

## EP MANUFACTURING BHD.

(Company No. 390116-T)  
(Incorporated in Malaysia)

### Condensed statement of profit or loss and other comprehensive income

for the financial period ended 30 September 2018 - (Unaudited)

	Individual Quarter		Cumulative Period	
	Current year quarter ended 30/9/2018 RM'000	Preceding year corresponding quarter ended 30/9/2017 RM'000	Current year- to-date 30/9/2018 RM'000	Preceding year- to-date 30/9/2017 RM'000
<b>Revenue</b>	<b>126,184</b>	<b>119,197</b>	<b>348,878</b>	<b>330,750</b>
Operating expenses	(108,574)	(108,309)	(298,252)	(287,165)
Depreciation and amortisation	(15,294)	(16,634)	(44,924)	(48,426)
Other income	1,184	705	3,745	2,181
<b>Results from operating activities</b>	<b>3,500</b>	<b>(5,041)</b>	<b>9,447</b>	<b>(2,660)</b>
Finance costs	(3,618)	(3,159)	(10,942)	(9,851)
Finance income	33	42	98	150
Net finance costs	(3,585)	(3,117)	(10,844)	(9,701)
Share of profit of equity-accounted joint venture, net of tax	771	34	1,787	561
<b>Profit/(Loss) before tax</b>	<b>686</b>	<b>(8,124)</b>	<b>390</b>	<b>(11,800)</b>
Tax expense	(3,171)	(4,231)	(6,259)	(6,639)
<b>Loss for the period</b>	<b>(2,485)</b>	<b>(12,355)</b>	<b>(5,869)</b>	<b>(18,439)</b>
<b>Other comprehensive income, net of tax</b> <b>Items that may be reclassified subsequently</b> <b>to profit or loss</b>				
Foreign currency translation differences for foreign operations	-	-	-	-
Other comprehensive income for the period net of tax	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(2,485)</b>	<b>(12,355)</b>	<b>(5,869)</b>	<b>(18,439)</b>
<b>Loss attributable to :</b>				
Owners of the Company	(2,485)	(12,354)	(5,869)	(18,437)
Non-controlling interests	-	(1)	-	(2)
<b>Loss for the period</b>	<b>(2,485)</b>	<b>(12,355)</b>	<b>(5,869)</b>	<b>(18,439)</b>
<b>Total comprehensive expense attributable to :</b>				
Owners of the Company	(2,485)	(12,354)	(5,869)	(18,437)
Non-controlling interests	-	(1)	-	(2)
<b>Total comprehensive expense for the period</b>	<b>(2,485)</b>	<b>(12,355)</b>	<b>(5,869)</b>	<b>(18,439)</b>
Loss per ordinary share (sen):				
Basic	(1.56)	(7.77)	(3.69)	(11.59)
Diluted	-	-	-	-

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

# EP MANUFACTURING BHD.

(Company No. 390116-T)  
(Incorporated in Malaysia)

## Condensed Consolidated Statement of Financial Position

as at 30 September 2018

	30/9/2018 (Unaudited) RM'000	31/12/2017 (Audited) RM'000
<b>Assets</b>		
Property, plant and equipment	367,082	401,009
Investment property	14,417	14,417
Intangible assets	87,314	89,258
Investment in a joint venture	831	1,015
Deferred tax assets	2,909	2,095
<b>Total non-current assets</b>	<b>472,553</b>	<b>507,794</b>
Inventories	63,455	53,985
Trade and other receivables	77,051	110,671
Prepayments and other assets	4,245	3,488
Current tax assets	2,801	3,733
Other investments	1,378	1,363
Cash and cash equivalents	26,711	18,027
<b>Total current assets</b>	<b>175,641</b>	<b>191,267</b>
<b>Total assets</b>	<b>648,194</b>	<b>699,061</b>
<b>Equity</b>		
Share capital	180,029	180,029
Reserves	104,655	110,524
<b>Total equity attributable to owners of the Company</b>	<b>284,684</b>	<b>290,553</b>
Non-controlling interest	(504)	(504)
<b>Total equity</b>	<b>284,180</b>	<b>290,049</b>
<b>Liabilities</b>		
Loan and borrowings	82,866	86,373
Deferred income	2,811	2,951
Deferred tax liabilities	4,274	4,145
<b>Total non-current liabilities</b>	<b>89,951</b>	<b>93,469</b>
Loan and borrowings	165,813	190,616
Deferred income	188	330
Current tax liabilities	6,037	5,619
Provision for warranties	1,464	1,282
Trade and other payables	100,561	117,696
<b>Total current liabilities</b>	<b>274,063</b>	<b>315,543</b>
<b>Total liabilities</b>	<b>364,014</b>	<b>409,012</b>
<b>Total equity and liabilities</b>	<b>648,194</b>	<b>699,061</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.79</b>	<b>1.83</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

