

**THIS CIRCULAR TO SHAREHOLDERS OF CAPE EMS BERHAD (“CAPE” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- (I) **PROPOSED VARIATION OF THE UTILISATION OF PROCEEDS PREVIOUSLY RAISED FROM THE INITIAL PUBLIC OFFERING OF THE COMPANY (“PROPOSED VARIATION”); AND**
  - (II) **PROPOSED PRIVATE PLACEMENT OF UP TO 114,080,000 NEW ORDINARY SHARES IN CAPE TO INDEPENDENT THIRD-PARTY INVESTORS TO BE IDENTIFIED LATER AND AT AN ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED PRIVATE PLACEMENT”)**
- (COLLECTIVELY, THE “PROPOSALS”)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser**



**TA SECURITIES HOLDINGS BERHAD**  
(Registration No. 197301001467 (14948-M))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company (“**EGM**”) will be held at Ballroom 1, Imperial Lexis Kuala Lumpur, No. 15, Jalan Kia Peng, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 25 November 2025 at 11.00 a.m. or immediately after the conclusion of the 2025 Annual General Meeting of the Company, which is scheduled to be held at the same venue and on the same day at 10.00 a.m., whichever is later or at any adjournment thereof. The Notice of EGM together with the Form of Proxy and this Circular are available at the Company’s website at [www.cape-group.com.my](http://www.cape-group.com.my).

If you are unable to participate in the EGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) must be deposited at the Company’s Share Registrar’s office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia or electronically lodged via facsimile to 03-2094 9940/ 03-2095 0292 or by email to [info@sshshb.com.my](mailto:info@sshshb.com.my) not less than forty-eight (48) hours before the date and time for holding the EGM indicated below. The completion and lodging of the Form of Proxy will not preclude a shareholder from attending and voting at the EGM should the shareholder subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last date and time for lodging the Form of Proxy	: Sunday, 23 November 2025 at 11.00 a.m.
Date and time of the EGM	: Tuesday, 25 November 2025 at 11.00 a.m. or immediately after the conclusion of the 2025 Annual General Meeting of the Company, which is scheduled to be held at the same venue and on the same day at 10.00 a.m., whichever is later or at any adjournment thereof

This Circular is dated 7 November 2025

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

<b>Act</b>	:	Companies Act 2016, as amended from time to time including any re-enactment thereof
<b>Board</b>	:	The Board of Directors of Cape
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
<b>By-Laws</b>	:	The by-laws governing the SIS
<b>Cape or the Company</b>	:	Cape EMS Berhad (Registration No. 199901026859 (501759-M))
<b>Cape Group or the Group</b>	:	Collectively, the Company and its subsidiaries
<b>Cape Shares or the Shares</b>	:	Ordinary shares in Cape
<b>CCC</b>	:	Certificate of completion and compliance or Certificate of fitness for occupation or such certificate by any other name issued by the relevant authority or person under the Street, Drainage and Building Act 1974 and any by-laws made under it or such relevant legislation applicable at the material time
<b>Circular</b>	:	This circular to Shareholders in relation to the Proposals
<b>Directors</b>	:	Directors of the Company for the time being and shall have the meaning ascribed to it in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007 and Director shall be construed accordingly
<b>E&amp;E</b>	:	Electrical and electronic
<b>Electronics manufacturing service or EMS</b>	:	Manufacturing of electronic parts, products or devices
<b>EGM</b>	:	Extraordinary general meeting of the Company
<b>EPS</b>	:	Earnings per Share
<b>FPE</b>	:	Financial period ended
<b>FYE</b>	:	Financial year ended / ending, as the case may be
<b>GP</b>	:	Gross profit
<b>Interested Person</b>	:	A director, major shareholder or chief executive of Cape or the holding company of Cape
<b>IPO</b>	:	Initial public offering exercise undertaken by the Company in conjunction with the listing and quotation of its entire issued share capital on the Main Market of Bursa Securities that was completed on 10 March 2023

