

**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 31 March 2022 - (Unaudited)

	Individual Quarter		Cumulative Period	
	Current year quarter ended 31/3/2022 RM'000	Preceding year corresponding quarter ended 31/3/2021 RM'000	Current year- to-date 31/3/2022 RM'000	Preceding year- to-date 31/3/2021 RM'000
<b>Revenue</b>	<b>98,100</b>	<b>107,283</b>	<b>98,100</b>	<b>107,283</b>
Operating expenses	(90,315)	(96,070)	(90,315)	(96,070)
Depreciation and amortisation	(6,632)	(8,249)	(6,632)	(8,249)
Other income	742	741	742	741
<b>Results from operating activities</b>	<b>1,895</b>	<b>3,705</b>	<b>1,895</b>	<b>3,705</b>
Finance costs	(1,804)	(2,006)	(1,804)	(2,006)
Finance income	18	24	18	24
Net finance costs	(1,786)	(1,982)	(1,786)	(1,982)
Share of profit of equity-accounted joint venture, net of tax	366	355	366	355
<b>Profit before tax</b>	<b>475</b>	<b>2,078</b>	<b>475</b>	<b>2,078</b>
Tax expense	(89)	(892)	(89)	(892)
<b>Profit for the period</b>	<b>386</b>	<b>1,186</b>	<b>386</b>	<b>1,186</b>
<b>Total comprehensive income for the period</b>	<b>386</b>	<b>1,186</b>	<b>386</b>	<b>1,186</b>
<b>Profit attributable to :</b>				
Owners of the Company	386	1,186	386	1,186
Non-controlling interests	-	-	-	-
<b>Profit for the period</b>	<b>386</b>	<b>1,186</b>	<b>386</b>	<b>1,186</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	386	1,186	386	1,186
Non-controlling interests	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>386</b>	<b>1,186</b>	<b>386</b>	<b>1,186</b>
Earnings per ordinary share (sen):				
Basic	0.20	0.75	0.20	0.75
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 2021 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 31 March 2022 - (Unaudited)

	31/3/2022 (Unaudited) RM'000	31/12/2021 (Audited) RM'000
<b>Assets</b>		
Property, plant and equipment	222,463	227,367
Right-of-use assets	2,202	2,573
Investment properties	14,417	14,417
Investment in a joint venture	426	477
Intangible assets	85,685	85,555
Deferred tax assets	5,101	5,094
<b>Total non-current assets</b>	<u>330,294</u>	<u>335,483</u>
Inventories	38,667	47,225
Trade and other receivables	49,244	48,399
Current tax assets	4,568	4,642
Prepayments and other assets	15,838	15,618
Cash and cash equivalents	52,311	41,231
	<u>160,628</u>	<u>157,115</u>
Assets classified as held for sales	39,090	39,090
<b>Total current assets</b>	<u>199,718</u>	<u>196,205</u>
<b>Total assets</b>	<u>530,012</u>	<u>531,688</u>
<b>Equity</b>		
Share capital	197,346	197,346
Reserves	65,105	64,719
<b>Equity attributable to owners of the Company</b>	<u>262,451</u>	<u>262,065</u>
<b>Non-controlling interests</b>	<u>(252)</u>	<u>(252)</u>
<b>Total equity</b>	<u>262,199</u>	<u>261,813</u>
<b>Liabilities</b>		
Loan and borrowings	21,879	23,149
Lease liabilities	866	1,145
Deferred income	2,152	2,199
Deferred tax liabilities	4,705	4,670
<b>Total non-current liabilities</b>	<u>29,602</u>	<u>31,163</u>
Loan and borrowings	152,612	144,538
Lease liabilities	1,407	1,489
Deferred income	188	188
Current tax liabilities	-	9
Provision for warranties	204	212
Trade and other payables	83,800	92,276
<b>Total current liabilities</b>	<u>238,211</u>	<u>238,712</u>
<b>Total liabilities</b>	<u>267,813</u>	<u>269,875</u>
<b>Total equity and liabilities</b>	<u>530,012</u>	<u>531,688</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>1.33</u>	<u>1.52</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**EP MANUFACTURING BHD.**  
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## Condensed Consolidated Statement of Changes in Equity

for the financial period ended 31 March 2022 - (Unaudited)

