

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 June 2024 - (Unaudited)

	Individual Quarter		Cumulative Period	
	Current year quarter ended 30/6/2024 RM'000	Preceding year corresponding quarter ended 30/6/2023 RM'000	Current year- to-date 30/6/2024 RM'000	Preceding year- to-date 30/6/2023 RM'000
Revenue	144,833	137,863	309,596	289,985
Operating expenses	(136,648)	(132,082)	(287,519)	(274,549)
Depreciation and amortisation	(6,344)	(6,041)	(13,750)	(12,398)
Other income	2,604	15,980	5,705	18,769
Results from operating activities	4,445	15,720	14,032	21,807
Finance costs	(2,935)	(3,127)	(5,884)	(6,301)
Finance income	72	364	158	373
Net finance costs	(2,863)	(2,763)	(5,726)	(5,928)
Share of profit of equity-accounted joint venture, net of tax	693	541	1,521	1,248
Profit before tax	2,275	13,498	9,827	17,127
Taxation	401	(176)	(2,715)	(257)
Profit for the period	2,676	13,322	7,112	16,870
Total comprehensive income for the period	2,676	13,322	7,112	16,870
Profit attributable to :				
Owners of the Company	2,893	13,322	7,465	16,870
Non-controlling interests	(217)	-	(353)	-
Profit for the period	2,676	13,322	7,112	16,870
Total comprehensive income attributable to :				
Owners of the Company	2,893	13,322	7,465	16,870
Non-controlling interests	(217)	-	(353)	-
Total comprehensive income for the period	2,676	13,322	7,112	16,870
Earnings per ordinary share (sen):				
Basic	1.31	6.19	3.39	7.84
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 2023 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 June 2024 - (Unaudited)

	30/6/2024 (Unaudited) RM'000	31/12/2023 (Audited) RM'000
Assets		
Property, plant and equipment	218,882	214,200
Right-of-use assets	4,817	6,526
Investment properties	14,417	14,417
Intangible assets	84,435	84,597
Investment in a joint venture	752	751
Inventories	54,857	54,847
Deferred tax assets	3,079	3,079
Total non-current assets	<u>381,239</u>	<u>378,417</u>
Inventories	46,290	63,684
Trade and other receivables	63,947	76,478
Contract assets	17,034	32,014
Current tax assets	2,442	2,540
Prepayments and other assets	12,707	7,550
Other investment	2,955	2,955
Cash and cash equivalents	73,632	53,967
Total current assets	<u>219,007</u>	<u>239,188</u>
Total assets	<u>600,246</u>	<u>617,605</u>
Equity		
Share capital	218,932	218,932
Reserves	93,915	86,450
Equity attributable to owners of the Company	<u>312,847</u>	<u>305,382</u>
Non-controlling interests	<u>(1,913)</u>	<u>(1,560)</u>
Total equity	<u>310,934</u>	<u>303,822</u>
Liabilities		
Loan and borrowings	30,585	39,389
Lease liabilities	2,727	3,139
Deferred income	1,728	1,822
Deferred tax liabilities	2,156	5,259
Total non-current liabilities	<u>37,196</u>	<u>49,609</u>
Loan and borrowings	138,541	148,343
Lease liabilities	3,139	4,703
Deferred income	188	188
Contract liabilities	9,738	6,460
Current tax liabilities	6,161	1,726
Provision for warranties	219	186
Trade and other payables	94,130	102,568
Total current liabilities	<u>252,116</u>	<u>264,174</u>
Total liabilities	<u>289,312</u>	<u>313,783</u>
Total equity and liabilities	<u>600,246</u>	<u>617,605</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.42</u>	<u>1.38</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity

for the financial period ended 30 June 2024 - (Unaudited)

	----- Attributable to equity holders of the Company ----->		Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Non Distributable	Distributable			
	Share Capital RM'000	Retained Earnings RM'000			
At 1 January 2024	218,932	86,450	305,382	(1,560)	303,822
Profit for the period	-	7,465	7,465	(353)	7,112
Total comprehensive income for the period	-	7,465	7,465	(353)	7,112
At 30 June 2024	218,932	93,915	312,847	(1,913)	310,934
At 1 January 2023	218,932	64,921	283,853	(252)	283,601
Profit for the period	-	16,870	16,870	-	16,870
Total comprehensive income for the period	-	16,870	16,870	-	16,870
At 30 June 2023	218,932	81,791	300,723	(252)	300,471