---

## DEFINITIONS

---

<b>IPO Proceeds</b>	:	In the context of the Proposed Variation as stated in this Circular, being the unutilised proceeds of RM27.17 million previously raised from the IPO
<b>LAT</b>	:	Loss after taxation
<b>LBT</b>	:	Loss before taxation
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	:	22 October 2025, being the latest practicable date prior to the printing of this Circular
<b>LPS</b>	:	Loss per Share
<b>Market Days</b>	:	Any day on which Bursa Securities is open for trading in securities, which may include a Surprise Holiday.
<b>Maximum Scenario</b>	:	Assuming all the outstanding SIS Options are exercised prior to the Proposed Private Placement
<b>Minimum Scenario</b>	:	Assuming none of the outstanding SIS Options are exercised prior to the Proposed Private Placement
<b>NA</b>	:	Net assets
<b>New Senai Warehouse 226</b>	:	A single storey warehouse located at PLO 226B, Jalan Cyber 1, Kawasan Perindustrian Senai Fasa III, 81400 Senai, Johor
<b>PAT</b>	:	Profit after taxation
<b>PBT</b>	:	Profit before taxation
<b>Placement Shares</b>	:	Up to 114,080,000 new Cape Shares to be issued pursuant to the Proposed Private Placement
<b>PLO 227A or Main Plant</b>	:	The main manufacturing plant and office of Cape located at PLO 227A, Jalan Cyber 1A, Kawasan Perindustrian Senai III, 81400 Senai, Johor
<b>Proposals</b>	:	Collectively, the Proposed Variation and Proposed Private Placement
<b>Proposed Private Placement</b>	:	Proposed private placement of up to 114,080,000 new Cape Shares to independent third-party investors to be identified later and at an issue price to be determined later
<b>Proposed Variation</b>	:	Proposed variation of the utilisation of proceeds previously raised from the IPO
<b>Record of Depositors</b>	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991, including the Securities Industry (Central Depositories) Amendment Act, 1998
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively
<b>Shareholders</b>	:	Registered holders of Cape Shares
<b>SIS</b>	:	Share issuance scheme of the Company which took effect on 6 August 2025 for a period of 5 years

---

## DEFINITIONS

---

<b>SIS Options</b>	:	Options granted or may be granted to eligible persons, during the duration of the SIS pursuant to the By-Laws, where each option holder can subscribe for 1 new Share for every 1 SIS Option held
<b>Surprise Holiday</b>	:	A day that is declared as public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
<b>TA Securities or the Principal Adviser</b>	:	TA Securities Holdings Berhad (Registration No. 197301001467 (14948-M))
<b>VWAP</b>	:	Volume weighted average price

All references to “you” in this Circular are to the Shareholders.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to time and date in this Circular shall be a reference to Malaysian time and date, unless otherwise stated. Any discrepancies in the tables between the actual figures, amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b>	<b>vi</b>
<b>LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSALS CONTAINING:</b>	
<b>1. INTRODUCTION</b>	<b>1</b>
<b>2. DETAILS OF THE PROPOSALS</b>	<b>2</b>
<b>3. UTILISATION OF PROCEEDS</b>	<b>7</b>
<b>4. RATIONALE FOR THE PROPOSALS</b>	<b>11</b>
<b>5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS</b>	<b>12</b>
<b>6. EFFECTS OF THE PROPOSALS</b>	<b>18</b>
<b>7. HISTORICAL SHARE PRICES</b>	<b>24</b>
<b>8. APPROVALS REQUIRED AND CONDITIONALITY</b>	<b>25</b>
<b>9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION</b>	<b>26</b>
<b>10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM</b>	<b>26</b>
<b>11. BOARD'S RECOMMENDATION</b>	<b>26</b>
<b>12. ESTIMATED TIMEFRAME FOR COMPLETION</b>	<b>26</b>
<b>13. EGM</b>	<b>27</b>
<b>14. FURTHER INFORMATION</b>	<b>27</b>
<b>APPENDIX I FURTHER INFORMATION</b>	<b>28</b>
<b>APPENDIX II FINANCIAL INFORMATION</b>	<b>30</b>
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY</b>	<b>ENCLOSED</b>

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

## EXECUTIVE SUMMARY

This Executive Summary of the Proposals only highlights the key information from other parts of the Circular. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular for further details before voting at the EGM.