	← Attributable to equity holders of the Company →					Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	
	← Non Distributable →		Distributable			
<b>At 1 January 2022</b>	197,346	-	64,719	262,065	(252)	261,813
Profit for the period	-	-	386	386	-	386
Total comprehensive income for the period	-	-	386	386	-	386
<b>At 31 March 2022</b>	197,346	-	65,105	262,451	(252)	262,199
<b>At 1 January 2021</b>	180,029	(5,063)	72,582	247,548	(252)	247,296
Profit for the period	-	-	1,186	1,186	-	1,186
Total comprehensive income for the period	-	-	1,186	1,186	-	1,186
<b>At 31 March 2021</b>	180,029	(5,063)	73,768	248,734	(252)	248,482

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

# EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

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## Condensed Consolidated Statements of Cash Flows

for the financial period ended 31 March 2022 - (Unaudited)

	3 months Ended 31/3/2022 RM'000	3 months Ended 31/3/2021 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	475	2,078
Adjustments for:		
Non-cash items	6,620	8,202
Non-operating items	1,811	1,803
Share of profit of equity-accounted joint venture, net of tax	(366)	(355)
<b>Operating profit before changes in working capital</b>	<u>8,540</u>	<u>11,728</u>
<b>Changes in working capital:</b>		
Inventories	8,558	2,225
Trade and other receivables, prepayments and other assets	(1,063)	4,742
Trade and other payables	(8,503)	(16,319)
<b>Cash generated from operations</b>	<u>7,532</u>	<u>2,376</u>
Interest paid	(1,271)	(1,470)
Tax refund/(paid)	4	(215)
Warranties paid	(43)	(5)
<b>Net cash from operating activities</b>	<u>6,222</u>	<u>686</u>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(196)	(183)
Acquisition of property, plant and equipment	(1,187)	(6,455)
Dividend received from a joint venture	417	-
Increase in pledged deposits with licensed banks	(12)	(17)
Interest received	18	24
Proceeds from disposal of property, plant and equipment	-	58
<b>Net cash used in investing activities</b>	<u>(960)</u>	<u>(6,573)</u>
<b>Cash flows from financing activities</b>		
Net drawdown of bankers' acceptances	10,050	7,890
Net repayment of term loans	(3,106)	(5,316)
Interest paid	(607)	(536)
Payment of lease liabilities	(391)	(350)
Net repayment of other bank facilities	(32)	(31)
<b>Net cash from financing activities</b>	<u>5,914</u>	<u>1,657</u>
Net increase/(decrease) in cash and cash equivalents	11,176	(4,230)
Cash and cash equivalents at beginning of the year	28,987	17,330
Cash and cash equivalents at end of the year	<u>40,163</u>	<u>13,100</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 2021 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	49,656	2,592
Cash and bank balances	2,655	22,821
Cash and cash equivalents in the statements of financial positions	<u>52,311</u>	<u>25,413</u>
Pledged deposits	(2,655)	(2,592)
Bank overdraft	(9,493)	(9,721)
Cash and cash equivalents in the statements of cash flows	<u>40,163</u>	<u>13,100</u>

# EP MANUFACTURING BHD.

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Interim Financial Report for the First Quarter ended 31 March 2022

## 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 first quarter ended 31 March 2022 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 2021. 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 2021.

### 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 2021 except for the adoption of the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) for annual periods beginning on or after 1 January 2022.

#### **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)*

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## A2. Significant accounting policies (continued)

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

- 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 17, *Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- 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.

## A3. Audit qualifications

The audited financial statements of the Group for the financial year ended 31 December 2021 was not subject to any qualification.

