

EPMB Reports RM13.32 Million In Net Profit As It Continues Transformation Into Sustainable Mobility Player

KUALA LUMPUR, 25 August 2023 - Main Market-listed **EP Manufacturing Berhad** (“**EPMB**” or “**Group**”) reported a net profit of RM13.32 million in the quarter ended 30 June 2023 (“2QFY2023”).

EPMB’s net profit for 2QFY2023 was a turnaround from a net loss of RM1.73 million in the second quarter of fiscal 2022 (“2QFY2022”), underpinned by an RM13.6 million disposal gain from the divestment of properties belonging to the Group in Glenmarie, Shah Alam.

Loss before taxation from operations for the current quarter was RM0.1 mil as compared to profit before taxation from operations of RM3.6 mil in the preceding quarter, mainly due to decrease in sales and allowances for doubtful debts of RM1.4 mil recognized in the current quarter.

Excluding the disposal gain, EPMB reported an RM0.1 million loss before taxation (LBT) from operations, a 93.8% decline from the RM1.60 million LBT from operations in 2QFY2022. This improved performance was mainly driven by a 28.1% y-o-y rise in revenue to RM137.86 million, up from RM107.63 million in the year-ago period.

EPMB Group Chief Executive Officer – Ahmad Razlan Mohamed said:

“We are pleased to report another quarter of sustained momentum in our business, as the Group reported higher revenue of RM137.86mil as compared to RM107.63 mil in the proceeding year’s corresponding quarter. The revenue higher by RM30.23 mil was mainly due to increase in sales of automotive parts which resulted from high backlogged orders for new vehicles.

Our net loss from operations narrowed significantly in 2Q FY2023 as compared to 2Q FY2022, a strong result despite the allowance we made for doubtful debts on our balance sheet. This decision to write down the value of these assets reflects our prudent and conservative approach towards risk management, even as we continue to execute on our transformation plans which includes being a sustainable mobility player.”

On a quarter-on-quarter basis, EPMB swung to an LBT from operations of RM0.1 million, as compared to a profit before taxation (PBT) from operations of RM3.63 million in the first quarter ended 31 March 2023 (“1QFY2023”). Net profit in 1QFY2023 was RM3.55 million.

The LBT from operations was mainly due to an allowance for doubtful debts, as well as the incurring of additional operational expenditure (OpEx) for the Tanjung Malim plant, ahead of its start-of-production in September.

2QFY2023 revenue was down 9.4% from RM152.12 million in 1QFY2023. Sales were lower as the Hari Raya holidays resulted in a shortened working period for the quarter under review.

About EP Manufacturing Berhad

Listed in 1997, EP Manufacturing Berhad (“EPMB”) is an industrial group advancing the future of sustainable mobility. A trusted Tier-1 automotive supplier, EPMB operates five plants and factories strategically located across Malaysia, supplying modular assemblies, safety and critical components to carmakers including PROTON, Perodua, Honda, Mazda, Toyota & Kia.

With over 40 years of technical expertise and alliances with world-class partners, EPMB is positioned to empower the automotive industry as it navigates a new era. Aiming to be a leading automotive player, EPMB is providing a 360° supply chain for Malaysia’s electric vehicle (EV) market, spanning manufacturing, assembly, sales, and marketing of EVs. Under this initiative, EPMB is partnering with major automotive players to manufacture, assemble and distribute EVs, such as Blueshark electric scooters, in Malaysia and other Southeast Asian markets.

Beyond the mobility industry, EPMB is actively pursuing strategic opportunities in other sectors inclusive of property development and tourism. EPMB’s property subsidiary, Kensington Development Sdn. Bhd. based in Kota Kinabalu is exploring other property development projects in Sabah.

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For further media enquiries, please contact:

Eyasmin Hameed

Tel: +6017 6052072

Email: eyasmin@epmb.com.my

Anthony Lee

Tel: +6012 338 3705

Email: anthony@leesense.com