Summary			
<b><u>Summary of the Proposals</u></b>			
<b><u>Proposed Variation</u></b> Proposed variation of the utilisation of the IPO Proceeds amounting to RM27.17 million for purposes of setting up new production line for the Group's EMS operations and working capital.			
<b><u>Proposed Private Placement</u></b> Proposed private placement of up to 114,080,000 new Cape Shares to independent third-party investors to be identified later and at an issue price to be determined later.			
Please refer to <b>Section 2</b> of this Circular for further information.			
<b><u>Utilisation of proceeds</u></b>			
The proceeds from the Proposals are intended to be utilised in the following manner:			
Purpose	Proposed utilisation pursuant to the Proposed Variation RM'000	<sup>(1)</sup> Proposed utilisation pursuant to the Proposed Private Placement RM'000	Expected timeframe for utilisation from the Proposed Variation taking effect/ completion of the Proposed Private Placement
New production lines for EMS operations	16,000	18,000	Within 12 months
Working capital	11,168	15,244	Within 12 months
Estimated expenses for the Proposals	-	980	Within 3 months
<b>Total</b>	<b>27,168</b>	<b>34,224</b>	
<b>Note:</b> (1) Based on an illustrative price of RM0.30 per Placement Share.			
Please refer to <b>Section 3</b> of this Circular for further information.			
<b><u>Rationale for the Proposals</u></b>			
<b><u>Proposed Variation</u></b> To enable the Company to reallocate the IPO Proceeds towards the proposed utilisation as set out in <b>Section 3</b> of this Circular, while minimising or avoiding the need to secure bank borrowings, which would otherwise incur finance costs and increase the Company's gearing level.			
<b><u>Proposed Private Placement</u></b> To enable the Group to raise additional funds expeditiously without having to incur interest costs or service principal repayments as compared to bank borrowings. In turn, this allows the Company to preserve its cash flow.			
Please refer to <b>Section 4</b> of this Circular for further information.			

---

## EXECUTIVE SUMMARY

---

Summary
<p><b><u>Approvals required</u></b></p> <p>(i) Bursa Securities for the listing and quotation of up to 114,080,000 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities;</p> <p>(ii) approvals of Shareholders at the forthcoming EGM; and</p> <p>(iii) approvals / consents from any other relevant parties / authorities, if required.</p> <p>The approval of Bursa Securities was obtained on 28 October 2025. Please refer to <b>Section 8</b> of this Circular for further information.</p>
<p><b><u>Interests of Directors, major Shareholders, chief executive and/or persons connected with them</u></b></p> <p>None of the Directors, major Shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposals.</p> <p>Please refer to <b>Section 10</b> of this Circular for further information.</p>
<p><b><u>Board's Recommendation</u></b></p> <p>The Board recommends that the Shareholders VOTE IN FAVOUR of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM, the details of which are set out in this Circular, and the Notice of EGM as enclosed.</p> <p>Please refer to <b>Section 11</b> of this Circular for further information.</p>

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**



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

**Registered Office**

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia

7 November 2025

**Board of Directors**

Datuk Mohd Rabin Bin Basir (Independent Non-Executive Chairman)  
Tee Kim Chin (Non-Independent Managing Director / Group Chief Executive Officer)  
Tee Kim Yok (Non-Independent Executive Director)  
Alex Miranda Juntado (Non-Independent Executive Director)  
Yau Yin Wee (Independent Non-Executive Director)  
Koh Beng San (Independent Non-Executive Director)  
Chen Kok Seng (Independent Non-Executive Director)

**To: The Shareholders**

Dear Sir / Madam,

**PROPOSALS**

---

**1. INTRODUCTION**

On 17 September 2025, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals.

On 28 October 2025, TA Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 28 October 2025, granted its approval for the listing and quotation of the Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in **Section 8** of this Circular.



THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSALS AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING EGM.

## 2. DETAILS OF THE PROPOSALS

### 2.1 Proposed Variation

On 10 March 2023, the Company completed the IPO and raised total gross proceeds of approximately RM155.70 million. As at the LPD, the proceeds raised from the IPO have been utilised as follows:

Use of proceeds	Timeframe for utilisation from date of listing	Proposed utilisation of the IPO proceeds <sup>(1)</sup> RM'000	Actual utilisation of the IPO proceeds RM'000	Balance of IPO proceeds to be utilised RM'000
Construction of New Senai 226 Warehouse and installation of automated storage facilities <sup>(2)</sup>	Within 48 months	53,105	8,610	44,495
Setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations	By 27 February 2026 <sup>(3)</sup>	26,810	25,420	1,390
Installation of energy saving cooling system	By 27 February 2026 <sup>(3)</sup>	3,688	3,329	359
Purchase of new machinery and equipment for die cast manufacturing related services	Within 12 months	3,831	3,831	-
Working capital	By 18 May 2025 <sup>(1)</sup>	58,745	58,745	-
Listing expenses	Within 3 months	9,521	9,521	-
<b>Total</b>		<b>155,700</b>	<b>109,456</b>	<b>46,244</b>

Notes:

(1) The proposed utilisation of the IPO proceeds as set out in the table above is based on the following:

- (a) The intended use of the proceeds as set out in the Company's prospectus dated 16 February 2023; and
- (b) The Company's announcements dated 19 November 2024 and 20 November 2024 whereby the Company had varied the intended use of the IPO proceeds as follows ("**First Variation**"):