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## **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 the quarter ended 31 March 2022.

## **A5. Material changes in estimates**

There were no significant estimates or changes in estimates that have had any material effect on the results of the current quarter.

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

Save for the events below, there were no major changes in the composition of the Group for the quarter under review.

- i) On 19 March 2022, subsidiary of the Company, PT EP Metering & Services has completed the transfer of its entire shareholdings in PT Tirta Serang Madani ("PTTSM") comprising 900 shares representing 90% of the issued and paid-up share capital of PTTSM to Pemerintah Kota Serang for a consideration of 1 Indonesian Rupiah.

## **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.

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Interim Financial Report for the First Quarter ended 31 March 2022

## A11. Capital commitments

Capital commitments not provided for in the financial statements as at 31 March 2022 are as follows:

	RM'000
<b>Property, plant and equipment</b>	
Contracted but not provided for	<u>50,697</u>

## A12. Changes in contingent liabilities or contingent assets

The changes in contingent liabilities since 31 December 2021 are summarised as follows:-

	RM'000
Balance as at 31 December 2021	40,179
Movement in corporate guarantee issued to financial institutions for banking facilities granted to the subsidiaries	<u>(3,108)</u>
Balance as at 31 March 2022	<u>37,071</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 debts and equity securities during the current quarter under review.

## 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 March 2022 up to the date of this report.



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## A16. Dividends Paid

There is no dividend paid during the quarter under review.

## 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 (1 <sup>st</sup> quarter)		Changes		Cumulative period		Changes	
	Current year quarter ended 31/3/2022 RM'000	Preceding year corresponding quarter ended 31/3/2021 RM'000	Amount RM'000	%	Current year-to-date 31/3/2022 RM'000	Preceding year-to- date 31/3/2021 RM'000	Amount RM'000	%
Revenue	98,100	107,283	(9,183)	(8.6)	98,100	107,283	(9,183)	(8.6)
Operating profit	2,261	4,060	(1,799)	(44.3)	2,261	4,060	(1,799)	(44.3)
Profit before tax	475	2,078	(1,603)	(77.1)	475	2,078	(1,603)	(77.1)
Profit after tax	386	1,186	(800)	(67.5)	386	1,186	(800)	(67.5)
Profit attributable to owners of the Company	386	1,186	(800)	(67.5)	386	1,186	(800)	(67.5)

The Group recorded lower revenue of RM98.1mil in the current quarter compared to RM107.3mil in the preceding year corresponding quarter. Revenue lower by RM9.2mil or 8.6% mainly due to vehicle sales in this quarter were affected by the supply chain disruptions caused by floods in December 2021 and the ongoing microchips shortages.

Profit after tax decreased by RM0.8mil to RM0.4mil as compared with RM1.2mil in the preceding year corresponding quarter due to lower revenue mitigated by decreased in depreciation and finance costs.

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## B2. Comparison with Immediate Preceding Quarter

	Current year quarter ended 31/3/2022	Immediate preceding quarter ended 31/12/2021	Changes	
			Amount	%
	RM'000	RM'000	RM'000	
Revenue	98,100	126,846	(28,746)	(22.7)
Operating profit	2,261	5,361	(3,100)	(57.8)
Profit before tax	475	3,204	(2,729)	(85.2)
Profit after tax	386	2,740	(2,354)	(85.9)
Profit attributable to owners of the Company	386	2,740	(2,354)	(85.9)

The Group recorded lower revenue of RM98.1mil in the current quarter, a decrease of RM28.7mil over the preceding quarter. It was mainly due to Original Equipment Manufacturer production volume have dropped in January due to the floods in Selangor in December 2021 had a direct effect on car makers production volume, leading to a shortage of stock to fulfil orders.

Profit after tax for the current quarter was lower of RM0.4mil as compared to RM2.7mil in the preceding quarter in tandem with lower revenue.