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 2023 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 Cash Flows

for the financial period ended 30 June 2024 - (Unaudited)

	6 months Ended 30/6/2024 RM'000	6 months Ended 30/6/2023 RM'000
Cash flows from operating activities		
Profit before tax	9,827	17,127
Adjustments for:		
Non-cash items	14,658	13,565
Non-operating items	5,380	5,723
Gain on disposal of assets classified as held for sale	-	(13,645)
Share of profit of equity-accounted joint venture, net of tax	(1,521)	(1,248)
Operating profit before changes in working capital	28,344	21,522
Changes in working capital:		
Inventories	14,367	(6,175)
Trade and other receivables, prepayments and other assets	9,539	(9,805)
Trade and other payables	(8,142)	(1,964)
Contract liabilities	3,278	129
Contract assets	14,980	(4,899)
Cash generated from/(used in) operations	62,366	(1,192)
Interest paid	(3,755)	(3,704)
Tax (paid)/refund	(1,285)	1,514
Warranties paid	(51)	(31)
Net cash from operating activities	57,275	(3,413)
Cash flows from investing activities		
Development costs	(6)	-
Acquisition of property, plant and equipment	(15,881)	(18,419)
Dividend received from a joint venture	1,520	1,241
Interest received	158	373
Proceeds from disposal of assets classified as held for sale	-	15,562
Net cash used in investing activities	(14,209)	(1,243)
Cash flows from financing activities		
Net repayment of bankers' acceptances	(4,461)	(4,154)
Net (repayment)/drawdown of term loans	(13,710)	16,423
Interest paid	(2,129)	(2,597)
Payment of lease liabilities	(2,666)	(1,667)
Net repayment of other bank facilities	(103)	(205)
Net cash (used in)/from financing activities	(23,069)	7,800
Net increase in cash and cash equivalents	19,997	3,144
Cash and cash equivalents at beginning of the year	45,103	51,949
Cash and cash equivalents at end of the period	65,100	55,093

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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

Short-term deposits	12,723	6,056
Cash and bank balances	60,909	58,051
Cash and cash equivalents in the statements of financial positions	73,632	64,107
Bank overdraft	(8,532)	(9,014)
Cash and cash equivalents in the statements of cash flows	65,100	55,093

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

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 second quarter ended 30 June 2024 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 2023. 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 2023.

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 2023 except for the adoption of the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”):

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

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

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

A1. Basis of preparation (continued)

The Group has not applied the following accounting standards, interpretations and amendments which have been issued as at the end of reporting period but are not yet effective:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

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 initial application of the above accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

A2. Audit qualifications

The audited financial statements of the Group for the financial year ended 31 December 2023 was not subject to any qualification.

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

A3. 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.

A4. Material changes in estimates

There were no significant estimates or changes in estimates that have had any material effect on the results of the financial period-to-date.

A5. Changes in the composition of the Group

There were no major changes in the composition of the Group for the quarter under review and up to the date of this report.

A6. Seasonality or cyclicity of operations

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

A7. 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.

A8. 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.

A9. Material impairment of assets

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

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

A10. Capital commitments

Capital commitments not provided for in the financial statements as at 30 June 2024 are as follows:

	RM'000
Property, plant and equipment	
Contracted but not provided for	<u>12,218</u>

A11. Changes in contingent liabilities or contingent assets

The changes in contingent liabilities since 31 December 2023 are summarised as follows:-

	RM'000
Balance as at 31 December 2023	73,723
Movement in corporate guarantee issued to financial institutions for banking facilities granted to the subsidiaries	<u>(9,791)</u>
Balance as at 30 June 2024	<u>63,932</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.

A12. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter under review.

A13. 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.

A14. Material event subsequent to the end of the financial year

There was no material event subsequent to the current quarter ended 30 June 2024 up to the date of this report.

