EP MANUFACTURING BHD.
[Registration No. 199601017765 (390116-T)]

VEHICLE ASSEMBLY COOPERATION AGREEMENT BETWEEN PEPS-JV (MELAKA) SDN BHD WITH SAIC MOTOR MALAYSIA SDN BHD

1. INTRODUCTION

The Board of Directors of EP Manufacturing Bhd ("EPMB or the Company") wishes to announce that the Company and SAIC Motor Malaysia Sdn Bhd ("SAIC") to cooperate in production and assembly of MG Models in Malaysia. PEPS-JV (MELAKA) SDN BHD ("PJVM") and SAIC (herein referred to as the "Parties") had on 15 October 2025 entered into a Vehicle Assembly Cooperation Agreement ("Agreement") to appoint PJVM as the contract assembler for SAIC's authorised model vehicles ("Authorised Model") in Malaysia ("Territory").

2. INFORMATION OF SAIC

SAIC

i. SAIC, a wholly owned subsidiary of SAIC Motor Corporation Limited (Business Registration No: 91310000132260250X), is a corporation duly incorporated and validly existing under the laws of Malaysia.
ii. SAIC Motor Corporation Limited is a world-renowned automobile manufacturer and a Fortune Global 500 company. It was listed on the Shanghai Stock Exchange in 1997 and has been a dominant force in the Chinese automotive market for decades. In 2023, the Company sold over 5 million vehicles, maintaining its position as a leader in annual sales volume in China. SAIC Motor is widely recognized for its extensive portfolio of brands and its significant investments in new energy and intelligent, connected vehicles.
iii. SAIC has been granted an exclusive right to manage SAIC Motor Corporation Limited's business operations in Malaysia.

PJVM

i. PJVM (Registration No. 200601022626 [742380-A]) incorporated in Malaysia.
ii. PJVM is a wholly-owned subsidiary of the Company carrying on the business of manufacturing of automotive components.

3. SALIENT TERMS OF THE AGREEMENT

i. The assembly fee agreement outline details such as the calculation of the assembly fee, the commitments of both Parties, including SAIC's minimum purchase orders, and PJVM's assembly/production capacity for all Authorised Models.
ii. The Agreement is for the assembly and manufacturing of specific MG brand vehicle models (the "Vehicles") by PJVM for SAIC in Malaysia.
iii. The initial term of the Agreement is eight (8) years, effective from 15 October 2025 to 15 October 2033. The term is extendable by mutual written agreement of the Parties.
iv. MINIMUM ORDER QUANTITY ("MOQ")
    a) SAIC Malaysia has committed to a Minimum Order Quantity on a monthly basis, as detailed in the Agreement.
    b) The MOQ for subsequent years shall be mutually agreed upon, subject to a minimum not lower than the preceding year's MOQ.
v. PJVM shall be remunerated via Assembly Fees payable by SAIC Malaysia for each Vehicle

assembled. The specific fees are set forth in the Agreement and are subject to adjustment for model changes and other mutually agreed circumstances.

vi. The duties and obligation of PJVM are inter alia as follows:-
   a) Liaise, and deal exclusively with SAIC for production of the Authorised Model in the Territory.
   b) Assemble and deliver Assembled Vehicles to SAIC based on purchase orders.
   c) Obtain and maintain necessary facilities, licenses, approvals, and permits for continuous assembly.
   d) Assemble Authorised Model in conformity with technical specifications and instructions from SAIC.
   e) Apply and maintain bonded/ unbonded facility/ warehouse/ storage yard for storage of KD Parts and/ or Assembled Vehicle.
   f) Conduct quality inspections of post-assembly and pre-delivery of the Assembled Vehicle.

vii. The duties and obligation of SAIC are inter alia as follows:-
   a) Submit an order plan of KD Packs to the Principal Company.
   b) Provide a rolling order plan of the Assembled Vehicle to PJVM.
   c) Liaise with PJVM for the assembly and production of the Authorised Model in the Territory.
   d) Submit and apply for various approvals, permits, and incentives in SAIC's name.
   e) Market, sell, and conduct after-sales for the Assembled Vehicle in the Territory.
   f) Arrange logistics for KD Packs, KD Parts, and the Assembled Vehicle.

