

EP MANUFACTURING BHD.

[Registration No. 199601017765 (390116-T)]

FRAMEWORK ASSEMBLY AGREEMENT AND VEHICLE ASSEMBLY AGREEMENT BETWEEN PEPS-JV (MELAKA) SDN BHD WITH XPENG MOTORS (MALAYSIA) SDN. BHD.

1. INTRODUCTION

The Board of Directors of EP Manufacturing Bhd ("EPMB" or the "Company") wishes to announce that its wholly-owned subsidiary, PEPS-JV (Melaka) Sdn Bhd ("PJVM"), has entered into a Framework Assembly Agreement ("FAA") and a related Vehicle Assembly Agreement ("G6/X9 VAA") with XPeng Motors (Malaysia) Sdn. Bhd. ("XPeng").

The Agreements, dated 12 December 2025, appoint PJVM as the contract assembler for XPeng's authorized vehicle models in Malaysia ("Territory").

2. INFORMATION OF XPeng

XPeng

- i. XPeng is a wholly-owned subsidiary of XPeng Inc., a leading Chinese smart electric vehicle manufacturer known for its advanced technology in autonomous driving and smart connectivity listed at the New York Stock Exchange (NYSE: XPEV) and Hong Kong Exchange (HKEX: 9868).
- ii. XPeng has established a growing international presence and is expanding its market reach in Southeast Asia, including Malaysia.
- iii. XPeng has been granted the right to manage XPeng Inc.'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. **Structure:** The collaboration is governed by a Framework Assembly Agreement ("FAA") setting out general terms, and a Vehicle Assembly Agreement ("G6/X9 VAA") for specific models.
- ii. **Initial Models:** PJVM will assemble XPeng's G6 and X9 electric vehicle models, including the Extended Range Electric Vehicle (EREV) version of the X9.
- iii. **Term:** The FAA establishes the ongoing cooperation framework. The G6/X9 VAA for G6/X9 is effective from 12 December 2025, with production for the G6 model scheduled to commence by 31 March 2026 and the X9 by 25 May 2026. End of Production ("EOP") is anticipated by 30 December 2027 for G6 and Q1 2028 for X9.
- iv. **Minimum Order Quantity ("MOQ"):** XPeng has committed to a monthly MOQ during the terms of G6/X9 VAA. A review and adjustment mechanism is in place based on actual order volumes.
- v. **Assembly Fee:** PJVM will be remunerated via an Assembly Fee for each vehicle assembled, consisting of a Fixed Assembly Cost and a variable Assembly Surcharge.
- vi. **Exclusivity & Future Models:** The FAA grants PJVM a first right of offer for the assembly of three(3) subsequent XPeng models (including D02 and D03) in the Territory on an exclusive basis, subject to agreed terms.
- vii. **Key Responsibilities of PJVM:**
 - a) Assembling vehicles in accordance with XPeng's technical specifications.

- b) Establishing and maintaining necessary assembly lines, facilities, and quality management systems.
 - c) Providing administrative and ADAS facility space for XPeng.
 - d) Assisting XPeng with local regulatory applications and approvals.
- viii. **Key Responsibilities of XPeng:**
 - a) Supplying vehicle modules (KD kits) and proprietary fixed assets.
 - b) Managing product engineering, homologation, and compliance.
 - c) Handling marketing, sales, aftersales, and outbound logistics in the Territory.
- ix. **Governance & Law:** The Agreements are governed by the laws of Malaysia. Disputes shall be resolved through arbitration at the Asian International Arbitration Centre ("AIAC") in Kuala Lumpur.
- x. **Termination:** The Agreements may be terminated for cause (e.g., material breach, insolvency), or by XPeng under specific circumstances such as persistent quality failures, failure to achieve SOP, or significant adverse changes in government policies affecting the project's feasibility. Termination triggers obligations regarding asset reimbursement and orderly ramp-down.

4. RATIONALE AND BENEFITS

XPeng is one of the fastest growing Smart EV company with in-house full-stack advanced driver-assistance system technology and in-car intelligent operating system. Entering into the Agreement is in the best interest of the Company allows:

- i. **Long-Term Revenue Visibility:** With a committed minimum order quantity provides a secure and predictable revenue stream.
- ii. **Strengthens EV Portfolio:** Aligns EPMB with XPeng, a prominent and technologically advanced electric vehicle manufacturer.
- iii. **Long-Term Strategic Partnership:** Establishes a collaborative framework for multiple current and future vehicle models.
- iv. **Optimisation of Assets:** Ensures better utilisation of the Group's existing assembly plant capacity in Melaka.
- v. **Diversification and Growth:** Diversifies the Group's automotive client base and enhances its position in the growing EV assembly sector, 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 December 2025.