<b>Use of proceeds</b>	<b>Original allocation of the IPO proceeds RM'000</b>	<b>Variation RM'000</b>	<b>Revised allocation under the First Variation RM'000</b>
Construction of New Senai 226 Warehouse and installation of automated storage facilities	53,105	-	53,105
Setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations	62,810	(36,000)	26,810
Installation of energy saving cooling system	3,688	-	3,688
Purchase of new machinery and equipment for die cast manufacturing related services	4,599	(768)	3,831
Working capital	20,498	38,247	58,745
Listing expenses	11,000	(1,479)	9,521
<b>Total</b>	<b>155,700</b>	<b>-</b>	<b>155,700</b>

In addition to the above, the Company had extended the timeframe for the use of IPO proceeds allocated for working capital from within 12 months from the date of listing (i.e. 9 March 2024) to 18 May 2025.

The First Variation of RM38.25 million represented approximately 24.57% of the IPO proceeds and hence, was not subject to the approval from Shareholders.

- (2) Based on the intended use of the proceeds as set out in the prospectus dated 16 February 2023 in respect of the IPO, a total of RM53.11 million IPO proceeds were allocated for construction of New Senai 226 Warehouse and installation of automated storage facilities. As at the LPD, the proceeds raised have been utilised as follows:

<b>Description</b>	<b>Proposed utilisation of the IPO proceeds RM'000</b>	<b>Actual utilisation of the IPO proceeds RM'000</b>	<b>Balance of IPO proceeds to be utilised RM'000</b>
Construction costs for New Senai 226 Warehouse	25,937	(8,610)	17,327
Purchase and installation of automated storage facilities	27,168	-	27,168
<b>Total</b>	<b>53,105</b>	<b>(8,610)</b>	<b>44,495</b>

- (3) On 28 February 2025, the Company had announced an extension of time for the utilisation of IPO proceeds as follows:

Use of proceeds	Initial timeframe for utilisation from date of listing	Revised timeframe for utilisation
Setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations	Within 24 months	Within 12 months from the date of announcement (i.e., by 27 February 2026)
Installation of energy saving cooling system	Within 24 months	Within 12 months from the date of announcement (i.e., by 27 February 2026)

As shown in the table above, the Company has yet to utilise approximately RM46.24 million of the IPO proceeds, which was originally earmarked for the following purposes:

- (i) RM44.49 million for the construction of New Senai 226 Warehouse and installation of automated storage facilities;
- (ii) RM1.39 million for setting-up of new cleanroom facility and purchase of new automated production lines for EMS operations; and
- (iii) RM0.36 million for installation of energy saving cooling system.

Taking into consideration the rationale for the Proposed Variation (as set out in **Section 4.1** of this Circular), the Company intends to vary RM27.17 million of the IPO proceeds earmarked for the installation of automated storage facilities (out of the total unutilised proceeds of RM44.49 million earmarked for item (i) above) for purposes as detailed in **Section 3** of this Circular, in order to expediently meet its immediate expansion plans.

For clarity, the remaining unutilised amount of RM17.33 million is intended to be retained for the continued construction for New Senai 226 Warehouse. The estimated timing and milestones for the construction of New Senai 226 Warehouse are as follows:

Estimated timing	Milestones
1 <sup>st</sup> quarter of 2026	<ul style="list-style-type: none"> <li>• Submission of building plan to the Kulai Municipal Council for approval</li> </ul>
2 <sup>nd</sup> quarter of 2026	<ul style="list-style-type: none"> <li>• Expected approval of building plan</li> <li>• Expected commencement of building construction</li> </ul>
1 <sup>st</sup> quarter of 2028	<ul style="list-style-type: none"> <li>• Expected completion of physical building construction</li> <li>• Target submission for the CCC</li> <li>• Expected approval and issuance CCC</li> </ul>

Upon completion of the construction for New Senai 226 Warehouse, the Company intends to utilise the facility to house the machinery and equipment, as well as for storage purposes. Accordingly, the automated storage facilities are expected to be installed in the New Senai 226 Warehouse by the 3<sup>rd</sup> quarter of 2028.

Taking into consideration the estimated timing above and the Group's immediate expansion plans, the Proposed Variation allows the Group to utilise the proceeds originally earmarked for the installation of the automated storage facilities to meet its immediate funding requirements for expansion as set out in **Section 4.1** of this Circular. The installation of the automated storage facilities at the relevant time may be financed through internally generated funds, bank borrowings and/or future fund-raising exercises to be undertaken by the Group, if required.

In the event the actual funding for the construction for New Senai 226 Warehouse is higher than the remaining unutilised amount, the deficit will be funded from internally generated funds and/or bank borrowings. Conversely, in the event the actual funding requirement is less than the remaining unutilised amount, the excess proceeds shall be allocated for the working capital of the Group in the manner and proportion as detailed in **Section 3(ii)** of this Circular.

