



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

**INTERIM FINANCIAL REPORT**  
**THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2024 <sup>(1)</sup>**

	Note	<u>30.9.2024</u> Unaudited RM'000	<u>31.12.2023</u> Audited RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		264,189	239,438
Intangible assets	A13	63,490	-
Goodwill on acquisition	A13	22,680	6,244
Total non-current assets		<u>350,359</u>	<u>245,682</u>
<b>Current assets</b>			
Inventories		61,886	65,503
Trade receivables		272,807	177,584
Other receivables		33,118	74,731
Current tax assets		882	572
Fixed deposits with licensed banks		4,147	31,180
Other investments		60,651	101,832
Cash and bank balances		75,526	76,589
Total current assets		<u>509,017</u>	<u>527,991</u>
<b>Total assets</b>		<u><u>859,376</u></u>	<u><u>773,673</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital <sup>(2)</sup>		324,021	324,021
Exchange translation reserve		651	1,217
Revaluation reserve		26,206	26,650
Retained profits		100,256	103,301
Total equity attributable to owners of the Company		451,134	455,189
Non-controlling interests		778	(33)
<b>Total equity</b>		<u>451,912</u>	<u>455,156</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	B8	7,496	9,204
Loans and borrowings	B8	92,549	100,905
Deferred tax liabilities		13,877	14,018
Total non-current liabilities		<u>113,922</u>	<u>124,127</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2024 <sup>(1)</sup> (CONT'D)**

		<u>30.9.2024</u>	<u>31.12.2023</u>
	Note	Unaudited RM'000	Audited RM'000
<b>EQUITY AND LIABILITIES (CONT'D)</b>			
<b>Liabilities (Cont'd)</b>			
<b>Current liabilities</b>			
Trade payables		123,494	102,531
Other payables		40,156	17,681
Amount due to related party		53	74
Lease liabilities	B8	2,575	4,810
Loans and borrowings	B8	124,397	63,628
Current tax liabilities		2,867	5,666
		<hr/>	<hr/>
Total current liabilities		293,542	194,390
		<hr/>	<hr/>
<b>Total liabilities</b>		407,464	318,517
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		859,376	773,673
		<hr/> <hr/>	<hr/> <hr/>
<b>Net assets per share attributable to owners of the Company (RM) <sup>(3)</sup></b>		<hr/> <hr/> 0.46	<hr/> <hr/> 0.46

**Note:**

- (1) 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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.
- (2) Based on 992,000,000 ordinary shares in issue as at 31 December 2023 and 30 September 2024
- (3) 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.

**CAPE EMS BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 <sup>(1)</sup>**

	Note	Individual quarter		Cumulative quarter	
		3 months ended		9 months ended	
		<u>30.9.2024</u>	<u>30.9.2023</u>	<u>30.9.2024</u>	<u>30.9.2023</u>
		Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	A11	141,950	135,976	462,999	395,103
Cost of sales		<u>(133,069)</u>	<u>(114,723)</u>	<u>(403,985)</u>	<u>(330,653)</u>
Gross profit		8,881	21,253	59,014	64,450
Other income		740	1,343	1,818	5,895
Finance income		643	631	2,096	2,247
Administration expenses		(13,282)	(5,103)	(32,055)	(17,795)
Distribution costs		(824)	(205)	(2,151)	(482)
Other expenses		(15,291)	-	(12,683)	(847)
Finance costs		<u>(3,313)</u>	<u>(2,694)</u>	<u>(8,268)</u>	<u>(8,406)</u>
(Loss)/Profit before tax	B12	(22,446)	15,225	7,771	45,062
Income tax credit/(expense)	B5	<u>3,344</u>	<u>(12)</u>	<u>(4,251)</u>	<u>(6,187)</u>
(Loss)/Profit for the financial period		<u>(19,102)</u>	<u>15,213</u>	<u>3,520</u>	<u>38,875</u>
<b>Other comprehensive (loss)/ income, net of tax</b>					
<b>Items that will not be reclassified</b>					
<b>subsequently to profit or loss</b>					
Realisation of revaluation reserve upon depreciation of revalued assets		148	136	444	405
Transfer of revaluation reserve to retained profits		(148)	(136)	(444)	(405)
Foreign currency translation differences for foreign operation, net of tax		<u>(1,411)</u>	<u>201</u>	<u>(566)</u>	<u>1,850</u>
<b>Other comprehensive (loss)/ income for the financial period</b>		<u>(1,411)</u>	<u>201</u>	<u>(566)</u>	<u>1,850</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 <sup>(1)</sup> (CONT'D)**

