

# EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

(Incorporated in Malaysia)

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

for the financial period ended 30 September 2021 - (Unaudited)

	Individual Quarter		Cumulative Period	
	Current year quarter ended 30/9/2021 RM'000	Preceding year corresponding quarter ended 30/9/2020 RM'000	Current year- to-date 30/9/2021 RM'000	Preceding year- to-date 30/9/2020 RM'000
<b>Revenue</b>	<b>41,742</b>	<b>127,125</b>	<b>218,571</b>	<b>274,695</b>
Operating expenses	(40,833)	(116,458)	(202,006)	(254,725)
Depreciation and amortisation	(6,896)	(9,953)	(22,753)	(28,990)
Other income	414	803	1,558	1,691
<b>Results from operating activities</b>	<b>(5,573)</b>	<b>1,517</b>	<b>(4,630)</b>	<b>(7,329)</b>
Finance costs	(1,452)	(1,944)	(5,367)	(6,984)
Finance income	24	53	69	226
Net finance costs	(1,428)	(1,891)	(5,298)	(6,758)
Share of profit of equity-accounted joint venture, net of tax	32	139	595	603
<b>Loss before tax</b>	<b>(6,969)</b>	<b>(235)</b>	<b>(9,333)</b>	<b>(13,484)</b>
Tax expense	(161)	2	(1,592)	(796)
<b>Loss for the period</b>	<b>(7,130)</b>	<b>(233)</b>	<b>(10,925)</b>	<b>(14,280)</b>
<b>Total comprehensive expense for the period</b>	<b>(7,130)</b>	<b>(233)</b>	<b>(10,925)</b>	<b>(14,280)</b>
<b>Loss attributable to :</b>				
Owners of the Company	(7,130)	(233)	(10,925)	(14,280)
Non-controlling interests	-	-	-	-
<b>Loss for the period</b>	<b>(7,130)</b>	<b>(233)</b>	<b>(10,925)</b>	<b>(14,280)</b>
<b>Total comprehensive expense attributable to :</b>				
Owners of the Company	(7,130)	(233)	(10,925)	(14,280)
Non-controlling interests	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(7,130)</b>	<b>(233)</b>	<b>(10,925)</b>	<b>(14,280)</b>
Loss per ordinary share (sen):				
Basic	(4.13)	(0.15)	(6.32)	(9.03)
Diluted	-	-	-	-

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

# EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))  
(Incorporated in Malaysia)

## Condensed Consolidated Statements of Financial Position

as at 30 September 2021 - (Unaudited)

	30/9/2021 (Unaudited) RM'000	31/12/2020 (Audited) RM'000
<b>Assets</b>		
Property, plant and equipment	263,917	276,601
Right-of-use assets	2,004	2,178
Investment properties	14,417	14,417
Investment in a joint venture	300	372
Intangible assets	85,178	85,078
Deferred tax assets	5,056	5,056
<b>Total non-current assets</b>	<b>370,872</b>	<b>383,702</b>
Inventories	50,659	43,624
Trade and other receivables	44,736	69,529
Current tax assets	4,525	4,889
Prepayments and other assets	2,700	4,614
Cash and cash equivalents	37,287	29,711
<b>Total current assets</b>	<b>139,907</b>	<b>152,367</b>
<b>Total assets</b>	<b>510,779</b>	<b>536,069</b>
<b>Equity</b>		
Share capital	183,725	180,029
Reserves	62,125	67,519
<b>Equity attributable to owners of the Company</b>	<b>245,850</b>	<b>247,548</b>
<b>Non-controlling interests</b>	<b>(252)</b>	<b>(252)</b>
<b>Total equity</b>	<b>245,598</b>	<b>247,296</b>
<b>Liabilities</b>		
Loan and borrowings	27,035	27,323
Lease liabilities	1,047	859
Deferred income	2,246	2,387
Deferred tax liabilities	4,608	4,496
<b>Total non-current liabilities</b>	<b>34,936</b>	<b>35,065</b>
Loan and borrowings	159,155	155,210
Lease liabilities	1,093	1,456
Deferred income	189	189
Current tax liabilities	511	78
Provision for warranties	102	92
Trade and other payables	69,195	96,683
<b>Total current liabilities</b>	<b>230,245</b>	<b>253,708</b>
<b>Total liabilities</b>	<b>265,181</b>	<b>288,773</b>
<b>Total equity and liabilities</b>	<b>510,779</b>	<b>536,069</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.42</b>	<b>1.56</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 2021 - (Unaudited)

