



**CAPE EMS BERHAD**  
**(Registration No.: 199901026859 (501759-M))**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**  
**FOURTH QUARTER ENDED 31 DECEMBER 2023**

**CAPE EMS BERHAD**  
(Incorporated in Malaysia)  
(Registration No.: 199901026859 (501759-M))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023** <sup>(3)</sup>

	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited	Audited
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	239,438	217,420
Investment properties	-	9,800
Goodwill on acquisition	6,244	6,244
Deferred tax assets	-	839
	<hr/>	<hr/>
Total non-current assets	245,682	234,303
<b>Current assets</b>		
Inventories	65,507	38,616
Trade receivables	185,825	144,345
Other receivables	74,731	16,124
Current tax assets	572	797
Fixed deposits with licensed banks	31,180	9,240
Cash and cash equivalents	170,179	32,096
	<hr/>	<hr/>
	527,994	241,218
Non-current assets held for sale	-	8,818
	<hr/>	<hr/>
Total current assets	527,994	250,036
	<hr/>	<hr/>
<b>Total assets</b>	<u>773,676</u>	<u>484,339</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital <sup>(1)</sup>	324,021	100,000
Exchange translation reserve	1,214	420
Non-controlling interest	(33)	-
Revaluation reserve	26,650	25,683
Retained profits	103,684	68,922
	<hr/>	<hr/>
<b>Total equity</b>	455,536	195,025
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	9,204	43,160
Loans and borrowings	100,905	74,246
Deferred tax liabilities	14,018	9,261
	<hr/>	<hr/>
Total non-current liabilities	124,127	126,667
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023 <sup>(3)</sup> (CONT'D)**

	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited	Audited
	RM'000	RM'000
<b>EQUITY AND LIABILITIES (CONT'D)</b>		
<b>Liabilities (Cont'd)</b>		
<b>Current liabilities</b>		
Trade payables	102,531	72,848
Other payables	17,304	13,327
Amount due to related parties	74	11
Lease liabilities	4,810	10,126
Loans and borrowings	63,628	64,361
Current tax liabilities	5,666	1,974
	<hr/>	<hr/>
Total current liabilities	194,013	162,647
	<hr/>	<hr/>
<b>Total liabilities</b>	318,140	289,314
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	773,676	484,339
	<hr/> <hr/>	<hr/> <hr/>
<b>Net assets per share attributable to owners of the</b>		
<b>Company (RM) <sup>(2)</sup></b>	0.46	0.26
	<hr/> <hr/>	<hr/> <hr/>

**Note:**

- (1) Based on 992,000,000 and 750,000,000 ordinary shares in issue as at 31 December 2023 and 31 December 2022 respectively.
- (2) Net assets per share attributable to owners of the Company is calculated based on equity attributable to owners of the Company divided by the total number of ordinary shares in issue.
- (3) The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

**CAPE EMS BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 <sup>(1)</sup>**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	147,741	118,204	542,844	437,954
Cost of sales	<u>(124,845)</u>	<u>(97,656)</u>	<u>(455,498)</u>	<u>(375,855)</u>
Gross profit	22,896	20,548	87,346	62,099
Other income	(1,144)	1,108	4,751	7,100
Finance income	816	25	3,063	97
Administration expenses	(7,952)	(5,041)	(25,747)	(15,307)
Distribution costs	(247)	(43)	(728)	(333)
Other expenses	847	(4,025)	-	(4,025)
Finance costs	<u>(2,575)</u>	<u>(2,669)</u>	<u>(10,980)</u>	<u>(8,788)</u>
Profit before tax	12,641	9,903	57,705	40,843
Income tax expense	<u>(7,171)</u>	<u>(970)</u>	<u>(13,358)</u>	<u>(7,303)</u>
Profit for the financial period / year	<u>5,470</u>	<u>8,933</u>	<u>44,347</u>	<u>33,540</u>
<b>Other comprehensive income, net of tax</b>				
<b>Items that will not be reclassified</b>				
<b>subsequently to profit or loss</b>				
Revaluation of land and factory building	1,976	5,924	1,976	5,924
Tax effect on item that will not be reclassified				
subsequently to profit or loss	(474)	(1,422)	(474)	(1,422)
Realisation of revaluation reserve upon				
depreciation of revalued assets	136	106	535	426
Transfer of revaluation reserve to				
retained profits	(136)	(106)	(535)	(426)
Foreign currency translation differences				
for foreign operation, net of tax	<u>(1,056)</u>	<u>67</u>	<u>794</u>	<u>386</u>
<b>Other comprehensive income for the</b>				
<b>financial period / year</b>	<u>446</u>	<u>4,569</u>	<u>2,296</u>	<u>4,888</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 <sup>(1)</sup> (CONT'D)**