The First Variation and the Proposed Variation entail a variation of more than 25% of the total proceeds raised from the IPO (i.e. 42.01 % as illustrated below) and as such is deemed a material change to the utilisation of proceeds raised from the IPO in accordance with Paragraph 8.22(2)(a) of the Listing Requirements. Accordingly, the Company is required to seek for its Shareholders' approval for the Proposed Variation:

	<b>Proceeds varied RM'000</b>
First Variation	38,247
Proposed Variation	27,168
<b>Total proceeds varied (A)</b>	<b>65,415</b>
<b>IPO proceeds (B)</b>	<b>155,700</b>
<b>% of IPO proceeds varied (A / B)</b>	<b>42.01</b>

## **2.2 Proposed Private Placement**

### **2.2.1 Size of placement**

As at the LPD, the Company does not have any treasury shares and has:

- (i) an issued share capital of RM324,021,070 comprising 992,000,000 Shares; and
- (ii) 148,800,000 SIS Options granted under the SIS. The outstanding SIS Options have an exercise price of RM0.30 each.

Based on the above, the Proposed Private Placement entails the issuance of up to 114,080,000 Placement Shares, representing approximately:

- (i) 11.50% of the total number of issued Shares as at the LPD; and
- (ii) 10.00% of the total number of enlarged issued Shares, assuming full exercise of 148,800,000 outstanding SIS Options.

### **2.2.2 Placement arrangement**

The Placement Shares are intended to be placed to independent third-party investor(s) to be identified later. The Placement Shares are not intended to be placed to the following persons:

- (i) Interested Person;
- (ii) a person connected with an Interested Person; or
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

The Proposed Private Placement may be implemented in one or multiple tranches. The implementation of the placement arrangement in multiple tranches would provide flexibility to the Company to procure interested investors to subscribe for the Placement Shares from time to time.

The issue price of each tranche of the Placement Shares will be determined separately. The basis of determining the issues price of the Placement Shares will be in accordance with market-based principles.

### **2.2.3 Ranking of the Placement Shares**

The Placement Shares shall, upon allotment, issuance and payment of the issue price, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Placement Shares shall not be entitled to any dividends, rights, allotments and/or other distribution which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Placement Shares.

### **2.2.4 Listing and quotation of the Placement Shares**

The Placement Shares will be listed on the Main Market of Bursa Securities.

### **2.2.5 Basis and justification of the issue price of the Placement Shares**

The issue price of the Placement Shares in each tranche will be determined by the Board after taking into consideration the prevailing market conditions. The issue price shall be fixed at a price based on the 5-day VWAP of Cape Shares up to and including the last trading day immediately preceding the price-fixing date, with a discount of not more than 10%. After taking into consideration the funding requirements of the Group as set up in **Section 3** of this Circular, the Board is of the view that the maximum discount of 10% would provide the Company with more flexibility to fix an issue price which is deemed sufficiently attractive to entice subscription by potential investors.

With this, the Company expects to be able to procure investors more easily, depending on prevailing market conditions at the relevant time. This would potentially increase the likelihood of the Group being able to secure sufficient funding via the Proposed Private Placement. While the Board is aware of the dilutive impact of the discount to existing Shareholders, the utilisation of proceeds from the Proposed Private Placement is expected to contribute positively to the earnings of the Company.

As the Proposed Private Placement may be implemented in several tranches within 6 months, there could potentially be several price-fixing dates and issue prices.

For illustrative purposes only, based on an illustrative issue price of RM0.30 per Placement Share, the issue price of the Placement Shares would represent a discount of approximately 1.70% to the 5-day VWAP of Cape Shares up to and including the LPD of RM0.3052 (*Source: Bloomberg*)

### **2.2.6 Details of fund-raising exercises undertaken by the Company in the past 12 months**

The Company has not undertaken any equity fund-raising exercises in the past 12 months preceding to the LPD.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

### 3. UTILISATION OF PROCEEDS

The proposed utilisation of the IPO Proceeds of RM27.17 million pursuant to the Proposed Variation and the gross proceeds of RM34.22 million to be raised from the Proposed Private Placement are intended to be utilised in the following manner:

Details	Expected timeframe for utilisation from the Proposed Variation taking effect/ completion of the Proposed Private Placement	Proposed utilisation pursuant to the Proposed Variation RM'000	Proposed utilisation pursuant to the Proposed Private Placement RM'000	Total RM'000
New production line for EMS operations <sup>(i)</sup>	Within 12 months	16,000	18,000	34,000
Working capital <sup>(ii)</sup>	Within 12 months	11,168	15,244	26,412
Estimated expenses for the Proposals <sup>(iii)</sup>	Within 3 months	-	980	980
<b>Total</b>		<b>27,168</b>	<b>34,224</b>	<b>61,392</b>

Notes:

**(i) New production line for EMS operations**

In view of the growth opportunities in the E&E industry as set out in **Section 5.2** of this Circular, the Group intends to capitalise on the opportunities and capture larger market share by expanding its EMS production lines to include battery pack, power distribution units (PDUs), battery storage system and solar energy related products.