	<--- Attributable to equity holders of the Company --->		Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	<-- Non Distributable -->	Distributable				
	Share Capital RM'000	Treasury Shares RM'000				
<b>At 1 January 2021</b>	180,029	(5,063)	72,582	247,548	(252)	247,296
Loss for the period	-	-	(10,925)	(10,925)	-	(10,925)
Total comprehensive expense for the period	-	-	(10,925)	(10,925)	-	(10,925)
Ordinary shares issued pursuant to Private Placement	3,696	-	(135)	3,561	-	3,561
Disposal of own shares	-	5,063	603	5,666	-	5,666
<b>At 30 September 2021</b>	<b>183,725</b>	<b>-</b>	<b>62,125</b>	<b>245,850</b>	<b>(252)</b>	<b>245,598</b>
<b>At 1 January 2020</b>	180,029	(4,951)	87,738	262,816	(504)	262,312
Loss for the period	-	-	(14,280)	(14,280)	-	(14,280)
Total comprehensive expense for the period	-	-	(14,280)	(14,280)	-	(14,280)
Repurchase of own shares	-	(112)	-	(112)	-	(112)
<b>At 30 September 2020</b>	<b>180,029</b>	<b>(5,063)</b>	<b>73,458</b>	<b>248,424</b>	<b>(504)</b>	<b>247,920</b>

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

# EP MANUFACTURING BHD.

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## Condensed Consolidated Statements of Cash Flows

for the financial period ended 30 September 2021 - (Unaudited)

	9 months Ended 30/9/2021 RM'000	9 months Ended 30/9/2020 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(9,333)	(13,484)
Adjustments for:		
Non-cash items	22,612	28,848
Non-operating items	5,445	6,611
Share of profit of equity-accounted joint venture, net of tax	(595)	(603)
<b>Operating profit before changes in working capital</b>	<u>18,129</u>	<u>21,372</u>
<b>Changes in working capital:</b>		
Inventories	(7,315)	11,039
Trade and other receivables, prepayments and other assets	26,765	22,120
Trade and other payables	(27,513)	(415)
<b>Cash generated from operations</b>	<u>10,066</u>	<u>54,116</u>
Interest paid	(3,864)	(5,304)
Tax paid	(683)	(3,675)
Warranties paid	(38)	(77)
<b>Net cash from operating activities</b>	<u>5,481</u>	<u>45,060</u>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(249)	(45)
Acquisition of property, plant and equipment	(8,864)	(3,918)
Dividend received from a joint venture	667	906
Decrease in other investment	-	1,428
Increase in pledged deposits with licensed banks	(51)	(51)
Interest received	69	226
Proceeds from disposal of property, plant and equipment	148	-
<b>Net cash used in investing activities</b>	<u>(8,280)</u>	<u>(1,454)</u>
<b>Cash flows from financing activities</b>		
Net repayment of bankers' acceptances	8,702	(24,953)
Net repayment of term loans	(4,753)	(5,300)
Interest paid	(1,503)	(1,680)
Payment of lease liabilities	(1,057)	(989)
Net repayment of other bank facilities	(94)	(121)
Proceeds from issuance of shares pursuant to Private Placement	3,561	-
Disposal/(Repurchase) of treasury shares	5,666	(112)
<b>Net cash from/(used) in financing activities</b>	<u>10,522</u>	<u>(33,155)</u>
Net increase in cash and cash equivalents	7,723	10,451
Cash and cash equivalents at beginning of the year	17,330	12,299
Cash and cash equivalents at end of the period	<u>25,053</u>	<u>22,750</u>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

### Cash and cash equivalents in the statements of cash flows comprise the following:

Deposits placed with licensed banks	2,626	2,568
Cash and bank balances	34,661	28,006
Cash and cash equivalents in the statements of financial positions	<u>37,287</u>	<u>30,574</u>
Pledged deposits	(2,626)	(2,568)
Bank overdraft	(9,608)	(5,256)
Cash and cash equivalents in the statements of cash flows	<u>25,053</u>	<u>22,750</u>

# EP MANUFACTURING BHD.

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Interim Financial Report for the Third Quarter ended 30 September 2021

## 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 2021 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 2020. 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 2020.