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
<b>Total comprehensive income for the financial period / year</b>	<u>5,916</u>	<u>13,502</u>	<u>46,643</u>	<u>38,428</u>
<b>Profit / (Loss) attributable to:-</b>				
Owners of the Company	5,504	8,933	44,381	33,540
Non-controlling interest	<u>(34)</u>	<u>-</u>	<u>(34)</u>	<u>-</u>
<b>Profit for the financial period / year</b>	<u>5,470</u>	<u>8,933</u>	<u>44,347</u>	<u>33,540</u>
<b>Total comprehensive income / (expense) attributable to:-</b>				
Owners of the Company	5,950	13,502	46,677	38,428
Non-controlling interest	<u>(34)</u>	<u>-</u>	<u>(34)</u>	<u>-</u>
<b>Total comprehensive income for the financial period / year</b>	<u>5,916</u>	<u>13,502</u>	<u>46,643</u>	<u>38,428</u>
<b>Earnings per share</b>				
- Basic (sen)	<u>0.55</u>	<u>1.19</u>	<u>4.96</u>	<u>6.39</u>
- Diluted (sen)	<u>0.55</u>	<u>1.19</u>	<u>4.96</u>	<u>6.39</u>

**Note:**

- (1) The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

**CAPE EMS BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 <sup>(1)</sup>**

	← Attributable to owners of the Company →				Total equity RM'000
	Share capital RM'000	Exchange translation reserve RM'000	Revaluation reserve RM'000	Retained profits RM'000	
<b>Audited</b>					
Balance at 1 January 2022	100,000	34	21,607	47,921	169,562
<b>Transaction with owners:</b>					
Dividends to owners of the Company	-	-	-	(12,965)	(12,965)
Total transaction with owners	-	-	-	(12,965)	(12,965)
Profit for the financial year	-	-	-	33,540	33,540
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	(426)	426	-
Other comprehensive income for the financial year	-	386	4,502	-	4,888
Total comprehensive income for the financial year	-	386	4,076	33,966	38,428
Balance at 31 December 2022	100,000	420	25,683	68,922	195,025

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 <sup>(1)</sup> (CONT'D)**

	← Attributable to owners of the Company →				Total RM'000	Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Non-distributable Exchange translation reserve RM'000	Revaluation reserve RM'000	Distributable Retained profits RM'000			
<b>Unaudited</b>							
Balance at 1 January 2023	100,000	420	25,683	68,922	195,025	-	195,025
<b>Transaction with owners:</b>							
Acquisition of subsidiary	-	-	-	-	-	1	1
Dividends	-	-	-	(10,154)	(10,154)	-	(10,154)
Shares issued	229,530	-	-	-	229,530	-	229,530
Share issuance expenses	(5,509)	-	-	-	(5,509)	-	(5,509)
<b>Total transaction with owners</b>	<b>224,021</b>	<b>-</b>	<b>-</b>	<b>(10,154)</b>	<b>213,867</b>	<b>1</b>	<b>213,868</b>
Profit for the financial year	-	-	-	44,381	44,381	(34)	44,347
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	(535)	535	-	-	-
Other comprehensive income for the financial year	-	794	1,502	-	2,296	-	2,296
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>794</b>	<b>967</b>	<b>44,916</b>	<b>46,677</b>	<b>(34)</b>	<b>46,643</b>
Balance at 31 December 2023	324,021	1,214	26,650	103,684	455,569	(33)	455,536

**Note:**

<sup>(1)</sup> The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 <sup>(1)</sup>**