## B3. Prospects for the financial year

The Group anticipates the challenging operating environment for automotive industry to continue as the on-going microchips and labour shortages are expected to continue into the second quarter. However, vehicle sales are expected to remain on a growth path as a result of the current sales tax exemptions on vehicles which will continue until June 2022. The Malaysian Automotive Association has appealed to the Malaysian Government to extend the sales tax exemption but have not received the feedback.

The Group will stay focus on its long-term strategies of further cost savings and new market opportunities. Premised on the foregoing, the Board anticipate the performance of the Group for the current financial year to be encouraging, depending on the market sentiments and country's economic conditions.

## B4. Profit forecast or profit guarantee

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

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## B5. Tax expense

	Individual Quarter		Cumulative Period	
	Current year quarter ended 31/3/2022 RM'000	Preceding year corresponding quarter ended 31/3/2021 RM'000	Current year- to-date 31/3/2022 RM'000	Preceding year-to- date 31/3/2021 RM'000
<b><u>Income tax:</u></b>				
-Current year	61	859	61	859
	<hr/> 61	<hr/> 859	<hr/> 61	<hr/> 859
<b><u>Deferred tax:</u></b>				
-Current year	28	33	28	33
	<hr/> 28	<hr/> 33	<hr/> 28	<hr/> 33
	<hr/> <b>89</b>	<hr/> <b>892</b>	<hr/> <b>89</b>	<hr/> <b>892</b>

The effective tax rate for the current quarter was lower than the statutory tax rate mainly due to utilisation of unabsorbed capital allowances and tax losses by certain subsidiaries to offset against the current quarter's chargeable income.

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Interim Financial Report for the First Quarter ended 31 March 2022

## B6. Status of corporate proposals

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

i) Private Placement

On 7 May 2021, the Company proposed to undertake a placement of up to 20% of Company's total number of issued Shares to third party investors ("Private Placement 1").

On 3 November 2021, the Company had completed the Private Placement 1, raising total gross proceeds of RM17,316,700 for listing a total of 31,600,000 new ordinary shares.

The status of utilisation of proceeds raised from the Private Placement 1 were as follows:

Details of utilisation	Actual proceeds from and the proposed utilisation of private placement	Estimated timeframe of utilisation after completion	Utilisation as at 31 March 2022	Balance to be utilised
	RM'000		RM'000	RM'000
Working capital requirements	17,036	Within 24 months	13,290	3,746
Estimated expenses for the Proposed Private Placement	281	Within 1 month	281	-
<b>Total</b>	<b>17,317</b>		<b>13,571</b>	<b>3,746</b>

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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.

All conditions precedent to the SSA have been fulfilled and accordingly, the SSA has become unconditional on 18 October 2021.

On 31 March 2022, the Company announced that Company and Bestempire had mutually agreed to extend the Completion Date for a further period of 6 months to 18 October 2022.

- 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.

On 28 February 2022, the Company announced that there is no material development pertaining to the MOU. Any material and significant development will be updated accordingly.

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## B6. Status of corporate proposals (continued)

- iv) Multiple proposals i) Proposed disposal and leaseback; ii) Proposed private placement; iii) Proposed ESOS; and iv) Proposed diversification (collectively the "Proposals")

On 29 November 2021, the Board of Directors announced that the Company had entered into a conditional sale and purchase agreement with Precious Vision Sdn. Bhd. ("Precious Vision") and EP Properties (M) Sdn. Bhd. for the proposed disposal of the Glenmarie Properties for a total cash consideration of RM53.5 million ("SPA"). Simultaneously with the execution of the SPA, the Company has entered into a conditional lease agreement with Precious Vision to lease part of the Glenmarie Properties ("Lease Agreement"), which is currently used by the Group as its manufacturing plant and office premise, for a lease term of 5 years commencing from the unconditional date of the Lease Agreement ("Proposed Disposal and Leaseback").