### A2. Significant 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 2020.

The followings are accounting standards, interpretations and amendments of the MFRSs, that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

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

- Amendments to MFRS 9, *Financial Instruments*
- MFRS 139, *Financial Instruments: Recognition and Measurement*
- MFRS 7, *Financial Instruments: Disclosures*
- MFRS 4, *Insurance Contracts*
- MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

#### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021**

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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## A2. Significant accounting policies (continued)

### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022**

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023**

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

### **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*

The Group do not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group.

The initial application of the abovementioned accounting standards, interpretations and amendments is not expected to have any material financial impact to the financial statements of the Group.

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## **A3. Audit qualifications**

The audited financial statements of the Group for the financial year ended 31 December 2020 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.

## **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 contains 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.

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## A11. Capital commitments

Capital commitments not provided for in the financial statements as at 30 September 2021 are as follows:

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Contracted but not provided for	<u>6,128</u>

## A12. Changes in contingent liabilities or contingent assets

The changes in contingent liabilities since 31 December 2020 are summarised as follows:-

	<b>RM'000</b>
Balance as at 31 December 2020	60,115
Movement in corporate guarantee issued to financial institutions for banking facilities granted to the subsidiaries	<u>(10,503)</u>
Balance as at 30 September 2021	<u>49,612</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 was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review except for the followings:-

- i) On 7 July 2021, the Company had sold 987,700 treasury shares to the open market for a total consideration of RM695,969, net of commission. As at 30 September 2021, there were no shares retained as treasury shares.
- ii) The Company had issued and allotted 31,600,000 new ordinary shares pursuant to the private placement exercise as set out in the table below:

Listing date	Issue price	Placement shares	Proceeds raised
	RM		RM
15 July 2021	0.465	3,000,000	1,395,000
5 August 2021	0.600	3,834,000	2,300,400
3 November 2021	0.550	24,766,000	13,621,300
<b>Total</b>		<b>31,600,000</b>	<b>17,316,700</b>



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## **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 31 December 2020 up to the date of this report.

## **A16. Dividends Paid**

There is no dividend paid during the quarter under review.

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## 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 30/9/2021 RM'000	Preceding year corresponding quarter ended 30/9/2020 RM'000	Amount RM'000	%	Current year-to-date 30/9/2021 RM'000	Preceding year-to- date 30/9/2020 RM'000	Amount RM'000	%
Revenue	41,742	127,125	(85,383)	(67.2)	218,571	274,695	(56,124)	(20.4)
Operating (loss)/profit	(5,541)	1,656	(7,197)	(434.6)	(4,035)	(6,726)	2,691	40.0
Loss before tax	(6,969)	(235)	(6,734)	(2,865.5)	(9,333)	(13,484)	4,151	30.8
Loss after tax	(7,130)	(233)	(6,897)	(2,960.1)	(10,925)	(14,280)	3,355	23.5
Loss attributable to owners of the Company	(7,130)	(233)	(6,897)	(2,960.1)	(10,925)	(14,280)	3,355	23.5

The Group recorded lower revenue of RM41.7mil in the current quarter compared to RM127.1mil in the preceding year corresponding quarter.

Revenue has dropped drastically by RM85.4mil or 67.2% mainly due to the full lockdown under Movement Control Order 3.0 where automotive industry was not allowed to operate starting from 1<sup>st</sup> of June. The Group resumed operations after Government lifted the restriction on 16<sup>th</sup> of August to allow automotive industry to operate in the capacities according to the vaccination rate of staff.

The Group recorded higher loss after tax of RM7.1mil for the current quarter as compared to RM0.2mil in the preceding year corresponding quarter due to huge drop in revenue.