	<b>12 months ended</b>	
	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited RM'000	Audited RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	57,705	40,843
<b>Adjustments for:-</b>		
Depreciation of property, plant and equipment	16,221	9,867
Depreciation of right-of-use assets	3,974	8,426
Gain on disposal of non-current assets held for sale	-	(149)
Property, plant and equipment written off	-	7
Fair value gain on financial assets measured at fair value through profit or loss	(1,242)	-
Interest expense	9,535	5,668
Interest income	(3,063)	(97)
Lease liabilities interest expense	1,367	3,120
Fair value gain on investment properties	-	(1,000)
Unrealised (gain) / loss on foreign exchange	(2,101)	4,025
	<hr/>	<hr/>
Operating profit before working capital changes	82,396	70,710
Changes in working capital:-		
Inventories	(26,892)	(4,639)
Receivables	(46,981)	(62,063)
Payables	29,045	20,449
Related parties	63	13
	<hr/>	<hr/>
Cash flows generated from operations	37,631	24,470
Tax paid	(5,282)	(3,918)
Tax refund	736	93
	<hr/>	<hr/>
Net cash flows from operating activities	33,085	20,645
	<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>		
Interest received	2,789	7
Proceeds from disposal of property, plant and equipment	-	1
Payments to acquire property, plant and equipment	(10,579)	(16,011)
Proceeds from non-current assets held for sale	-	3,241
Advance payment for acquisition of subsidiary	(49,980)	-
	<hr/>	<hr/>
Net cash flows used in investing activities	(57,770)	(12,762)
	<hr/>	<hr/>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 <sup>(1)</sup> (CONT'D)**

	<b>12 months ended</b>	
	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited	Audited
	RM'000	RM'000
<b>FINANCING ACTIVITIES</b>		
Share capital issued	224,021	-
Dividends paid	(5,077)	(12,965)
Interest paid	(9,614)	(5,668)
Lease liabilities interest paid	(1,366)	(3,120)
Net short-term borrowings	587	18,935
Drawdown of term loans	-	7,334
Payments of listing expenses	-	(3,324)
Placement of fixed deposits pledged to licensed banks	(21,720)	(3,134)
Repayment of term loans	(11,223)	(6,103)
Repayment of lease liabilities - principal portion	(5,372)	(11,988)
Proceeds from lease liabilities	-	118
	<u>170,236</u>	<u>(19,915)</u>
Net cash flows from / (used in) financing activities		
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	145,551	(12,032)
Effect of exchange rate changes	1,780	(113)
At beginning of year	<u>25,665</u>	<u>37,810</u>
At end of year	<u><u>172,996</u></u>	<u><u>25,665</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	170,179	32,096
Fixed deposits with licensed banks	31,180	9,240
Bank overdrafts	<u>2,817</u>	<u>(6,431)</u>
	204,176	34,905
Less: Fixed deposits with licensed banks pledged to banks	<u>(31,180)</u>	<u>(9,240)</u>
	<u><u>172,996</u></u>	<u><u>25,665</u></u>

**Note:**

- (1) The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.



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**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING AND INTERNATIONAL ACCOUNTING STANDARDS (“IAS”) 34: INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) (“MFRS 134”) and IAS 34: *Interim Financial Reporting* issued by the International Accounting Standard Board (“IASB”) (“IAS 34”).

This unaudited condensed consolidated interim financial report should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this condensed consolidated interim financial report.

**A2. Material Accounting Policies**

The accounting policies and presentations adopted by the Company and its subsidiaries (“Group”) are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 December 2022, except for the adoption of the following new accounting standards, interpretations and amendments issued by Malaysian Accounting Standards Board (“MASB”).

**MFRS and amendments to MFRS adopted during the financial year**

The Group has applied the following amendments to published standards approved by MASB for the first time for the year beginning on or after 1 January 2023:

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts\*
- Amendment to MFRS 17 Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information\*
- Amendments to MFRS 101 Presentation of Financial Statements - Disclosure 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
- Amendments to MFRS 112 Income Taxes : International Tax Reform - Pillar Two Model Rules

\* Not applicable to the Group’s operations.

The adoption of abovementioned MFRS and amendments to MFRS do not have material impact on the interim financial statements of the Group.



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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 AND IAS 34 (CONT'D)**

**A2. Material Accounting Policies (Cont'd)**

**Amendments to MFRS in issue but not yet effective**

The following are Amendments to MFRS with effective date on or after 1 January 2024 issued by MASB and they have not been early adopted by the Group. The Group intends to adopt these amendments to the published standards, if applicable, when they become effective in the respective period.

