521	39,431	(9,394)	(9,254)	33,127	30,177
Profit before taxation includes:						
Depreciation and amortisation	(41,499)	(74,524)	(9,372)	(3,536)	50,871	(78,060)
Interest income	1,435	883	32	2	1,468	885
Interest expense	(10,555)	(11,835)	(108)	(159)	(10,633)	(11,994)

A9. Valuation of property, plant and equipment

As disclosed in Note (A2 (ii)) above, the Group has measured its land and building at the date of transition at its fair value and use that fair value as its deemed cost at that date.

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A10. Capital commitments

Capital commitments not provided for in the financial statements as at 31 December 2012 are as follows:

	RM'000
Property, plant and equipment	
Authorized but not contracted for and payable	43,000
Contracted but not provided for and payable	7,000
	53,000

A11. Changes in contingent liabilities or contingent assets

The changes in contingent liabilities since 31 December 2011 are summarised as follows:-

	RM'000
Balance as at 31 December 2011	149,241
Additional corporate guarantee issued to financial institutions for banking facilities granted to the subsidiaries	53,454
Balance as at 31 December 2012	207,695

A12. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review except for 13,500 ordinary shares of RM1.00 each were repurchased in the open market for a total consideration of RM9,613.67 or at an average purchase cost of approximately RM0.71 per share. The shares bought back are held as treasury shares.

As at 31 December 2012, total shares bought back and held as treasury shares were 6,641,700 shares.

A13. Related party transactions

The Group has significant related party transactions with companies in which certain directors of the Company have interests. Related parties are those defined under MFRS 124 Related Party Disclosures. Transactions with these related parties have been entered into in the normal course of business and have been established under arms length basis.

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A14. Material events subsequent to the end of the financial year

- (a) **Proposed acquisition of the business of Maju Expressway Sdn Bhd ("MESB") and the entire equity interest in MESB**

On 16 March 2012, EP Manufacturing Bhd ("EPMB") entered into an Acquisition Agreement with MESB, Bright Focus Berhad ("BFB") and Ulimas Sdn Bhd ("Ulimas") for the proposed acquisition by a wholly-owned subsidiary of EPMB to incorporate the business of MESB and the entire equity interest in MESB from BFB and Ulimas for a purchase consideration of RM1.15 billion ("Proposed Acquisition") together with the redemption of MESB's existing Islamic medium term notes with a nominal amount of RM550 million. On 2 April 2012, EPMEX Sdn Bhd ("EPMEX") was incorporated to facilitate the Proposed Acquisition.

The total consideration of the Proposed Acquisition will be satisfied by internally-generated funds, bank borrowings, issuance of 38,462,000 new EPMB shares amounting to RM50 million (issue price of RM1.30 per share), Redeemable Unsecured Loan Stocks ("RULS") of RM100 million and the issuance of new Islamic Securities of up to nominal value of RM1,300 million by EPMEX ("EPMEX Sukuk"). The completion of the Proposed Acquisition is subject to the fulfillment of the conditions precedent as set out in the Acquisition Agreement.

On 25 June 2012, EPMB has announced that the Securities Commission ("SC") had via its letter dated 22 June 2012 informed EPMB that the SC will only be able to consider the following:

- (i) application to the SC in relation to the Proposed Acquisition pursuant to the Equity Guidelines; and
- (ii) application to the SC (Equity Compliance Unit) for the resultant Bumiputera equity structure of EPMB upon completion of the Proposed Acquisition;

after the Government of Malaysia has communicated its decision on the matters requiring its approval in relation to the Proposed Acquisition.

The Company has requested for a further extension for the fulfillment of the conditions precedent of the Acquisition Agreement and the parties are still in negotiation.

- (b) EP Polymers (M) Sdn Bhd ("EPP"), a wholly-owned subsidiary of the Company had on 4 January 2013 acquired from Teck See Plastic Sdn Bhd the remaining 1 share representing 50% of the issued and paid-up share capital of EPTS Manufacturing Sdn Bhd ("EPTS"). The acquisition has been completed and EPTS has become a wholly-owned subsidiary of the Company via EPP.

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A15. Dividends Paid

The final tax exempt dividend of 2 sen per share for the financial year ended 31 December 2011 amounted to RM3,186,836 was paid on 17 July 2012.

In respect of the financial year ended 31 December 2012, a first tax exempt interim dividend of 1 sen per share amounted to RM1,593,183 was paid on 18 January 2013.

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of the performance

Current Quarter

Revenue of the Group for the current quarter was lower than the preceding year corresponding quarter, due to reduction in sales from automotive and water segment.

The Group registered a lower profit by RM1.7mil for current quarter, compared to preceding year corresponding quarter mainly arose from dropped in sales in automotive segment.

B2. Comparison with Immediate Preceding Quarter

Revenue for the current quarter was 4.9% higher than the preceding quarter, mainly contributed from higher sales from automotive.

The Group profit for the year is comparable to preceding quarter.

B3. Prospects for coming financial year

The operating environment is continue to be challenging, however the Group believes that the demand for local automotive still remain positive. The Group expects to sustain the current performance.

B4. Profit forecast or profit guarantee

There were no profit forecast or profit guarantee issued by the Group during the financial year.