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## B2. Comparison with Immediate Preceding Quarter

	Current year quarter ended 30/9/2021	Immediate preceding quarter ended 30/6/2021	Changes	
			Amount	%
	RM'000	RM'000	RM'000	
Revenue	41,742	69,546	(27,804)	(40.0)
Operating loss	(5,541)	(2,554)	(2,987)	(117.0)
Loss before tax	(6,969)	(4,442)	(2,527)	(56.9)
Loss after tax	(7,130)	(4,981)	(2,149)	(43.1)
Loss attributable to owners of the Company	(7,130)	(4,981)	(2,149)	(43.1)

Revenue of the Group dropped by 40% to RM41.7mil in the current quarter compared to RM69.5mil in the preceding quarter. The Group recorded higher loss after tax of RM7.1mil as compared to 5.0mil in the preceding quarter. Results for both quarters were severely impacted by the shutdown of operations during the lockdown in the respective quarters.

## B3. Prospects for the financial year

2021 has been another challenging year for the automotive industry as lockdown and chips shortages are few of the issues that have affected vehicle sales.

The Board remains positive on sales recovery in the last quarter of this year after resumption in production and sales activities. Consumers demand is also expected to be higher due to the vehicle sales tax exemption which has been extended to 30<sup>th</sup> June 2022.

The Group is bracing itself for a continuing challenging operating environment and the performance of the Group will be dependent on the market demand for vehicles and economic conditions.

## 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 30/9/2021 RM'000	Preceding year corresponding quarter ended 30/9/2020 RM'000	Current year- to-date 30/9/2021 RM'000	Preceding year-to- date 30/9/2020 RM'000
<b>Income tax:</b>				
-Current year	150	78	1,510	1,252
-Prior years	(30)	(3)	(30)	(3)
	<u>120</u>	<u>75</u>	<u>1,480</u>	<u>1,249</u>
<b>Deferred tax:</b>				
-Current year	41	(77)	112	(453)
- Prior years	-	-	-	-
	<u>41</u>	<u>(77)</u>	<u>112</u>	<u>(453)</u>
	<u>161</u>	<u>(2)</u>	<u>1,592</u>	<u>796</u>

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

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## B6. Status of corporate proposals

There were no corporate proposals announced as at the date of this announcement save for the following:

### i) Proposed Private Placement

On 7 May 2021, the Company had announced to undertake a private placement of up to 31,600,000 new ordinary shares, representing up to approximately 20% of the total number of issued shares of the Company (excluding treasury shares) ("Proposed Private Placement").

On 2 June 2021, the Company announced that Bursa Securities has, vide its letter dated 1 June 2021 (which was received on 2 June 2021), resolved to approve the listing and quotation of up to 31,600,000 Placement Shares to be issued pursuant to the Proposed Private Placement.

The detail of share issuance are as follows:-

Tranches	Listing date	No of shares	Issue price (RM)	Total proceeds (RM)
1 <sup>st</sup> tranche	15 July 2021	3,000,000	0.465	1,395,000
2 <sup>nd</sup> tranche	5 August 2021	3,834,000	0.600	2,300,400
3 <sup>rd</sup> tranche	3 November 2021	24,766,000	0.550	13,621,300
Total		31,600,000		17,316,700

The status of utilisation of proceeds raised from the Placement Shares were as follows:

Details of utilisation	Estimated <sup>(1)</sup> proceeds from and the proposed utilisation of private placement	Actual <sup>(2)</sup> proceeds from and the proposed utilisation of private placement	Estimated timeframe of utilisation after completion	Actual utilisation
	RM'000	RM'000		RM'000
Working capital requirements	12,914	17,036	Within 24 months	3,040
Estimated expenses for the Proposed Private Placement	200	281	Within 1 month	281
Total	13,114	17,317		3,321

*Note (1): The estimated proceeds from and proposed utilisation of Private Placement is based on 31,600,000 shares at an indicative price of RM0.415.*

*Note (2): The actual proceeds are based on actual payment received from 31,600,000 Placement Shares.*

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## B6. Status of corporate proposals (continued)

ii) Proposed acquisition of 5,000,000 ordinary shares in Kensington Development Sdn. Bhd. ("Kensington Development")

The Company had on 19 July 2021, entered into a Share Sale Agreement ("SSA") with Bestempire Limited ("Bestempire") for the proposed acquisition of 5,000,000 ordinary shares in Kensington Development, representing the entire equity interest in Kensington Development, from Bestempire for a purchase consideration of RM45.6 million to be satisfied.