The aforementioned expansions are backed by the Group's initiatives undertaken, as set out in **Section 5.3.1** of this Circular.

To support the establishment of the abovementioned, the Group has allocated a total of RM34.00 million from the Proposed Variation and Proposed Private Placement to meet the estimated funding requirement. The details of setting up of EMS production line for battery pack, PDUs, battery storage system and solar energy related products are as follows:

Details	Amount RM'000
Setting-up costs for production and storage facilities <sup>(a)</sup>	2,500
Purchase of new production lines <sup>(b)</sup>	31,500
<b>Total</b>	<b>34,000</b>

Notes:

- (a) These include construction costs, renovation costs and professional fees, breakdown of which are set out below:

Details	Amount RM'000
(i) Construction and renovation costs (mainly comprises electrical works, flooring, firefighting system, industrial effluent treatment system, water and drainage system)	2,400
(ii) Professional fees (mainly comprises consultation and drawing submission for local authority approval)	100
<b>Total</b>	<b>2,500</b>

- (b) The breakdown for the purchase of new production line are as follows:

Details	Unit	Amount RM'000
Battery module assembly line - <i>A semi-automated production line for battery module using laser welding technologies designed for prismatic cells</i>	1	9,635
Battery rack and container assembly facility – <i>An assembly facility for battery racks and containers</i>	2	16,337
Battery packs and PDUs assembly facility – <i>An assembly line supporting the integration of high-voltage energy systems for electric mobility and energy storage applications</i>	1	912
End-of-line battery test systems – <i>A testing systems to validate battery modules, packs, racks, and containerised systems, ensuring full compliance with international safety and performance standards prior to deployment</i>	4	3,363
Other equipment for coordination of the production line (i.e., electrical installation, computer software and hardware, and office equipment and etc.)	-	1,253
<b>Total</b>		<b>31,500</b>

As at the LPD, the Group has established a manual assembly line for battery packs on the 2<sup>nd</sup> floor of the Main Plant occupying 5,700 sq. ft., out of the 100,000 sq. ft. total built-up space of the floor. These facilities are custom built to support flexible configurations and efficient handling of prototype and small-batch production, particularly for specialised industrial and renewable energy applications.

Pursuant to the Proposals and in line with the Company's intention in establishing the EMS production line for battery pack, PDUs, battery storage system and solar energy related products, the Group will commence its set up in the 4<sup>th</sup> quarter of 2025, by upgrading the existing equipment (including integrating the existing assembly line for battery packs into the said EMS production line), optimizing the production layout, enhancing supporting infrastructure, and enhance automation readiness. This initiative aims to further strengthen the Group's operational capability and production quality. The new EMS production line is expected to occupy the whole 100,000 sq. ft. of 2<sup>nd</sup> floor of the Main Plant.

The Group expects to commence operations of the EMS production line by end of 1<sup>st</sup> quarter of 2026.

Following the above, and with the existing collaboration and the Memorandum of Understanding ("MOU") (for further details, please refer to **Sections 5.3.1(iii)** and **5.3.1(v)** of this Circular) in place, the Group will be able to market its new EMS production lines to potential customers, thereby expanding its product portfolio and customer base.

In the event the actual funding requirement is less than the estimated amount above, the excess of the allocated proceeds shall be allocated for the working capital of the Group. The allocation of working capital shall be in the manner and proportion as detailed in **Section 3(ii)** of this Circular. Conversely, if the actual funding requirement is higher than the estimated amount above, the deficit will be funded from the proceeds allocated for the Group's working capital, internally generated funds and/or bank borrowings.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**



(ii) **Working capital**

As the Group's working capital requirements are expected to increase in tandem with the expansion of its EMS production line, the Group has earmarked a total of RM26.41 million from the Proposed Variation and Proposed Private Placement to fund its working capital in the following manner:

<b>Working capital</b>	<b>Percentage allocation %</b>	<b>Total RM'000</b>
Purchase of input materials for the EMS operations <sup>(1)</sup>	80	21,130
Other operating expenses such as utilities, staff salaries, rental costs, transportation costs, marketing costs and other miscellaneous items <sup>(2)</sup>	20	5,282
<b>Total</b>	<b>100</b>	<b>26,412</b>

Notes:

- (1) These comprise raw materials required for the Group's EMS operations such as E&E parts and components (i.e. printed circuit board assembly and components for portable credit card readers and wireless data gathering systems), mechanical parts (i.e. plastic parts for enclosures and metal parts) and packaging and related materials (i.e. labels and tray packaging).
- (2) The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual administrative requirements of the Group for its EMS operations at the relevant time.