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

A15. 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 (2 nd quarter)		Changes		Cumulative period		Changes	
	Current year quarter ended 30/6/2024	Preceding year corresponding quarter ended 30/6/2023	Amount	%	Current year-to-date 30/6/2024	Preceding year-to- date 30/6/2023	Amount	%
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
Revenue	144,833	137,863	6,970	5.1	309,596	289,985	19,611	6.8
Operating profit	5,138	16,261	(11,123)	(68.4)	15,553	23,055	(7,502)	(32.5)
Profit before tax	2,275	13,498	(11,223)	(83.1)	9,827	17,127	(7,300)	(42.6)
Profit after tax	2,676	13,322	(10,646)	(79.9)	7,112	16,870	(9,758)	(57.8)
Profit attributable to owners of the Company	2,893	13,322	(10,429)	(78.3)	7,465	16,870	(9,405)	(55.7)

For the quarter ended 30 June 2024, the Group reported a higher revenue of RM144.8mil as compared to RM137.9mil reported in the preceding year corresponding quarter.

The Group recorded lower profit before tax of RM2.3mil as compared to RM13.5mil in the preceding year corresponding quarter. The higher profit before tax recorded in the preceding year quarter was due to recognition of gain on disposal of property which is one-off in nature.

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

B2. Comparison with Immediate Preceding Quarter

	Current year quarter ended 30/6/2024	Immediate preceding quarter ended 31/3/2024	Changes	
			Amount	%
	RM'000	RM'000	RM'000	
Revenue	144,833	164,763	(19,930)	(12.1)
Operating profit	5,138	10,415	(5,277)	(50.7)
Profit before tax	2,275	7,552	(5,277)	(69.9)
Profit after tax	2,676	4,436	(1,760)	(39.7)
Profit attributable to owners of the Company	2,893	4,572	(1,679)	(36.7)

The Group's revenue decreased quarter-on-quarter ("QoQ") by 12.1% in Q2'2024 from RM164.7 million in Q1'2024 to RM144.8 million, mainly due to the lower new vehicles sales in Malaysia for Q2'2024 by 7.4% compared to Q1'2024 (Q1'2024: 199,384 units Q2'2024: 184,702 units).

In line with the decreased in sales volume and unfavorable sales mix, the Group's Q2'2024 profit before tax lower by RM5.3mil compared to Q1'2024.

B3. Prospects for the financial year

The Group is positioning itself as a contract vehicle assembler in automotive assembly industry. The strategic decision to move upstream is intended to ensure the growth and sustainability of the Group moving forward. Alongside the strategic move into contract vehicle assembly business, the Group will continue to strengthen its existing business in manufacturing of automotive parts components.

The strategic collaborations with Great Wall Motor and BAIC International Development Co., Ltd are expected to contribute positively to the result of the Group in the upcoming years.

B4. Profit forecast or profit guarantee

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

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

B5. Taxation

	Individual Quarter		Cumulative Period	
	Current year quarter ended 30/6/2024 RM'000	Preceding year corresponding quarter ended 30/6/2023 RM'000	Current year- to-date 30/6/2024 RM'000	Preceding year-to- date 30/6/2023 RM'000
<u>Income tax:</u>				
-Current year	2,726	176	5,818	257
-Prior years	-	-	-	-
	<u>2,726</u>	<u>176</u>	<u>5,818</u>	<u>257</u>
<u>Deferred tax:</u>				
-Current year	(3,127)	-	(3,103)	-
-Prior years	-	-	-	-
	<u>(3,127)</u>	<u>-</u>	<u>(3,103)</u>	<u>-</u>
	<u>(401)</u>	<u>176</u>	<u>2,715</u>	<u>257</u>

The Group's effective tax rate (excluding the results of joint ventures, which is equity accounted net of tax) for the current quarter was higher than the statutory tax rate mainly due to certain expenses and losses incurred by certain subsidiaries being disallowed 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.

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

B7. Memorandums and Agreements

- i) Memorandum of Understanding between EP Manufacturing Bhd with SJQ Investments LLC (“SJQ”), CVI Kildsen Sdn Bhd (“CK”) and Sharkgulf Technologies Group Limited (“Sharkgulf”)

On 19 September 2022 the Board of Directors announced that the Company had on 15 September 2022 entered into a Memorandum of Understanding (“MOU”) with SJQ, CK and Sharkgulf to form a strategic cooperation with one another for the expansion and development of 2-Wheel EVs and other related products in the Middle East market (hereinafter referred to as the “Strategic Cooperation”).