## Condensed Consolidated Statement of Changes in Equity

for the financial period ended 30 September 2018 - (Unaudited)

<----- Attributable 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 Interests RM'000	Total Equity RM'000
<b>At 1 January 2018</b>	180,029	-	-	(4,730)	115,254	290,553	(504)	290,049
Loss for the period	-	-	-	-	(5,869)	(5,869)	-	(5,869)
Total comprehensive expense for the period	-	-	-	-	(5,869)	(5,869)	-	(5,869)
<b>At 30 September 2018</b>	180,029	-	-	(4,730)	109,385	284,684	(504)	284,180
<b>At 1 January 2017</b>	165,960	14,069	(985)	(4,649)	145,196	319,591	(502)	319,089
Realisation of translation reserve on deregistration of a subsidiary	-	-	985	-	(985)	-	-	-
Loss for the period	-	-	-	-	(18,437)	(18,437)	(2)	(18,439)
Total comprehensive expense for the period	-	-	985	-	(19,422)	(18,437)	(2)	(18,439)
Repurchase of own shares	-	-	-	(30)	-	(30)	-	(30)
Transfer in accordance with Section 618(2) of the Companies Act 2016 (Note a)	14,069	(14,069)	-	-	-	-	-	-
<b>At 30 September 2017</b>	180,029	-	-	(4,679)	125,774	301,124	(504)	300,620

Note a: In accordance with Section 74 of the Companies Act 2016, the Company's shares no longer have a par or nominal value with effect from 31 January 2017. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition. Included in share capital is share premium amounting to RM14,069,000 that is available to be utilised in accordance with Section 618(3) of Companies Act 2016 on or before 30 January 2019 (24 months from commencement of section 74 of Companies Act 2016). During the financial period, the Company has utilised none of the credit of the share premium account which have now become part of the share capital.

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

# EP MANUFACTURING BHD.

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## Condensed Consolidated Statement of Cash Flows

for the financial period ended 30 September 2018 - (Unaudited)

	9 months Ended 30/9/2018 RM'000	9 months Ended 30/9/2017 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax:	390	(11,800)
Adjustments for:		
Non cash items	44,924	48,426
Non-operating items	11,740	10,330
Share of profit of equity-accounted joint venture, net of tax	(1,787)	(14)
<b>Operation profit before changes in working capital</b>	<u>55,267</u>	<u>46,942</u>
<b>Changes in working capital:</b>		
Decrease/(increase) in inventories	(9,818)	(19,665)
Decrease/(increase) in trade and other receivables, prepayments and other assets	33,022	9,556
(Decrease)/increase in trade and other payables	(17,881)	31,825
(Decrease)/increase in deferred income	(282)	(312)
<b>Cash generated from operations</b>	<u>60,308</u>	<u>68,346</u>
Finance costs paid	(5,669)	(5,937)
Income tax paid	(5,094)	(4,987)
Warranties paid	(89)	(549)
<b>Net cash generated from operating activities</b>	<u>49,456</u>	<u>56,873</u>
<b>Cash flows from investing activities</b>		
Interest received	98	150
Dividend received from a joint venture	1,971	
Increase in pledged deposits with licensed banks	(51)	510
Decrease/(Increase) in development costs	389	(1,350)
Increase in other investment	(15)	-
Purchase of property, plant and equipment	(9,332)	(58,779)
<b>Net cash used in investing activities</b>	<u>(6,940)</u>	<u>(59,469)</u>
<b>Cash flows from financing activities</b>		
Finance costs paid	(5,273)	(3,914)
Net drawdown/(repayment) of bank borrowings	(23,767)	(1,881)
Net drawdown/(repayment) of finance lease liabilities	(4,937)	(10,232)
Purchase of treasury shares	-	(30)
<b>Net cash used in financing activities</b>	<u>(33,977)</u>	<u>(16,057)</u>
Net increase/(decrease) in cash and cash equivalents	8,539	(18,653)
Cash and cash equivalents at beginning of period	5,545	28,289
Cash and cash equivalents at end of period	<u>14,084</u>	<u>9,636</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

