



NEWS RELEASE

FOR IMMEDIATE RELEASE

Cape EMS Continues to Generate Revenue for Q3 2024 Despite Challenging Market Conditions

JOHOR, NOVEMBER 19, 2024 — Cape EMS Berhad (“CEB”), a leading electronic manufacturing services provider, announced its financial results for the third quarter ended 30 September 2024 (“Q3 FY2024”). The Group reported a revenue of RM141.95 million, which marks an increase of 4% from RM135.98 million in the corresponding quarter last year, demonstrating resilience despite facing a volatile global market environment and weaker USD against MYR.

CEB’s profitability, however, was impacted primarily by a reduced gross profit margin due to customers’ cost down for industrial and consumer electronic products, 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, the Group recorded a loss before tax of RM22.4 million for Q3 FY2024, while Loss After Tax stood at RM19.1 million.

For the nine-month period ended 30 September 2024 (“9M FY2024”), the Group reported a revenue of RM462.99 million, an increase from RM395.10 million in 9M FY2023, marking a growth of 17.2%. This growth was largely driven by consistent contributions from both the industrial and consumer electronic segments, as well as strategic efforts to expand market reach and integrate new capabilities. PBT for 9M FY2024 was RM7.8 million, while PAT for 9M FY2024 was RM3.5 million.

The Group’s performance reflects a combination of both strengths and challenges. The integration of iConn Inc. has been a significant milestone, contributing to a shift towards an asset-light manufacturing model with both online and offline capabilities, which has helped the Group drive efficiency and reduce capital expenditures. Despite the pressures on margins, Cape EMS has remained focused on enhancing operational efficiency and expanding its market reach, positioning itself well for future growth. CEB continues to leverage its core competencies in Electronics Manufacturing Services (EMS), enhanced by its aluminium die-cast manufacturing capability.

Christina Tee Kim Chin, Managing Director and Group Chief Executive Officer of Cape EMS Berhad, said, “Our year-over-year revenue growth in Q3 FY24 is a clear indication of our resilience in a competitive operating landscape. The successful integration of iConn Inc. has not only enhanced our service offerings but has also positioned us well to adopt an asset-light manufacturing model. Moving forward, we will continue to prioritise innovation, operational efficiency, and a strategic focus on expanding into green technology solutions, particularly in battery pack manufacturing, which aligns with our long-term commitment to sustainability.”

Outlook

Looking ahead, the Group remains committed to improving operational efficiency, with focused initiatives to mitigate rising costs. CEB remains cautiously optimistic as it navigates a dynamic global environment shaped by geopolitical and economic uncertainties. “The journey ahead will continue to have its challenges. With strategic financial health management coupled with being vigilant and adaptive, there are tremendous prospects and gains to be reaped. We are positioning Cape EMS to diversify our offerings and strengthen our core business in both domestic and international markets, and we are confident we will deliver sustainable value to our shareholders,” Tee concluded.

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About Cape EMS Berhad

Cape EMS Berhad, stands at the forefront of providing vertically integrated Electronics Manufacturing Services (EMS). As a distinguished investment holding company, Cape EMS specializes in a comprehensive range of EMS solutions that span from initial product design and development to final assembly and testing. This vertical integration approach enables Cape EMS to offer end-to-end solutions, ensuring greater control over quality, cost-efficiency, and supply chain reliability.

In addition to our core EMS offerings, our operations extend to advanced precision metal fabrication integrated within its EMS model, further augmenting our ability to deliver intricate and custom-designed electronics products. Our expansive service portfolio caters to a diverse clientele, predominantly in the industrial and consumer sectors, and extends across major markets in the U.S.A, Europe, and the Asia Pacific.

Cape EMS's commitment to innovation, quality, and customer satisfaction is the cornerstone of its success, positioning it as a leader in the global EMS industry. We continuously strive to advance our capabilities and expand our reach to meet the evolving needs of our customers and the dynamic technology landscape.

For more information about our services and capabilities, please visit <https://www.cape-group.com.my/>.