	Note	Individual quarter		Cumulative quarter	
		3 months ended		9 months ended	
		30.9.2024	30.9.2023	30.9.2024	30.9.2023
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
<b>Total comprehensive (loss)/income for the financial period</b>		<u>(20,513)</u>	<u>15,414</u>	<u>2,954</u>	<u>40,725</u>
<b>(Loss)/Profit attributable to:-</b>					
Owners of the Company		(18,951)	15,213	3,157	38,875
Non-controlling interests		<u>(151)</u>	<u>-</u>	<u>363</u>	<u>-</u>
<b>(Loss)/Profit for the financial period</b>		<u>(19,102)</u>	<u>15,213</u>	<u>3,520</u>	<u>38,875</u>
<b>Total comprehensive (loss)/income attributable to:-</b>					
Owners of the Company		(20,362)	15,414	2,591	40,725
Non-controlling interests		<u>(151)</u>	<u>-</u>	<u>363</u>	<u>-</u>
<b>Total comprehensive (loss)/income for the financial period</b>		<u>(20,513)</u>	<u>15,414</u>	<u>2,954</u>	<u>40,725</u>
<b>Earnings per share</b>					
- Basic (sen)	B11	<u>(1.91)</u>	<u>1.65</u>	<u>0.32</u>	<u>4.42</u>
- Diluted (sen)		<u>(1.91)</u>	<u>1.65</u>	<u>0.32</u>	<u>4.42</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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 <sup>(1)</sup>**

	← Attributable to owners of the Company →				
	Share capital	Exchange translation reserve	Revaluation reserve	Retained profits	Total equity
<b>Unaudited</b>	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2023	100,000	420	25,683	68,922	195,025
<b>Transaction with owners:</b>					
Shares issued	155,700	-	-	-	155,700
Share issuance expenses	(4,726)	-	-	-	(4,726)
Dividends	-	-	-	(5,076)	(5,076)
Total transaction with owners	150,974	-	-	(5,076)	145,898
Profit for the financial period	-	-	-	38,875	38,875
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	(405)	405	-
Other comprehensive income for the financial period	-	1,850	-	-	1,850
Total comprehensive income for the financial period	-	1,850	(405)	39,280	40,725
Balance at 30 September 2023	250,974	2,270	25,278	103,126	381,648

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 <sup>(1)</sup> (CONT'D)

	← Attributable to owners of the Company →				Total	Non-controlling interests	Total equity
	Share capital	Non-distributable Exchange translation reserve	Revaluation reserve	Distributable Retained profits			
Unaudited	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2024	324,021	1,217	26,650	103,301	455,189	(33)	455,156
<b>Transaction with owners:</b>							
Acquisition of subsidiary	-	-	-	-	-	448	448
Dividends	-	-	-	(6,646)	(6,646)	-	(6,646)
Total transaction with owners	-	-	-	(6,646)	(6,646)	448	(6,198)
Profit for the financial period	-	-	-	3,157	3,157	363	3,520
Realisation of revaluation reserve upon depreciation of revalued assets	-	-	(444)	444	-	-	-
Other comprehensive loss for the financial period	-	(566)	-	-	(566)	-	(566)
Total comprehensive income for the financial period	-	(566)	(444)	3,601	2,591	363	2,954
Balance at 30 September 2024	324,021	651	26,206	100,256	451,134	778	451,912

**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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 <sup>(1)</sup>**

	<b>9 months ended</b>	
	<u>30.9.2024</u> Unaudited RM'000	<u>30.9.2023</u> Unaudited RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	7,771	45,062
<b>Adjustments for:-</b>		
Amortisation of intangible assets	4,400	-
Depreciation of property, plant and equipment	13,654	12,110
Depreciation of right-of-use assets	4,227	2,897
Fair value gain on financial assets measured at fair value through profit or loss ("FVTPL")	(1,713)	(675)
Impairment loss on trade receivables	4,431	-
Interest expense	7,818	7,133
Interest income	(2,096)	(2,247)
Lease liabilities interest expense	450	1,273
Unrealised loss/(gain) on foreign exchange	7,673	(4,194)
Operating profit before working capital changes	46,615	61,359
<b>Changes in working capital:-</b>		
Inventories	10,827	(32,803)
Receivables	(99,036)	(128,059)
Payables	26,822	116,142
Related parties	(21)	(11)
Cash flows (used in)/generated from operations	(14,793)	16,628
Tax paid	(7,584)	(3,760)
Net cash flows (used in)/generated from operating activities	(22,377)	12,868
<b>INVESTING ACTIVITIES</b>		
Interest received	2,096	2,177
Purchase of property, plant and equipment	(48,403)	(12,156)
Acquisition of subsidiary	(22,610)	-
Fair value gain on financial assets measured at FVTPL	1,713	-
Net cash flows used in investing activities	(67,204)	(9,979)



