

PRESS RELEASE

FOR IMMEDIATE RELEASE

EP Manufacturing records highest quarterly net profit in 7 years

The Group is optimistic on its performance in 2022 supported by the expected recovery of the automotive sector

KUALA LUMPUR, 28 February 2022 - Automotive parts manufacturer **EP Manufacturing Bhd** (“EPMB” or “Group”) staged a turnaround in the fourth quarter ended 31 December 2021 (“4Q21”) with the **highest quarterly net profit in 7 years**. This was successfully achieved despite the effects of movement restrictions and the December 2021 floods in Peninsular Malaysia that disrupted the operations of many carmakers.

A filing with Bursa Malaysia today showed that EPMB’s net profit after tax in 4Q21 surged to RM2.74 million as compared to a marginal net loss after tax of RM0.62 million in the previous corresponding quarter. The bottomline strengthened on the back of the Group’s strategic measures to streamline costs and improve operational efficiency, as well as lower depreciation and amortisation in the quarter under review as some machineries have been fully depreciated.

EPMB’s revenue in 4Q21 was recorded at RM126.8 million as compared to RM134.2 million in the previous corresponding quarter. The lower topline was mainly attributable to the floods in mid-December which affected many carmakers and their vendors in Peninsular Malaysia.

As for the full financial year of 2021 (“FY2021”), EPMB successfully reduced its net loss after tax by almost RM6.7 million or 45% year-on-year to RM8.2 million from RM14.9 million in the preceding year. Revenue for the 12-month period was registered at RM345.4 million as compared to RM408.9 million in the previous financial year.

Commenting on the latest financial result, **EPMB Executive Chairman Mr. Hamidon Bin Abdullah** said: “Our efforts to bring the Group back into profitability has begun to yield positive results, although we were impacted by external factors such as movement restrictions, supply chain disruptions and the major floods last year. With the year 2022 expected to be a year of recovery as the government has given its word to avoid nationwide lockdowns, this will be positive for many business sectors, including automotive.”

Press Release- EP Manufacturing records highest quarterly net profit in 7 years

The vehicle sales tax exemption until 30 June 2022 and a buoyant recovery in car sales are the major catalysts for EPMB. In view of these factors, we are hopeful for a stronger performance in FY2022. However, we remain cautious and believe that challenges will continue to linger in 2022. The Group's performance will be dependent on the market demand for vehicles and Malaysia's economic conditions."

The Group said that the automotive sector is expected to see a stronger recovery in 2022, with total industry volume (TIV) forecast at 600,000 units compared to 508,911 units in 2021. A buoyant recovery in car sales is expected with the opening up of economy activities and extension of vehicle sales tax exemption to 30 June 2022.

To recap, EPMB signed a Memorandum of Understanding (MoU) with Malaysia Automotive Robotics and IoT Institute ("MARii") on 10 November 2021 to explore the establishment of a production and localisation plan to assemble 2-wheel and 4-wheel electric vehicles. As the first application, both parties also agree to establish a Super Delivery Ecosystem, and to incorporate this with an Electronic Payment Solution.

EPMB is listed on the main board of Bursa Malaysia, with its with its core business in Tier-1 manufacturing and supply of metal body panels, chassis parts, and modular assemblies such as rear axles, brake systems, and fuel tanks. It also manufactures engineering plastics modular assemblies for Original Equipment Manufacturers (OEMs) in the automotive industry.

The Group's main customers include the national car makers Perodua and Proton as well as non-national car makers such as Honda, Mazda and Toyota.

Issued by: Sense Consultancy on behalf of EP Manufacturing Bhd
Date: 28 February 2022

For further media enquiries please contact:

Anthony Lee
Tel: +6012 338 3705
Email: anthony@leesense.com

Jaz Ng
Tel: +6012 202 0096
Email: jaz@leesense.com