**(a) Effective for period 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
- Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

**(b) Effective for period beginning on or after 1 January 2025**

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

**(c) Amendments effective for 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 amendments to the published standards is not expected to have any material impact to the current year and prior year financial statements of the Group upon its first adoption.

**A3. Auditors' Report**

The audited consolidated financial statements of the Group for the financial year ended 31 December 2022 were not subject to any audit qualification.

**A4. Seasonal or Cyclical Factors**

The Group's operations are not subject to any significant seasonal or cyclical factors.

**A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the current quarter and financial year under review.



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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 AND IAS 34 (CONT'D)**

**A6. Significant Changes in Accounting Estimates**

There were no material changes in estimates that have any material effect in the current quarter and financial year under review.

**A7. Debt and Equity Securities**

Save as disclosed below, there were no issuance and repayment of debts and equity securities during the current quarter and financial year under review.

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad, the Company undertook an initial public offering (“IPO”) comprising the public issue of 173,000,000 new ordinary shares in the Company and the offer for sale of 86,700,000 ordinary shares in the Company at a price of RM0.90 per share.

The listing of and quotation for the Company’s entire issued share capital on the Main Market of Bursa Malaysia Securities Berhad was completed on 10 March 2023.

**A8. Dividends Paid**

On 21 August 2023, the Company declared a first interim single-tier dividend of 0.55 sen per ordinary share in respect of the financial year ending 31 December 2023, amounting to RM5.1 million, which was paid on 29 September 2023 to the shareholders of the Company whose names appear in the Record of Depositors on 18 September 2023. The dividend was accounted for in equity as an appropriation of retained earnings in preceding quarter.

**A9. Property, plant and equipment**

The Group acquired property, plant and equipment amounting to RM20.5 million during the financial year under review.

There were no material disposals of property, plant and equipment during the financial year under review.

**A10. Impairment losses**

There were no significant impairment losses or reversal of impairment losses arising from property, plant and equipment, financial assets or other assets during the current quarter and financial year under review.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 AND IAS 34 (CONT'D)****A11. Segment Information**

The Group is principally involved in electronics manufacturing services (“EMS”) and other related supporting goods and services. The Managing Director/Group Chief Executive Officer, who is the Group’s chief operating decision maker monitors the segment performance of electronics manufacturing services and other related supporting goods and services in aggregate due to the inter-related nature of the two revenue streams. Segmental information is not prepared as the die casting and machining segment has not met the quantitative thresholds for reporting segment.

The Group’s non-current assets located outside Malaysia are not material and therefore not separately disclosed.

**Revenue segmented by geographical markets**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited	Unaudited	Unaudited	Audited
	RM’000	RM’000	RM’000	RM’000
Asia	33,399	6,683	176,978	127,543
Americas	113,634	105,633	356,170	281,681
Europe	708	5,888	9,696	28,730
	<u>147,741</u>	<u>118,204</u>	<u>542,844</u>	<u>437,954</u>

**A12. Material Events Subsequent to the Statement of Financial Position Date**

There were no material events subsequent to the end of the current financial year under review that have not been reflected in this condensed consolidated interim financial report.

**A13. Changes in the Composition of the Group**

On 6 October 2023, the Group acquired 60% of the shares in Vectrix Mobility Pte. Ltd. for SGD600, satisfied in cash. The Company is conducting business including but not limited to selling and distribution of electrical vehicles and related accessories and infrastructures. The Company has not commenced its operation in the current quarter.

**A14. Contingent Liabilities**

There were no material contingent liabilities since the end of the last audited consolidated financial statements for the financial year ended 31 December 2022.



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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 AND IAS 34 (CONT'D)**

**A15. Capital Commitments**

	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited	Audited
	RM'000	RM'000
<b>Authorised and contracted for:</b>		
Equipment, furniture and fittings	315	-
Plant and machinery	635	11,280
Renovation and electrical installation	3,850	178
Motor vehicle	302	-
	<u>5,102</u>	<u>11,458</u>

**A16. Significant Related Party Transactions**

There were no significant related party transactions for the current quarter and financial year under review.

**A17. Derivatives**

There were no derivatives used in the current quarter and financial year under review.