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 <sup>(1)</sup> (CONT'D)**

	<b>9 months ended</b>	
	<u>30.9.2024</u>	<u>30.9.2023</u>
	Unaudited	Unaudited
	RM'000	RM'000
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(12,102)	(5,076)
Interest paid	(7,818)	(7,133)
Proceeds from issuance of share capital	-	150,974
Lease liabilities interest paid	(450)	(1,273)
Net short-term borrowings	98,415	(5,926)
Placement of a fixed deposit pledged to a licensed bank	(628)	(3,690)
Repayment of term loans	(45,577)	(7,323)
Repayment of lease liabilities - principal portion	(8,866)	(4,536)
	<hr/>	<hr/>
Net cash flows generated from financing activities	22,974	116,017
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(66,607)	118,906
Effect of exchange rate changes	(2,962)	2,190
At beginning of period	202,926	25,665
	<hr/>	<hr/>
At end of period	133,357	146,761
	<hr/> <hr/>	<hr/> <hr/>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	75,526	48,771
Fixed deposits with licensed banks	4,147	12,999
Other investments	60,651	100,968
Bank overdrafts	(2,397)	(2,978)
	<hr/>	<hr/>
	137,927	159,760
Less: Fixed deposits with licensed banks pledged to banks	(4,147)	(12,999)
Less: Secured bank guarantee	(423)	-
	<hr/>	<hr/>
	133,357	146,761
	<hr/> <hr/>	<hr/> <hr/>

**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 2023 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 2023 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 2023, except for the adoption of the following new accounting standards, interpretations and amendments issued by Malaysian Accounting Standards Board (“MASB”).

**Amendments to MFRS adopted during the financial period**

The Group has applied the following new standards/amendments/improvements to MFRSs which are mandatory for the financial 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
- 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

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

**MFRS and amendments to MFRS**

The following are MFRS and 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 MFRS and amendments to the published standards, if applicable, when they become effective in the respective period.

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

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



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

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

**MFRS and amendments to MFRS (Cont'd)**

**(b) Effective for financial period beginning on or after 1 January 2026**

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 – Financial Instruments and MFRS 7 – Financial Instruments: Disclosures)

**(c) Effective for financial period beginning on or after 1 January 2027**

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

**(d) 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 MFRS and amendments to be published standards is not expected to have any material impact on the financial statements of the Group, except for:

**MFRS 18 – Presentation and Disclosure in Financial Statements**

On 14 June 2024, MASB issued new standard MFRS 18 which replaces MFRS 101, MFRS 18 continues the general requirements from MFRS 101, enhancing guidance for grouping information through aggregation and disaggregation across all primary financial statements and notes. The standard provides structured summaries of assets, liabilities, equity, income, expenses, and cash flows.

In the statement of profit or loss, MFRS 18 introduces two new defined subtotals: operating profit and profit before financing and income taxes. Additionally, it categorises income and expenses into operating, investing, financing, income taxes and discontinued operations.

Limited changes are introduced to specific requirements for the statement of cash flows and the statement of financial position. There are no changes to the specific requirements for the statement of comprehensive income and the statement of changes in equity.

The notes to the financial statements will include material information that supplements the primary financial statements, with new and amended disclosures such as management-defined performance measures and specified expenses by nature. The information presented in the primary financial statements and notes will be clearly linked to ensure consistency and transparency.

MFRS 18 must be applied retrospectively and are applicable for annual period beginning on or after 1 January 2027 with earlier application permitted.

The Group is currently assessing the impact of the MFRSs to determine the impact they will have on the Group's financial statement's disclosures.



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

**A3. Auditors' Report**

The audited consolidated financial statements of the Group for the financial year ended 31 December 2023 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 period under review.

**A6. Significant Changes in Accounting Estimates**

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

**A7. Debt and Equity Securities**

There was no issuance and repayment of debts and equity securities during the current quarter and financial period under review.