Based on the audited financial statements of Kensington Development for the financial year ended December 2020, Kensington Development would not contribute to 25% or more of the Group's net profit and/or result in a diversion of 25% or more of the Group's net assets.

Nevertheless, the Company expects the profit of Kensington Development in the future to potentially contribute to 25% or more of the Group's net profits. Pursuant thereto, the Company shall seek its shareholders' approval for the proposed diversification of the Group's business to include property development, construction, project management and its related activities pursuant to Paragraph 10.13(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad in the next general meeting.

On 20 October 2021, the Company announced that all conditions precedent to the SSA have been fulfilled and accordingly, the SSA has become unconditional on 18 October 2021.

iii) Memorandum Of Understanding

On 10 November 2021, the Board of Directors announced that the Company had entered into a Memorandum of Understanding ("MOU") with Malaysia Automotive Robotics and IoT Institute ("MARii") to collaborate and venture into a Super Delivery Ecosystem and Electric Vehicles ("EV").

The Company and MARii agree to explore the establishment of a Production and Localisation plan to assemble 2-wheel and 4-wheel EVs. This will include a Marketing infrastructure to sell these EVs in the local Malaysian market, together with a charging network to support them.

As the first application, both parties also agree to establish a Super Delivery Ecosystem, and to incorporate this with an Electronic Payment system. There will be a redefinition of the present delivery infrastructure, and a consolidation to take it to the next level. This will give rise to a Structured Integrated Platform to better serve all involved.

The MOU shall remain in effect for a period of two years commencing from 10 November 2021.

Save for the above, there was no other corporate proposals that have been announced by the Group as at the date of this report.

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## B7. Loans and borrowings

	As at 30/9/2021 RM'000	As at 30/9/2020 RM'000
<b>Non- Current</b>		
Term loans	26,833	30,390
Other bank facilities	202	328
<b>Total</b>	<b>27,035</b>	<b>30,718</b>
<b>Current</b>		
Term loans	15,929	18,470
Banker's acceptance	108,492	106,998
Revolving credit	25,000	25,000
Bank overdraft	9,608	5,256
Other bank facilities	126	126
<b>Total</b>	<b>159,155</b>	<b>155,850</b>
<b>Total loans and borrowings</b>	<b>186,190</b>	<b>186,568</b>

The above borrowings are secured and denominated in Ringgit Malaysia.

The Group's total borrowings was RM186.2mil as at 30 September 2021 as compared to RM186.6mil as at 30 September 2020.

The weighted average interest rate of borrowings is 3.39% and the proportion of debt that is based on fixed and floating interest rates are as follows:

	As at 30/9/2021 RM'000	As at 30/9/2020 RM'000
Fixed interest rate borrowings	131,870	125,136
Floating interest rate borrowings	54,320	61,432
<b>Total loans and borrowings</b>	<b>186,190</b>	<b>186,568</b>

# EP MANUFACTURING BHD.

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## 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 2021.

## 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.

## 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 30/9/2021	Preceding year corresponding quarter ended 30/9/2020	Current year-to-date 30/9/2021	Preceding year-to-date 30/9/2020
Loss for the period attributable to owners of the Company (RM'000)	(7,130)	(233)	(10,925)	(14,280)
Weighted average number of ordinary shares ('000)	172,794	158,205	172,794	158,205
Basic loss per share (sen)	(4.13)	(0.15)	(6.32)	(9.03)
Diluted loss 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 30/9/2021 RM'000	Preceding year corresponding quarter ended 30/9/2020 RM'000	Current year-to-date 30/9/2021 RM'000	Preceding year-to-date 30/9/2020 RM'000
Interest income	24	53	69	226
Other income	414	803	1,558	1,691
Interest expense	(1,452)	(1,944)	(5,367)	(6,984)
Depreciation and amortisation	(6,896)	(9,953)	(22,753)	(28,990)
Inventories written off	(96)	579	(280)	101
Foreign exchange gain/(loss)	70	177	(114)	66
Gain on disposal of property, plant and equipment	90	-	148	-

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: 29 November 2021