**A18. Fair Value of Financial Liabilities**

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current quarter and financial year under review.

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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS****B1. Review of Performance****Current quarter against corresponding quarter**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Revenue	147,741	118,204	542,844	437,954
Profit before tax ("PBT")	12,641	9,903	57,705	40,843
Profit after tax ("PAT")	<u>5,470</u>	<u>8,933</u>	<u>44,347</u>	<u>33,540</u>
Reconciliation of PAT to normalized PAT	5,470	8,933	44,347	33,540
Add:				
Listing expenses	-	-	4,140	-
Acquisition expenses	<u>2,338</u>	<u>-</u>	<u>2,338</u>	<u>-</u>
Normalised PAT <sup>(1)</sup>	<u>7,808</u>	<u>8,933</u>	<u>50,825</u>	<u>33,540</u>

For the current quarter, the Group achieved revenue of RM147.7 million, and for the financial year-to-date, the Group achieved revenue of RM542.8 million. The Group's revenue increased in the current quarter and financial year-to-date, was mainly attributable to the increase of sales from Group's EMS segment for both industrial and consumer electronic products, particularly in wireless communication equipment and electronic cigarettes respectively. During the financial year under review, the Group successfully secured a new customer for EMS of industrial electronic products for thermal energy devices, which contributed to the positive sales momentum.

The Group's PBT increased by RM2.7 million or 27.6% in the current quarter and by RM16.9 million or 41.3% in the financial year-to-date, was mainly attributable to a favourable product mix arising from higher sales in higher margin products.

The Group's normalised PAT decreased by RM1.1 million or 12.6% in the current quarter after taking into consideration finalised tax expenses; as well as the salaries and wages, equipment expenses, and general operational costs incurred in relocation of aluminium die casting operation to new factory and establishing a new operation team for the electric vehicle business in the current quarter.

The Group's normalised PAT increased by RM17.3 million or 51.5% in the financial year-to-date reflected the increase in revenue, as well as the increase in finance income from higher interest income received and favourable exchange movement between the Malaysia Ringgit and United States Dollar.

**Note:**

<sup>(1)</sup> Normalised PAT is calculated based on the profit for the financial year plus the listing and acquisition expenses.

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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B2. Comparison with Immediate Preceding Quarter (Q3'23 vs Q4'23)**

	<b>Individual quarter</b>		<b>Variance (%)</b>
	<b>3 months ended</b>		
	<u>31.12.2023</u>	<u>30.9.2023</u>	
	Unaudited	Unaudited	
	RM'000	RM'000	
Revenue	147,741	135,976	8.7
Profit before tax ("PBT")	12,641	15,225	(17.0)
Profit after tax ("PAT")	<u>5,470</u>	<u>15,213</u>	<u>(64.0)</u>
Reconciliation of PAT to normalized PAT	5,470	15,213	(64.0)
Add:			
Acquisition expenses	<u>2,338</u>	<u>-</u>	
Normalised PAT <sup>(1)</sup>	<u>7,808</u>	<u>15,213</u>	<u>(48.7)</u>

The Group's revenue increased by RM11.8 million or 8.7%, from RM136.0 million in the preceding quarter to RM147.7 million in the current quarter. The increase was attributed to an increase in sales from industrial electronic products, particularly in wireless communication equipment and consumer electronic products, particularly in household appliances.

Despite the increase in revenue, the Group's PBT decreased by RM2.6 million or 17.0% from RM15.2 million in the preceding quarter to RM12.6 million in the current quarter after accounted for acquisition expenses of approximately RM2.3 million and costs incurred in establishing a new operation team for the electric vehicle business in current quarter as mentioned in B1. Moreover, the decline in the Group's PBT was ascribed to an unfavorable product mix resulting from increased sales of lower-margin products in the current quarter.

As a result of the above in addition to the finalised tax expenses during the current quarter, the Group's normalized PAT narrowed by 48.7% to RM7.8 million.

**Note:**

<sup>(1)</sup> Normalised PAT is calculated based on the profit for the financial period plus the acquisition expenses.





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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B3. Prospects for the Group**

The Group's strategic focus revolves around its core competency in providing EMS of industrial electronic products, complemented by its capabilities in aluminium die cast manufacturing, sourcing, procurement capabilities, marketing and distribution added services.