Cash and cash equivalents in the statement of cash flows comprise the following:

Deposit placed with licensed banks	2,718	2,719
Cash and bank balances	23,993	19,185
	<u>26,711</u>	<u>21,904</u>
Less : Pledged deposits	(2,432)	(2,364)
Bank overdraft	(10,195)	(9,904)
	<u>14,084</u>	<u>9,636</u>

# EP MANUFACTURING BHD.

(Company No. 390116-T)

Interim Financial Report for the Third Quarter ended 30 September 2018

## A Notes to the Interim Financial Statements Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134

### A1. Basis of preparation

These condensed consolidated interim financial statements for the third quarter ended 30 September 2018 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.

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017. The explanatory notes attached to the unaudited interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

### A2. Changes in accounting policies

The significant accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2017 except for the adoption of the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been applied by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*

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## A2. Changes in accounting policies (continued)

### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018 (continued)

- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits (Plan Amendment, Curtailment or Settlement)*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

### MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

### MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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## A2. Changes in accounting policies (continued)

The Group plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2018 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2018, except for Amendments to MFRS 1, Amendments to MFRS 2 and Amendments to MFRS 4 which are not applicable to the Group.
- from the annual period beginning on 1 January 2019 for the accounting standard that is effective for the annual periods beginning on or after 1 January 2019.

The Group do not plan to apply MFRS 17, *Insurance Contracts* as it is not applicable to the Group.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group except as mentioned below:

### **MFRS 15, *Revenue from Contracts with Customers***

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfer of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services*.

The Group has established a team to manage the implementation of MFRS 15. Following the adoption of the MFRS 15, the team reviewed the contracts with the customers to account for the financial impact of the adoption of the new standard.

Currently, the Group's contract with customers contain several components other than sale of automotive parts. Upon adoption of MFRS 15, it may result in the goods and services being unbundled from others in a contract and are accounted for separately. Nevertheless, the group has assessed that the initial application of MFRS 15 on its financial statements will have no material impact on the net profit and the financial statements presentation.

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Interim Financial Report for the Third Quarter ended 30 September 2018

## A2. Changes in accounting policies (continued)

### **MFRS 9, *Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group does not expect that the application of the new classification requirement will have a material impact on classification for its financial assets.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances will be measured on either 12-month ECLs or lifetime ECLs.

The Group does not expect that the application of the forward-looking expected credit loss (ECL) model will have a material impact on impairment for its financial assets.

### **MFRS 16, *Leases***

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

## A3. Audit qualifications

The audited financial statements of the Group for the financial year ended 31 December 2017 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 during this financial period-to-date.

## A5. Material changes in estimates

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



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Interim Financial Report for the Third Quarter ended 30 September 2018

## **A6. Changes in the composition of the Group**

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

## **A7. Seasonality or cyclicity of operations**

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

## **A8. Segmental information**

During the current reporting period, the Group operates under one main business segment which is Automotive. The information contained in the Condensed statement of profit or loss and other comprehensive income represent the Automotive segment.

## **A9. Valuation of property, plant and equipment**

The valuations of certain property, plant and equipment have been brought forward without amendment from the latest audited annual financial statements.

## **A10. Material impairment of assets**

There was no material impairment of assets during the quarter under review and financial period-to-date.