**A8. Dividends Paid**

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 ended 31 December 2023, amounting to RM5.5 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 profits in the preceding quarter.

On 21 May 2024, the Company declared a first single-tier interim dividend of 0.67 sen per ordinary share in respect of the financial year ending 31 December 2024, amounting to RM6.6 million, which was paid on 15 August 2024 to the shareholders of the Company whose names appear in the Record of Depositors on 29 July 2024. The dividend was accounted for in equity as an appropriation of retained profits in the current quarter.

**A9. Property, plant and equipment**

The Group acquired property, plant and equipment amounting to RM48.40 million during the financial period under review.

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



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

**A10. Impairment losses**

Saved as disclosed in Note B12, there were no other 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 period under review.

**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>9 months ended</b>	
	<u>30.9.2024</u>	<u>30.9.2023</u>	<u>30.9.2024</u>	<u>30.9.2023</u>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM’000	RM’000	RM’000	RM’000
Asia	58,427	26,508	189,824	143,579
Americas	71,796	107,528	258,041	242,536
Europe	<u>11,727</u>	<u>1,940</u>	<u>15,134</u>	<u>8,988</u>
	<u>141,950</u>	<u>135,976</u>	<u>462,999</u>	<u>395,103</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 period under review that have not been reflected in this condensed consolidated interim financial report.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 AND IAS 34 (CONT'D)****A13. Changes in the Composition of the Group**

On 26 January 2024, the Group acquired 100% of the issued share capital and voting rights of iConn Inc. (“iConn”), a company incorporated and based in United States of America for a total consideration of USD 16.5 million (approximately RM76.6 million).

The acquisition of iConn, which specialises in virtual manufacturing services such as design for manufacturing, engineering, and sourcing, complements and enhances Group’s EMS operations. This integration broadens the Group’s service offerings and is expected to strengthen Group’s market position by increasing attractiveness to current and prospective customers.

As of the financial period under review, the measurement of the fair value of identifiable assets acquired and liabilities assumed is ongoing. Therefore, the allocation of purchase price was based upon a preliminary valuation, and the estimates and assumptions used are subject to change within the one-year measurement period.

Summary of effects of the acquisition on the statement of financial position of the Group is illustrated as follows:

<b>The provisional fair values of the identifiable assets and liabilities relating to acquisition:</b>	<b>Total fair value recognized on acquisition of iConn RM'000</b>
<b>Assets</b>	
Property, plant and equipment	374
Right-of-use assets	3,312
Inventories	7,210
Trade and other receivables	16,990
Cash and cash equivalents	1,908
<b>Total assets</b>	<b>29,794</b>
<b>Liabilities</b>	
Trade and other payables	(27,164)
Lease liabilities	(3,406)
Loans and borrowings	(2,489)
Other non-current liabilities	(1,285)
Current tax liabilities	(878)
<b>Total liabilities</b>	<b>(35,222)</b>
Total identifiable net liabilities acquired	(5,428)
Intangible assets	63,490
Goodwill on acquisition	16,436
Purchase consideration	74,498
Purchase consideration	74,498
Deposit paid in FYE2023	(49,980)
Cash and cash equivalents acquired	(1,908)
Net cash outflow on acquisition	22,610



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

**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 2023.

**A15. Commitments**

	<u>30.9.2024</u> Unaudited RM'000	<u>31.12.2023</u> Audited RM'000
<b>Authorised and contracted for:</b>		
Equipment, furniture and fittings	1,129	227
Motor vehicle	-	302
Plant and machinery	1,549	722
Renovation and electrical installation	1,120	3,850
	<u>3,798</u>	<u>5,101</u>

**A16. Significant Related Party Transactions**

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

**A17. Derivatives**

There were no derivatives used in the current quarter and financial period 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 period 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>9 months ended</b>	
	<u>30.9.2024</u>	<u>30.9.2023</u>	<u>30.9.2024</u>	<u>30.9.2023</u>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	141,950	135,976	462,999	395,103
(Loss)/Profit before tax ("LBT"/"PBT")	(22,446)	15,225	7,771	45,062
(Loss)/Profit after tax ("LAT"/"PAT")	(19,102)	15,213	3,520	38,875

The Group achieved revenue of RM142.0 million for the current quarter and RM463.0 million for the financial period-to-date. The Group's increased revenue in the current quarter and the financial period-to-date was mainly attributable to the increase in revenue from the newly acquired subsidiary and mitigated by the decrease in revenue from the Group's EMS segment for consumer electronic products, particularly in electronic cigarettes.