The Group is actively working towards adopting an asset-light manufacturing approach, combining both online and offline capabilities. This strategic shift enhances operational efficiency, reduces capital expenditure, and positions the company to quickly adapt to market changes.

The Group demonstrates a commitment to innovation through its internal innovation team. Our team, guided by professional expertise, focuses on developing intellectual property (IP) from existing resources. The resulting IP not only enhances customer loyalty but also opens opportunities for licensing agreements with other contract manufacturers, providing an additional revenue stream through royalties.

The extension of the Group's capabilities into green technology solutions aligns with the growing demand for sustainable practices. This expansion, particularly in battery pack manufacturing, not only taps into an expanding market but also reflects a commitment to environmental responsibility.

Barring any unforeseen circumstances, the Board is optimistic about the Group's performance and leveraging on its competitive advantages expects the Group's expansion to contribute positively to its financial performance in the future.

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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B4. Profit Forecast**

Not applicable as the Group did not issue any profit forecast during the financial year under review.

**B5. Taxation**

	<b>Individual quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<u>31.12.2023</u>	<u>31.12.2022</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,921	3,209	8,236	4,569
Deferred tax expense	5,291	(2,105)	5,291	2,868
Realisation of deferred tax upon depreciation of revalued assets	(41)	(134)	(169)	(134)
	<u>7,171</u>	<u>970</u>	<u>13,358</u>	<u>7,303</u>
Effective tax rate (%) <sup>(1)</sup>	56.7	9.8	23.1	17.9

**Note:**

- <sup>(1)</sup> The overall effective tax rates of 9.8% for individual and 17.9% for cumulative quarter ended 31 December 2022 were lower mainly due to higher deferred tax asset on reinvestment allowance were recognised as compared quarter ended 31 December 2023.

The higher effective tax rates of 56.7% for individual quarter ended 31 December 2023 mainly attributable to the under provision of tax liabilities in preceding quarters.



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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B6. Status of Corporate Proposals**

The Company had, on 18 September 2023, entered into a conditional stock purchase agreement (“SPA”) with (a) Turker Hidirlar and Rabia Hidirlar, being the trustees of the Hidirlar Family Trust dated September 2, 2011; (b) Richard Muehling, being the trustee of the Rabia Hidirlar Investment Trust dated August 25, 2023; (c) Turker Hidirlar; and (d) Low Kim Teck Henry (collectively, the “Sellers”) for the proposed acquisition by the Company of 50,072 common stock in iConn Inc. (“iConn”), representing all the issued capital stock in iConn, for a total cash consideration of USD16.5 million (equivalent to approximately RM76.6 million), subject to the adjustments as set out in the SPA.

The Company has completed the private placement of 69,000,000 new ordinary shares in Cape EMS (“Placement Shares”) on 12 December 2023, representing approximately 7.5% of the total number of existing Cape EMS Shares (excluding treasury shares) to independent third-party investor at the issue price of RM1.07 per Placement Share.

On 15 December 2023, all the conditions precedent under the SPA has been fulfilled or waived. Accordingly, the SPA has become unconditional in accordance with its terms and conditions. The acquisition was subsequently completed on 26 January 2024 in accordance with the terms and conditions of the SPA.



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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B7. Utilisation of Proceeds from the Public Issue**

The gross proceeds from the Public Issue of RM155,700,000 are expected to be used in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of Listing	Proposed utilisation	Re-allocation	Actual utilisation up to 31.12.2023	Balance unutilised
		RM'000	RM'000	RM'000	RM'000
Construction of New Senai 226 Warehouse and installation of automated storage facilities	Within 48 months	53,105	-	(74)	53,031
Setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations	Within 24 months	62,810	-	-	62,810
Installation of energy saving cooling system	Within 24 months	3,688	-	-	3,688
Purchase of new machinery and equipment for die cast manufacturing related services	Within 12 months	4,599	-	(297)	4,302
Working capital	Within 12 months	20,498	1,479 <sup>(1)</sup>	(21,193)	784
Estimated listing expenses	Within 3 months	11,000	(1,479) <sup>(1)</sup>	(9,521)	-
<b>Total estimated proceeds</b>		<b>155,700</b>	<b>-</b>	<b>(31,085)</b>	<b>124,615</b>

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company.