## **A11. Capital commitments**

Capital commitments not provided for in the financial statements as at 30 September 2018 are as follows:

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Contracted but not provided for	<u>2,293</u>

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## A12. Changes in contingent liabilities or contingent assets

The changes in contingent liabilities since 31 December 2017 are summarised as follows:-

	RM'000
Balance as at 31 December 2017	137,797
Movement in corporate guarantee issued to financial institutions for banking facilities granted to the subsidiaries	<u>(18,356)</u>
Balance as at 30 September 2018	<u>119,441</u>

The contingent liabilities were in respect of financial guarantees to banks for banking facilities granted to certain subsidiaries. There was no indication that any subsidiary would default on repayment.

## A13. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

As at 30 September 2018, total shares bought back and held as treasury shares were 7,035,300 shares.

## A14. 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.

## A15. Material events subsequent to the end of the financial year

There were no material events subsequent to the current quarter ended 30 September 2018 up to the date of this report.

## A16. Dividends Paid

There is no dividend paid during the quarter under review.

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Interim Financial Report for the Third Quarter ended 30 September 2018

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

### B1. Review of the performance

#### Current Quarter

	Individual quarter (3 <sup>rd</sup> quarter)		Changes		Cumulative period		Changes	
	Current year quarter ended 30/9/2018	Preceding year corresponding quarter ended 30/9/2017	Amount	%	Current year- to-date 30/9/2018	Preceding year-to- date 30/9/2017	Amount	%
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
Revenue	126,184	119,197	6,987	5.9	348,878	330,750	18,128	5.5
Operating profit/(loss)	4,271	(5,007)	9,278	185.3	11,234	(2,099)	13,333	635.2
Profit/(Loss) before tax	686	(8,124)	8,810	108.4	390	(11,800)	12,190	103.3
Loss after tax	(2,485)	(12,355)	9,870	79.9	(5,869)	(18,439)	12,570	68.2
Loss attributable to owners of the Company	(2,485)	(12,354)	9,869	79.9	(5,869)	(18,437)	12,568	68.2

Revenue of the Group for the current quarter was 5.9% higher than the preceding year corresponding quarter mainly because of increased in Mazda and Honda sales due to high demand for vehicles during zero-rated Goods and Services Tax period.

Accordingly, the Group recorded lower net loss after tax of RM2.5mil in the current quarter as compared to RM12.4mil in the preceding year corresponding quarter.

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Interim Financial Report for the Third Quarter ended 30 September 2018

## B2. Comparison with Immediate Preceding Quarter

	Current year quarter ended 30/9/2018	Immediate preceding quarter ended 30/6/2018	Changes	
			Amount	%
	RM'000	RM'000	RM'000	
Revenue	126,184	101,554	24,630	24.3
Operating profit	4,271	1,344	2,927	217.8
Profit/(Loss) before tax	686	(2,198)	2,884	131.2
(Loss)/Profit after tax	(2,485)	(3,703)	1,218	32.9
(Loss)/Profit attributable to owners of the Company	(2,485)	(3,703)	1,218	32.9

Revenue of the Group for the current quarter was 24.3% higher than the preceding quarter driven by surge in vehicle sales during tax holiday period following the zero rating of Goods and Services Tax from 1<sup>st</sup> June to 31<sup>st</sup> August 2018.

Accordingly, the Group recorded lower net loss after tax of RM2.5mil for current quarter as compared to RM3.7mil in the preceding quarter.

## B3. Prospects for coming financial year

The operating environment continues to be challenging, however the Board remains confident that the Group will continue to employ proactive measures that are concentrated on improving production efficiency and mitigating costs.