(iii) **Estimated expenses for the Proposals**

The breakdown of the estimated expenses for the Proposals is illustrated below:

<b>Working capital</b>	<b>Amount RM'000</b>
Professional fees <sup>(1)</sup>	928
Fees to relevant authorities	28
Printing, despatch and advertising expenses	24
<b>Total</b>	<b>980</b>

Note:

- (1) These include advisory fees, placement commission and other professional fees payable to the Principal Adviser, due diligence solicitors, company secretary and share registrar in relation to the Proposals.

In the event the actual expenses are less than the estimated amount above, the excess of the allocated proceeds shall be allocated for the working capital of the Group. The allocation of the working capital shall be in the manner and proportion as detailed in **Section 3(ii)** of this Circular. Conversely, if the actual expenses are higher than the estimated amount above, the deficit will be funded from the proceeds allocated for the Group's working capital.

#### **4. RATIONALE FOR THE PROPOSALS**

##### **4.1 Proposed Variation**

As set out in **Section 2.1** of this Circular, the intended utilisation of IPO proceeds after the First Variation were earmarked mainly for the Group's working capital. However, in view that the overview and outlook of the E&E industry in Malaysia in which the Group operates as well as the prospects of Cape remain positive, the Company intends to undertake the Proposed Variation for the IPO Proceeds to be used for expansion of its production capacity.

The Proposed Variation will enable the Company to use the aforesaid funds for other business needs, further details of which are stipulated in **Section 3** of this Circular, while minimising or avoiding the need to secure bank borrowings, which would otherwise incur finance costs and increase the Company's gearing level. Premised on the above, the Board is of the view that it is in the best interest of the Group to undertake the Proposed Variation.

##### **4.2 Proposed Private Placement**

As set out in **Section 3** of this Circular, the proceeds raised from the Proposed Private Placement will be utilised for its expansion of its production capacity. This initiative is in line with the Group's strategy to capitalise on the positive outlook of the E&E industry in Malaysia, as set out in **Section 5.2** of the Circular. The Group remains cautiously optimistic of its future prospects, and this is expected to contribute positively to the financial position and financial performance of the Group.

After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising at this juncture as it would enable the Group to raise additional funds expeditiously without having to incur interest costs or service principal repayments as compared to bank borrowings. In turn, this allows the Company to preserve its cash flow.

Further, the Group will be able to raise additional funds expeditiously and cost-effectively via a private placement as opposed to a pro-rata issuance of securities such as a rights issue. A rights issue will also require Cape to identify certain Shareholders to provide irrevocable undertakings to subscribe for a minimum number of rights shares.

Alternatively, the Company may have to procure undertaking arrangements to meet the minimum subscription level to raise the requisite funds which will incur additional costs. In addition, a rights issue is likely to take a longer time to complete as compared to a private placement.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

## **5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS**

### **5.1 Overview and outlook of the Malaysian economy**

In 2024, the Malaysian economy registered a strong growth of 5.1% (2023: 3.6%), anchored by stronger domestic demand. Of significance, the ongoing investment up-cycle led to the highest investment growth in a decade, with added impetus from the realisation of E&E and information and communication technology (“ICT”) projects. Household spending remained resilient, benefitting from favourable labour market conditions, continued wealth accumulation and effective policy support. On the external front, exports strengthened following improving demand from key trade partners and positive spillovers from the global technology upcycle. Meanwhile, imports grew at a much faster pace, driven by stronger demand for capital and intermediate goods to support rising investments and trade. From a sectoral perspective, services and manufacturing remained the primary growth drivers, with all sectors recording higher growth relative to 2023 due to improved domestic and external conditions.

(Source: Economic & Monetary Review 2024, Bank Negara Malaysia)

Malaysia’s economy remains strong in 2025, having grown by a steady 4.4% in the first six months of the year. Growth is projected to continue within the range of 4.0% – 4.8% in 2025 and 4.0% – 4.5% in 2026. These projections are consistent with the International Monetary Fund (IMF) in the World Economic Outlook Update, July 2025, which forecasts Malaysia’s growth at 4.5% for 2025 and 4.0% for 2026.