**Note:**

<sup>(1)</sup> The unutilised balance of RM1.5 million allocated for estimated listing expenses were allocated to working capital.

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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B8. Borrowings and Lease Liabilities**

	<u>31.12.2023</u> Unaudited RM'000	<u>31.12.2022</u> Audited RM'000
<b>Borrowings</b>		
<i>Secured:</i>		
<u>Current</u>		
Term loans	15,911	6,837
Bank overdrafts	2,817	6,430
Short-term financing	44,900	51,094
	<u>63,628</u>	<u>64,361</u>
<u>Non-current</u>		
Term loans	100,905	74,246
	<u>164,533</u>	<u>138,607</u>
 Borrowings denominated in the following currencies:		
Ringgit Malaysia	141,447	108,825
United States Dollar	23,086	29,782
	<u>164,533</u>	<u>138,607</u>
 <b>Lease liabilities</b>		
Current	4,810	10,126
Non-current	9,204	43,160
	<u>14,014</u>	<u>53,286</u>

**B9. Material litigation**

The Group is not engaged in any material litigation, claim and/or arbitration, whether as plaintiff or defendant, which might materially and adversely affect the financial or business position of the Group.

**B10. Dividends**

On 20 November 2023, the Company declared a second interim single-tier dividend of 0.55 sen per ordinary share in respect of the financial year ending 31 December 2023, amounting to RM5.1 million, which was paid on 2 February 2024 to the shareholders of the Company whose names appear in the Record of Depositors on 19 January 2024. The dividend was accounted for in equity as an appropriation of retained earnings in the current quarter.

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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B11. Earnings per share (“EPS”)**

The basic and diluted EPS for the current quarter and financial year under review is computed as follows:

	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 12 months ended</b>	
	<u>31.12.2023</u> Unaudited RM'000	<u>31.12.2022</u> Unaudited RM'000	<u>31.12.2023</u> Unaudited RM'000	<u>31.12.2022</u> Audited RM'000
Profit attributable to the owners of the Company	5,470	8,933	44,347	33,540
Weighted average number of ordinary shares in issue (basic) (unit)	992,000 <sup>(1)</sup>	750,000 <sup>(1)</sup>	893,888 <sup>(1)</sup>	524,548 <sup>(2)</sup>
Basic EPS (sen)	<u>0.55</u>	<u>1.19</u>	<u>4.96</u>	<u>6.39</u>

**Note:**

- <sup>(1)</sup> Calculated on the basis of the weighted average of 750,000,000 ordinary shares before listing, 923,000,000 ordinary shares after the listing of Company on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023 and 992,000,000 ordinary shares after the private placement of 69,000,000 new ordinary shares on the Main Market of Bursa Malaysia Securities Berhad on 12 December 2023.
- <sup>(2)</sup> Calculated on the basis of the weighted average of 40,000,000 ordinary shares before conversion of irredeemable convertible preference shares, 50,000,000 ordinary shares after conversion of irredeemable convertible preference shares on 20 April 2022 and 750,000,000 ordinary shares after the share split on 27 April 2022.
- <sup>(3)</sup> The Company does not have any dilutive potential ordinary shares as at end of the current quarter and financial year under review.

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**PART B: ADDITIONAL INFORMATION REQUIRED PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B12. Profit before tax <sup>(1)</sup>**

	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 12 months ended</b>	
	<u>31.12.2023</u> Unaudited RM'000	<u>31.12.2022</u> Unaudited RM'000	<u>31.12.2023</u> Unaudited RM'000	<u>31.12.2022</u> Audited RM'000
Depreciation of property, plant and equipment	4,111	2,743	16,221	9,867
Depreciation of right-of-use assets	1,077	2,140	3,974	8,426
Expenses relating to short-term leases	417	249	989	639
Finance costs	2,575	2,669	10,980	8,788
Fair value gain on financial assets measured at fair value through profit or loss	(567)	-	(1,242)	-
Finance income	(816)	(25)	(3,063)	(97)
Foreign exchange (gain)/loss:				
- realised	(795)	(2,259)	(836)	(4,739)
- unrealised	(2,093)	(1,766)	(2,101)	4,025

**Note:**

<sup>(1)</sup> Save as disclosed above, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.