viii. The Authorised Model information as follows:-
   a) Details of the Authorised Model, including production year, and projected production volume, are subject to periodic adjustment (mutually agreed by the Parties) throughout the Term (8 years).
   b) The Parties agree to jointly finalize production volume, variant, and production year at least 12 months before or in advance of the initiation of the assembly process for each Authorised Model during the effective Term.

ix. TERMINATION TERMS
   a) The Agreement may be terminated under the following key circumstances:
      A. Termination for Cause: Either party may terminate the Agreement by giving a three (3) months' prior written notice if the other party commits a material breach and fails to remedy that breach within a specified cure period.
      B. Termination by SAIC: SAIC has the right to terminate the Agreement under specific circumstances, including, but not limited to:
         1. Failure by PJVM to achieve the agreed production volumes.
         2. Serious and irreparable quality problems attributable to PJVM.
         3. PJVM losing ownership or usage rights of the assembly plant.
         4. A change of control in PJVM whereby a competitor of SAIC acquires its shares.
      C. Termination for Insolvency: Either party may terminate if the other party becomes insolvent, enters liquidation, or ceases business.
   b) Consequences of Termination: Upon termination:
      A. SAIC shall remove all its vehicles and parts from PJVM's premises within a specified period.
      B. PJVM must cease using all SAIC's trademarks and intellectual property.
      C. Investment Reimbursement: If SAIC Malaysia terminates the Agreement without cause, or if termination is not due to PJVM's fault, SAIC shall reimburse PJVM for all its unamortised investments directly attributable to the agreement. This reimbursement is a key protective measure for PJVM.

x. The fulfilment of the Agreement is, inter alia, conditional upon PJVM ensuring the assembly plant has the necessary assembly and manufacturing conditions recognised by SAIC Malaysia.

xi. The Agreement shall be governed by the laws of Singapore. Any disputes arising from the Agreement shall be resolved through arbitration at the Singapore International Arbitration Centre ("SIAC").

xii. SAIC has the intention and plan to establish the brand image of SAIC, sell the right-hand drive products, establish sales and after-sales service system, and develop in the direction of local assembly and production in Malaysia.

4. RATIONALE AND BENEFITS

SAIC Group was ranked 157th in Fortune Global 500 in year 2024 and has been on the list for 10 consecutive years, SAIC is one of the largest Government-owned automobile groups in China.

Entering into the Agreement is in the best interest of the Company allows:

i. Long-Term Revenue Visibility: The 8-year term with a committed minimum order quantity provides a secure and predictable revenue stream.

ii. Strategic Partnership: It establishes a long-term alliance with SAIC Motor, a global automotive leader, enhancing the Group's market position.

iii. Optimization of Assets: The Agreement ensures better utilization of the Group's existing assembly plant capacity in Melaka.

iv. Business Diversification: It diversifies the Group's automotive client portfolio, contributing to greater business resilience.

5. EFFECTS OF THE AGREEMENT

The execution of the Agreement has no effect on the issued and paid-up share capital and the substantial shareholders' shareholding in the Company.

The Agreement is not expected to have any significant effect on the earnings per share, net assets per share and gearing of the Company for the financial year ending 31 December 2025.

6. RISK FACTORS

EPMB does not expect any material risk arising from the execution of the Agreement other than changes in economic, political and regulatory environment and the normal operational and technology risk, which EPMB would take appropriate measures to mitigate it.

7. STATEMENT BY DIRECTORS

Having considered all the relevant aspects including the rationale and effects of the Agreement, the Board of Directors of the Company is of the opinion that the Agreement is in the best interest of the Company and its Group.

7. DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders of the Company and/or person connected with them have any interest, direct or indirect in this Agreement.

8. APPROVAL REQUIRED

The Agreement is not subject to the approval of the shareholders of the Company or relevant government authorities.

9. DOCUMENTS FOR INSPECTION

The Agreement is available for inspection at the Registered Office of the Company at No. 8 & 10, Jalan Jurutera U1/23, Seksyen U1, Kawasan Perindustrian Hicom Glenmarie, 40150 Shah Alam, Selangor during office hours from Monday to Friday (except on Public Holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 15 October 2025.