The Group recorded LBT of RM22.4 million in the current quarter as compared to Group's PBT of RM15.2 million recorded in the preceding year. This decrease in the current quarter was mainly due to a reduced gross profit margin, impacted by the customers' cost down for both industrial and consumer electronic products, particularly on wireless communication equipment and electronic cigarettes respectively. Additionally, the LBT in the current quarter was further contributed by the unrealised foreign exchange loss of RM12.6 million due to strengthening of the Malaysian Ringgit, amortisation of intangible assets of RM4.4 million as well as the impairment loss on trade receivables of RM2.2 million during 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)****B2. Comparison with Immediate Preceding Quarter (Q2'24 vs Q3'24)**

	Individual quarter 3 months ended		Variance (%)
	<u>30.9.2024</u> Unaudited RM'000	<u>30.6.2024</u> Unaudited RM'000	
Revenue	141,950	166,566	(14.8)
(Loss)/Profit before tax ("LBT"/"PBT")	(22,446)	12,159	(284.6)
(Loss)/Profit after tax ("LAT"/"PAT")	(19,102)	9,158	(308.6)

The Group's revenue decreased by RM24.6 million or 14.8%, from RM166.6 million in the preceding quarter to RM142.0 million in the current quarter. The decrease was attributed to the decrease in revenue arising from consumer electronic products, particularly in electronic cigarettes and household appliances.

The Group recorded LBT of RM22.4 million in the current quarter as compared to PBT of RM12.2 million in the preceding quarter. This decrease in the current quarter was mainly due to a reduced gross profit margin, impacted by the customers' cost down for both industrial and consumer electronic products, particularly on wireless communication equipment and electronic cigarettes respectively. Additionally, the LBT in the current quarter was further contributed by the unrealised foreign exchange loss of RM12.6 million due to strengthening of the Malaysian Ringgit, amortisation of intangible assets of RM4.4 million as well as the impairment loss on trade receivables of RM2.2 million during the current quarter.

As a result of the above in addition to the reversal of tax provision during the current quarter, the Group's LAT narrowed to RM19.1 million.



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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 our core competency in providing EMS covering both industrial and consumer electronic products. It is further complemented by our capabilities in aluminium die cast manufacturing, providing sourcing, procurement expertise, marketing and distribution added services to our client.

With iConn Inc. integrated into our Group, we are transitioning to an asset-light manufacturing model, incorporating both online and offline capabilities to increase efficiency, reduce capital expenditures, and enhance our responsiveness to the evolving market landscape. Innovation remains a cornerstone of our strategy, with our team actively developing intellectual property to strengthen customer loyalty and generate licensing revenue. Additionally, we are expanding into green technology solutions, particularly in battery pack manufacturing, to meet the growing demand for sustainability and reinforce our commitment to environmental responsibility.

Despite navigating a challenging global landscape characterised by factors beyond our control including the ongoing US-China trade tensions, global geopolitical conflicts and the uncertain US Dollar movement, we remain vigilant in managing our business. We are still committed and focused on boosting our efficiency, competitiveness, and ability to quickly adapt to unexpected market shifts.

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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 period under review.

**B5. Taxation**

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	<u>30.9.2024</u> Unaudited RM'000	<u>30.9.2023</u> Unaudited RM'000	<u>30.9.2024</u> Unaudited RM'000	<u>30.9.2023</u> Unaudited RM'000
Current tax (credit)/expense	(3,297)	55	4,391	6,315
Realisation of deferred tax upon depreciation of revalued assets	(47)	(43)	(140)	(128)
	<u>(3,344)</u>	<u>12</u>	<u>4,251</u>	<u>6,187</u>
Effective tax rate (%)	14.9 <sup>(1)</sup>	0.1	54.7 <sup>(2)</sup>	13.7

**Note:**

- (1) The overall effective tax rate of 14.9% for individual quarter ended 30 September 2024 was net income tax credit due to the current tax credit arising from the reversal of tax provision in previous quarters.
- (2) The overall effective tax rate of 54.7% for cumulative quarter ended 30 September 2024 was higher than the statutory tax rate mainly due to higher income tax rates applied for the newly acquired subsidiary and certain non-deductible expenses recorded in the current quarter.

**B6. Status of Corporate Proposals**

There was no outstanding uncompleted corporate proposal for the current quarter and financial period under review.