Up to the date of this report, there is no material development pertaining to the MOU. Any material and significant development will be updated accordingly.

- ii) Memorandum of understanding (“MOU”) with Petronas Dagangan Berhad (“PDB”), EP Blueshark Sdn Bhd (“EPBS”) and Blueshark Holding Limited (“BHL”)

On 7 November 2022 the Board of Directors announced that EPBS [Company No. 202201011875 (1457572-U)] had entered into a MOU with PDB [Company No. 198201008499 (88222-D)] and BHL [Company No. CR-391886] to engage in discussions to jointly collaborate for the mutual benefit of the Parties primarily in respect of the electric mobility space in Malaysia (hereinafter referred to as the “Collaboration”).

The parties are currently in discussion to extend the validity of the MOU. The first pilot programme of Battery Swapping Ecosystem has been successfully completed at a few selected Petronas Stations. The parties plan to expand the coverage with the development of additional Battery Swapping Stations.

Up to the date of this report, there is no material development pertaining to the MOU. Any material and significant development will be updated accordingly.

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

B7. Memorandums and Agreements (continued)

- iii) Exclusive Distributor Agreement between EP 4Wheeler Sdn Bhd ("EP4W") and Hubei Dongfeng Power Auto Trade Co., Ltd and Xiamen Tsingyan Hylong Motor Technology Co., Ltd ("Tsingyan")

On 28 December 2022 the Board of Directors announced that its wholly owned subsidiary, EP 4Wheeler Sdn Bhd ("EP4W" or the "Distributor") has on 27 December 2022 entered into an Exclusive Distributor Agreement with Hubei Dongfeng Power Auto Trade Co., Ltd. and Tsingyan for the exclusive right granted by Tsingyan to assemble and sell the right-hand drive LINGBOX Auto Products under the brand name and marks of LINGBOX Auto, Qingyan Hailong or EP4W's own auto mark in Malaysia and Indonesia for a period of five (5) years commencing from 1 January 2023 and expiring on 31 December 2027 and shall be automatically renewed for a further period of five (5) years, subject to the terms and conditions as set out in the Exclusive Distributor Agreement.

Up to the date of this report, there is no material development pertaining to the above. Any material and significant development will be updated accordingly.

- iv) Master Agreement for the supply of product between Averte Global Pte Ltd, Blueshark Group Limited and EP Blueshark Sdn Bhd ("EPBS")

On 9 January 2023 the Board of Directors announced that EPBS had entered into a master agreement ("Master Agreement") with Averte Global Pte Ltd and Blueshark Group Limited to collaborate to form a strategic cooperation with one another for the purposes of capturing the e-MotorBike business opportunities in Indonesia and Vietnam.

Up to the date of this report, there is no material development pertaining to the Agreement. Any material and significant development will be updated accordingly.

- v) Memorandum of understanding with BAIC International Development Co., Ltd

On 1 August 2023, the Board of Directors of the Company announced that the Company has on 31 July 2023 entered into a Memorandum of Understanding ("MoU") with BAIC International Development Co., Ltd ("BAIC") to work together on the local production of BAIC's BJ40P and X55II sport utility vehicles ("SUVs"), along with future right-hand drive ("RHD") internal combustion engine ("ICE") vehicles and electric vehicles ("EVs"). EPMB and BAIC also agreed to jointly develop BAIC-branded RHD EVs to cater to Malaysia and other South-east Asian RHD markets.

On 8 April 2024, a wholly owned subsidiary, PEPS-JV (Melaka) Sdn Bhd ("PJVM") and BAIC had entered into a Vehicle Assembly Co-operation Agreement to co-operate on the assembly and manufacture of BAIC's vehicles in Malaysia.

The Completely Knocked Down ("CKD") production plant is to be completed by third quarter of 2024 and the Company has initiated the local assembly plan. Thus there will be no further updates for operational matters.

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

B8. Material Litigation

The Plaintiff VMG Transport (M) Sdn.Bhd. (“VMG”) has instituted a civil suit against Peps-JV (Melaka) Sdn.Bhd.(“Peps-JV”) for an alleged breach of transportation agreement. Peps-JV had filed its defence and counterclaim in response to the suit.