## 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 year quarter ended 30/9/2018 RM'000	Preceding year corresponding quarter ended 30/9/2017 RM'000	Current year- to-date 30/9/2018 RM'000	Preceding year-to- date 30/9/2017 RM'000
<b>Income tax:</b>				
-Current year	2,911	1,199	6,382	4,099
-Prior years	563	8,598	562	8,598
	<u>3,474</u>	<u>9,797</u>	<u>6,944</u>	<u>12,697</u>
<b>Deferred tax:</b>				
-Current year	(303)	178	(685)	(314)
-Prior years	-	(5,744)	-	(5,744)
	<u>(303)</u>	<u>(5,566)</u>	<u>(685)</u>	<u>(6,058)</u>
	<u><b>3,171</b></u>	<u><b>4,231</b></u>	<u><b>6,259</b></u>	<u><b>6,639</b></u>

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate mainly due to certain expenses not deductible for tax purposes.

## B6. Status of corporate proposals

There were no corporate proposals announced which have not been completed as at the date of this report.

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Interim Financial Report for the Third Quarter ended 30 September 2018

## B7. Borrowings

	As at 30/9/2018		As at 30/9/2017	
	JPY'000	RM'000 Equivalent	JPY'000	RM'000 Equivalent
<b>Non- Current Secured</b>				
Finance lease liabilities	204,778	7,666	380,139	14,452
Finance lease liabilities	-	48	-	387
Term loans	-	75,152	-	82,733
<b>Total</b>	<b>204,778</b>	<b>82,866</b>	<b>380,139</b>	<b>97,572</b>
<b>Current Secured</b>				
Finance lease liabilities	175,361	6,366	170,288	6,474
Finance lease liabilities	-	320	-	392
Banker's acceptance	-	124,268	-	131,993
Bank overdraft	-	10,195	-	9,904
Term loans	-	24,664	-	22,125
<b>Total</b>	<b>175,361</b>	<b>165,813</b>	<b>170,288</b>	<b>170,888</b>
<b>Total borrowings</b>	<b>380,139</b>	<b>248,679</b>	<b>550,427</b>	<b>268,460</b>

The Group's total borrowings decreased by 7.4% to RM248.679mil as at 30 September 2018 from RM268.460mil as at 30 September 2017 mainly due to lower utilisation of banker's acceptance and repayment of term loan.

The Group is exposed to foreign currency risk on borrowings that are denominated in JPY. However, the Group does not transact in any derivatives instruments or hedge their current exposure due to JPY shows less volatility trend this year and it will be more expensive after hedging cost.

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## B7. Borrowings (cont'd)

The weighted average interest rate of borrowings is 4.40% and the proportion of debt that is based on fixed and floating interest rate are as follows:

	<b>As at 30/6/2018 RM'000</b>	<b>As at 30/9/2017 RM'000</b>
Fixed interest rate borrowings	142,328	162,859
Floating interest rate borrowings	106,351	105,601
Total borrowings	<u>248,679</u>	<u>268,460</u>

## B8. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 September 2018.

## B9. Changes in material litigation

As at the date of this report, there is no pending material litigation.

## B10. Dividend

The Board of Directors does not declare any dividend for the financial period-to-date.

# EP MANUFACTURING BHD.

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## B11.Loss per share

The calculation of basic loss per share is based on the net loss 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 30/9/2018	Preceding year corresponding quarter ended 30/9/2017	Current year- to-date 30/9/2018	Preceding year-to-date 30/9/2017
Loss for the period attributable to owners of the Company (RM'000)	(2,485)	(12,354)	(5,869)	(18,437)
Weighted average number of ordinary shares ('000)	158,951	159,078	158,951	159,078
Basic loss per share (sen)	(1.56)	(7.77)	(3.69)	(11.59)
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.



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## B12. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter ended 30/9/2018 RM'000	Preceding year corresponding quarter ended 30/9/2017 RM'000	Current year-to-date 30/9/2018 RM'000	Preceding year-to-date 30/9/2017 RM'000
Interest income	33	42	98	150
Other income	1,184	705	3,745	2,181
Interest expense	(3,618)	(3,159)	(10,942)	(9,851)
Depreciation and amortisation	(15,294)	(16,634)	(44,924)	(48,426)
Foreign exchange (loss)/gain	(309)	191	151	(322)

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

By order of The Board  
EP Manufacturing Bhd.

Teo Wei Theng  
Company Secretary  
Shah Alam  
Date: 23 November 2018