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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:

<b>Details of use of proceeds</b>	<b>Estimated timeframe for use from the date of Listing</b>	<b>Proposed utilisation RM'000</b>	<b>Re-allocation RM'000</b>	<b>Actual utilisation up to 30.9.2024 RM'000</b>	<b>Balance unutilised RM'000</b>
Construction of New Senai 226 Warehouse and installation of automated storage facilities	Within 48 months	53,105	-	(100)	53,005
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	-	(2,194)	1,494
Purchase of new machinery and equipment for die cast manufacturing related services	Within 12 months	4,599	(768) <sup>(2)</sup>	(3,831)	-
Working capital	Within 12 months	20,498	2,247 <sup>(1)(2)</sup>	(22,745)	-
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>(38,391)</b>	<b>117,309</b>

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 16 February 2023.

**Note:**

- (1) The unutilised balance of RM1.5 million allocated for estimated listing expenses was reallocated to working capital.
- (2) The unutilised balance of RM0.8 million allocated for the purchase of new machinery and equipment for die cast manufacturing related services was reallocated 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>30.9.2024</u> Unaudited RM'000	<u>31.12.2023</u> Audited RM'000
<b>Borrowings</b>		
<i>Secured:</i>		
<u>Current</u>		
Term loans	17,227	15,911
Bank overdrafts	2,397	2,817
Short-term financing	104,773	44,900
	<u>124,397</u>	<u>63,628</u>
<u>Non-current</u>		
Term loans	92,549	100,905
	<u>216,946</u>	<u>164,533</u>
 Borrowings denominated in the following currencies:		
Ringgit Malaysia	177,035	141,447
United States Dollar	39,911	23,086
	<u>216,946</u>	<u>164,533</u>
 <b>Lease liabilities</b>		
Current	2,575	4,810
Non-current	7,496	9,204
	<u>10,071</u>	<u>14,014</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**

There is no dividend declared or recommended during the current quarter and financial period under review.

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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 period under review are computed as follows:

	<b>Individual quarter 3 months ended</b>		<b>Cumulative quarter 9 months ended</b>	
	<u>30.9.2024</u> Unaudited RM'000	<u>30.9.2023</u> Unaudited RM'000	<u>30.9.2024</u> Unaudited RM'000	<u>30.9.2023</u> Unaudited RM'000
(Loss)/Profit attributable to owners of the Company	(18,951)	15,213	3,157	38,875
Weighted average number of ordinary shares in issue (basic) (unit)	992,000 <sup>(1)</sup>	923,000 <sup>(2)</sup>	992,000 <sup>(1)</sup>	879,434 <sup>(2)</sup>
Basic EPS (sen)	<u>(1.91)</u>	<u>1.65</u>	<u>0.32</u>	<u>4.42</u>

**Note:**

- <sup>(1)</sup> Calculated on the basis of 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 750,000,000 ordinary shares before listing and 923,000,000 ordinary shares after the listing of Company on the Main Market of Bursa Malaysia Securities Berhad on 10 March 2023.
- <sup>(3)</sup> The Company does not have any dilutive potential ordinary shares as at end of the current quarter and financial period 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. (Loss)/Profit before tax <sup>(1)</sup>**

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	<u>30.9.2024</u> Unaudited RM'000	<u>30.9.2023</u> Unaudited RM'000	<u>30.9.2024</u> Unaudited RM'000	<u>30.9.2023</u> Unaudited RM'000
Amortisation of intangible assets	4,400	-	4,400	-
Depreciation of property, plant and equipment	4,814	4,485	13,654	12,110
Depreciation of right-of-use assets	1,406	460	4,227	2,897
Impairment loss on trade receivables	2,218	-	4,431	-
Expenses relating to short-term leases	859	276	2,360	572
Finance costs	3,313	2,694	8,268	8,406
Fair value gain on financial assets measured at FVTPL	(692)	(671)	(1,713)	(675)
Finance income	(643)	(631)	(2,096)	(2,247)
Foreign exchange loss/(gain):				
- realised	504	(888)	577	(41)
- unrealised <sup>(2)</sup>	12,568	298	7,673	(4,194)

**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.

<sup>(2)</sup> Monetary assets and liabilities denominated in foreign currencies are translated into the reporting currency using the exchange rate in effect at the reporting date, which is the closing rate as of 30 September 2024. Any exchange rate movements between the Malaysian Ringgit and the US Dollar, Chinese Yuan or Singapore Dollar will affect the unrealised foreign exchange gain or loss towards the end of financial year.