Peps-JV had entered into a transport agreement with VMG to provide transport services to deliver automotive parts to the Peps-JV’s client and time is of the essence. As a result of VMG's unilateral stopping of their transportation services without notice to deliver the Peps-JV’s automotive parts during critical time, at that material time Peps-JV was compelled to terminate the said transport agreement with the VMG based on repudiatory breach of the said transport agreement as Peps-JV is contractually bound to pay a penalty under the contract between the Peps-JV and its client.

Peps-JV had to appoint another company to replace VMG to deliver its automotive parts to its client in order to avoid the said contractual penalty. Dissatisfied with the termination, VMG filed the said suit for damages amounting to RM12,847,185.85 and Peps-JV counterclaimed for damages sustained amounting to RM1,511,984.50 for the said repudiatory breach of the said transportation agreement by VMG.

The Company’s Board of Directors have been advised by the Peps-JV solicitors that Peps-JV has a high chance of success in having VMG's claim dismissed on the ground of the said repudiatory breach; and its counterclaim allowed.

The trial for this case was conducted on 24.11.2021, 7.12.2021 and 26.10.2023; and oral submissions were heard on 7.6.2024. The Melaka High Court has set 13.9.2024 to deliver its decision.

The Company will make an announcement as and when there is any material development in the matter.

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

B9. Loans and borrowings

	As at 30/6/2024 RM'000	As at 30/6/2023 RM'000
Non- Current		
Term loans	30,323	48,883
Other bank facilities	262	397
Total	30,585	49,280
Current		
Term loans	23,658	20,384
Banker's acceptance	81,181	85,507
Revolving credit	25,000	25,000
Bank overdraft	8,532	9,014
Other bank facilities	170	236
Total	138,541	140,141
Total loans and borrowings	169,126	189,421

Borrowings are secured and denominated in Ringgit Malaysia.

Loans and borrowings of the Group decreased to RM169.1mil as at 30 June 2024 as compared to RM189.4mil as at 30 June 2023 mainly due to lower utilisation of Banker's acceptances and repayment of term loans.

The weighted average interest rate of borrowings is 5.69% and the proportion of debt that is based on fixed and floating interest rates are as follows:

	As at 30/6/2024 RM'000	As at 30/6/2023 RM'000
Fixed interest rate borrowings	134,242	148,919
Floating interest rate borrowings	34,884	40,502
Total loans and borrowings	169,126	189,421

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

B10. 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 June 2024.

B11. Dividend

The Board of Directors does not declare any dividend for the current quarter ended 30 June 2024.

B12. 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 30/6/2024	Preceding year corresponding quarter ended 30/6/2023	Current year-to-date 30/6/2024	Preceding year-to-date 30/6/2023
Profit for the period attributable to owners of the Company (RM'000)	2,893	13,322	7,465	16,870
Weighted average number of ordinary shares ('000)	220,283	215,093	220,283	215,093
Basic earnings per share (sen)	1.31	6.19	3.39	7.84
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.

EP MANUFACTURING BHD.

(Company No. 199601017765 (390116-T))

Interim Financial Report for the Second Quarter ended 30 June 2024

B13. Notes to the Statement of Comprehensive Income

	Individual Quarter		Cumulative Period	
	Current year quarter ended 30/6/2024 RM'000	Preceding year corresponding quarter ended 30/6/2023 RM'000	Current year-to-date 30/6/2024 RM'000	Preceding year-to-date 30/6/2023 RM'000
Finance income	72	364	158	373
Other income	2,604	^(N1) 15,980	5,705	^(N1) 18,769
Finance costs	(2,935)	(3,127)	(5,884)	(6,301)
Depreciation and amortisation	(6,344)	(6,041)	(13,750)	(12,398)
Inventories written off	-	(175)	(79)	(228)
Impairment loss on trade receivables	-	(1,396)	-	(1,396)
Reversal of impairment loss on trade and other receivables	1,995	-	2,115	-
Allowance for slow moving inventories	(2,724)	-	(2,957)	-
Reversal of allowance for slow moving inventories	19	327	19	327
Foreign exchange gain/(loss)	(35)	506	158	379

N1 – Includes gain on disposal of asset classified as held for sale (Glenmarie properties) of RM13,645,000.

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.

Lim Seck Wah
Company Secretary
Shah Alam
Date: 29 August 2024