The Company also proposed to undertake the followings:

- i) Proposed private placement of up to 30% of the total number of issued ordinary shares of the Company to third party investors to be identified later ("Proposed private placement");
- ii) Proposed establishment of an employee's share option scheme ("ESOS") of up to 15% of Company's total number of issued ordinary shares, excluding treasury shares, if any, at any point in time over the duration of the ESOS for the eligible Directors and employees of the Group ("Proposed ESOS"); and
- iii) Proposed diversification of the Group's principal activities to include the undertaking of property development and related activities such as construction and project management ("Proposed diversification").

On 22 April 2022, the Company announced that Bursa Securities has approved the Proposals. Extraordinary General Meeting will be held on 31 May 2022 to seek shareholders' approval for the proposals.

- v) Memorandum of Agreement between EP Manufacturing Bhd, CIS Pride Silver Rock Fund ("CIS") and Sharkgulf Technologies Group Limited ("Sharkgulf")

On 8 March 2022, the Board of Directors announced that the Company has entered into a Memorandum of Agreement ("MOA") with CIS and Sharkgulf for the establishment and development of a production and localisation plan with the objective of assembling, manufacturing and distributing 2-wheel Electronic Vehicles ("EVs") and other related products in Malaysia and such other countries in Southeast Asia.

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

## EP MANUFACTURING BHD.

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Interim Financial Report for the First Quarter ended 31 March 2022

### B7. Loans and borrowings

	As at 31/3/2022 RM'000	As at 31/3/2021 RM'000
<b>Non- Current</b>		
Term loans	21,740	23,788
Other bank facilities	139	265
<b>Total</b>	<b>21,879</b>	<b>24,053</b>
<b>Current</b>		
Term loans	15,332	18,411
Banker's acceptance	102,661	107,680
Revolving credit	25,000	25,000
Bank overdraft	9,493	9,721
Other bank facilities	126	126
<b>Total</b>	<b>152,612</b>	<b>160,938</b>
<b>Total loans and borrowings</b>	<b>174,491</b>	<b>184,991</b>

Borrowings are secured and denominated in Ringgit Malaysia.

Borrowings of the Group have reduced to RM174.5mil as at 31 March 2022 from RM185.0mil as at 31 March 2021. Loans and borrowings have decreased mainly due to lower utilization of bankers' acceptances and repayment of term loans.

The weighted average interest rate of borrowings is 3.70% and the proportion of debt that is based on fixed and floating interest rates are as follows:

	As at 31/3/2022 RM'000	As at 31/3/2021 RM'000
Fixed interest rate borrowings	125,687	126,530
Floating interest rate borrowings	48,804	58,461
<b>Total loans and borrowings</b>	<b>174,491</b>	<b>184,991</b>

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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 31 March 2022.

## 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 current quarter ended 31 March 2022.

## B11. 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 31/3/2022	Preceding year corresponding quarter ended 31/3/2021	Current year-to-date 31/3/2022	Preceding year-to-date 31/3/2021
Profit for the period attributable to owners of the Company (RM'000)	386	1,186	386	1,186
Weighted average number of ordinary shares ('000)	197,560	158,179	197,560	158,179
Basic earnings/(loss) per share (sen)	0.20	0.75	0.20	0.75
Diluted earnings/(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 31/3/2022 RM'000	Preceding year corresponding quarter ended 31/3/2021 RM'000	Current year-to-date 31/3/2022 RM'000	Preceding year-to-date 31/3/2021 RM'000
Finance income	18	24	18	24
Other income	742	741	742	741
Finance costs	(1,804)	(2,006)	(1,804)	(2,006)
Depreciation and amortisation	(6,632)	(8,249)	(6,632)	(8,249)
Reversal of inventories written down	-	(110)	-	(110)
Foreign exchange gain/(loss)	(65)	(19)	(65)	(19)
Gain on disposal of property, plant and equipment	-	58	-	58

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: 31 May 2022