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B5. Tax expense

	Individual Quarter		Cumulative Period	
	Current quarter ended 31/12/2012 RM'000	Preceding year corresponding quarter ended 31/12/2011 RM'000	Current year-to-date 31/12/2012 RM'000	Preceding year-to-date 31/12/2011 RM'000
Income tax:				
-Current year	577	80	1,537	1,024
-Prior years	(83)	-	(63)	47
	<u>494</u>	<u>80</u>	<u>1,454</u>	<u>1,071</u>
Deferred tax:				
-Current year	(1,044)	(1,967)	(230)	(5,936)
-Prior years	970	(4,505)	2,498	(3,538)
	<u>(74)</u>	<u>(6,472)</u>	<u>2,268</u>	<u>(9,474)</u>
	<u>420</u>	<u>(6,392)</u>	<u>3,722</u>	<u>(8,403)</u>

The effective tax rate of the Group for the current quarter was lower than the statutory tax rate mainly due to tax incentives granted to certain subsidiaries.

B6. Status of corporate proposals

Maybank Investment Bank Berhad and ZJ Advisory Sdn Bhd (collectively "Joint Advisers") on behalf of the Board have announced on 15 March 2012 that the Company has entered into the Proposed Acquisition as disclosed in Section A14.

All applications in relation to the Proposed Acquisition (including EPMEX Sukuk) have been submitted and pending approvals.

On 25 June 2012, EPMB has announced that that the Securities Commission ("SC") had via its letter dated 22 June 2012 informed EPMB that the SC will only be able to consider the following:

- (i) Application to the SC in relation to the Proposed Acquisition pursuant to the Equity Guidelines; and
- (ii) Application to the SC (Equity Compliance Unit) for the resultant Bumiputera equity structure of EPMB upon completion of the Proposed Acquisition;

after the Government of Malaysia has communicated its decision on the matters requiring its approval in relation to the Proposed Acquisition.

The Company has requested for a further extension for the fulfillment of the conditions precedent of the Acquisition Agreement and the parties are still in negotiation.

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B7. Group borrowings and debt securities

The group borrowings as at 31 December 2012 are as follows:

	RM'000
Non-current	
- Finance lease liabilities	26
- Bai Bithaman Ajil facilities	34,429
- Term loans	34,899
	<u>69,354</u>
Current	
- Finance lease liabilities	522
- Bankers' acceptance	91,459
- Bai Bithaman Ajil facilities	10,991
- Term loans	10,178
- Bank overdraft	26,000
	<u>139,150</u>
Total	<u>208,504</u>

The above borrowings are secured and denominated in Ringgit Malaysia.

B8. Changes in material litigation

There is no material litigation since the date of last annual statement of financial position.

B9. Dividend

The Board has declared a second tax exempt interim dividend of 1 sen per share for the financial year ended 31 December 2012 to be paid on 20 March 2013 to the Depositors registered in the Record of Depositors at the close of business on 13 March 2013.

A total tax exempt dividend of 2 sen per ordinary share has been declared for the financial year ended 31 December 2012.

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B10. Earnings per share

The calculation of basic earnings per share is based on the net profit attributable to owners of the Company for the period divided by the weighted average number of ordinary shares:

	Individual Quarter		Cumulative Period	
	Current year quarter ended	Preceding year quarter ended	Current year to date ended	Preceding year to date ended
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Profit for the period attributable to owners of the Company (RM'000)	6,741	8,610	29,412	36,530
Weighted average number of ordinary shares ('000)	159,361	160,372	159,361	160,372
Basic earnings per share (sen)	4.23	5.37	18.46	24.06
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

No diluted EPS is disclosed in these condensed consolidated interim financial statements as there are no dilutive potential ordinary shares.

B11. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter ended	Preceding year quarter ended	Current year to date ended	Preceding year to date ended
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Interest income	968	380	1,468	685
Other income	1,902	2,088	7,678	5,430
Interest expense	(2,899)	(3,976)	(10,663)	(11,994)
Depreciation and amortisation	(12,865)	(27,541)	(50,671)	(78,060)
Provision for and write off of receivables	(163)	(36)	(205)	(36)
Provision for and write off of inventories	(72)	(2,189)	(106)	(2,189)
Impairment of assets	(5,556)	(6,439)	(8,714)	(6,439)
Foreign exchange gain/(loss)	(509)	(811)	1,263	(1,181)

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B11. Notes to the Statement of Comprehensive Income (Cont'd)

The above disclosure is prepared in accordance with the paragraph 16 of Appendix 9B of the Main Listing Requirements ("MLR") issued by Bursa Malaysia Securities Berhad. Except for the above, the rest of the items required for disclosures pursuant to Paragraph 16 of MLR are not applicable to the Group.

B12. Realized and Unrealized Profits

The breakdown of the retained profits of the Group as at 31 December 2012 into realized and unrealized profits, pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirement are as follows:

	Current year-to-date 31/12/2012 RM'000	Preceding year-to-date 31/12/2011 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realized	177,682	147,584
- Unrealized	16,923	17,626
	194,605	165,210
Less: Consolidation adjustments	(52,222)	(47,460)
Total retained earnings as per statement of financial positions	142,383	117,750

The determination of realized and unrealized profits is compiled based on Guidance on Special Matter No. 1 *Determination of Realized and Unrealized Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realized and unrealized profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

B13. Comparative figures

Comparative figures, where applicable, have been modified to conform to the current quarter presentation.

By order of The Board
EP Manufacturing Bhd

Tay Li Li
Company Secretary
Shah Alam
Date: 26 February, 2013