The growth will mainly be underpinned by strong domestic demand, moderate inflation, favourable labour market and proactive policies undertaken by the Government. The performance will also be supported by the ASEAN-Malaysia Chairmanship 2025 and Visit Malaysia 2026 (VM2026). The economy continues to be steered by the Ekonomi MADANI framework and the Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, thus contributing to a higher labour income share.

The manufacturing sector grew by 3.9% in the first half of 2025, supported by expansion in both export- and domestic-oriented industries. The export-oriented industries dominated the first half performance, recording a steady growth of 4.8%, primarily driven by strong gains in the E&E segment. This growth is on the back of demand for data centre-related components and the emergence of initial artificial intelligence (AI) edge applications. Meanwhile, the domestic-oriented industries registered a growth of 2.2%, contributed by continued household spending and construction-related activities.

For the second half of 2025, the manufacturing sector is projected to record a growth of 3.6%, in line with steady performance in all subsectors. Within the export-oriented industries, higher investment in the semiconductor segment and continued implementation of initiatives under existing policies, among others the New Industrial Master Plan 2030 (NIMP 2030) and National Semiconductor Strategy (NSS), will further enhance competitiveness through stronger industrial clusters and greater digital adoption. In addition, an upsurge in activities of mining-related clusters are anticipated to bolster the industries’ growth. Meanwhile, robust domestic consumption in the consumer goods and construction segments is anticipated to support the domestic-oriented industries. The demand for consumer-related products, particularly in the food and beverages as well as transportation segments, will be underpinned by higher tourism-related activities. On the other hand, building materials such as metal and cement are expected to record higher production, in line with the steady performance of the construction sector. Hence, the manufacturing sector is projected to register a growth of 3.8% in 2025

Growth in the manufacturing sector is projected to remain steady at 3.0% in 2026, supported by both export- and domestic oriented industries. The broader gains from the global technology upcycle is anticipated to continue supporting export-oriented industries. The E&E cluster is expected to remain the key driver, with sustained growth across semiconductor products, particularly in the chips segment, following robust demand for AI applications and digitalisation. These developments will further elevate growth prospects and strengthen Malaysia's position in the global E&E supply chain.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

## **5.2 Overview and outlook of the EMS industry in Malaysia**

As the Group is mainly involved in the provision of EMS for industrial and consumer electronic products, its EMS business will be mainly driven by the demand for E&E products.

An overview and outlook of the E&E industry in Malaysia is as follows:

Despite heightened geopolitical tensions and potential trade and investment restrictions, Malaysia's E&E industry recovery is expected to be sustained. It will continue to reap the benefits from the ongoing global tech upcycle. The World Semiconductor Trade Statistics (WSTS) forecasts a continued strong expansion for the global semiconductor industry with a growth of 11.2% in 2025 (2024: 19.1%). This will be driven mainly by memory and logic chips supported by a wider range of end-segments. Demand for personal computer (PC) and mobile phones are expected to grow amid the hardware replacement cycle, rising demand for AI-enabled devices and further adoption of the 5G network. Meanwhile, discrete, analog and others ("DAO") are expected to expand amid the continued rising chip content per vehicle in the automotive segment, albeit more modestly compared with memory and logic chips.

For Malaysia, the recovery trend in E&E exports across all major product groups is consistent with leading E&E players globally. Estimation of Malaysia's implied semiconductor sales suggest that it could grow to 11.0% in 2025 (2024: 10.6%), driven primarily by logic chips. The prospect is further corroborated by findings by the domestic E&E industry. According to the Malaysia Semiconductor Industry Association's (MSIA) quarterly survey for the fourth quarter of 2024, 66% of companies expressed optimism about their overall outlook for the next 12-months.

In 2024, the manufacturing sector expanded by 4.2% (2023: 0.7%). Growth was driven by a recovery in export-oriented clusters following stronger global trade and tech upcycle. The E&E industry gained from the global tech upcycle, as reflected by increased semiconductor sales. This was attributed to stronger demand in end-segments like consumer electronics, computing and data centres. The primary-related cluster was lifted by higher refined petroleum output, on account of improved production at a key refinery in Johor. Consumer-related growth was underpinned by higher crude palm oil production and a continued increase in motor vehicle output. Meanwhile, the construction-related cluster was supported by further progress in ongoing infrastructure activities.

For 2025, the manufacturing sector growth is expected to moderate slightly to 3.9% (2024: 4.2%), as the continued expansion of the E&E and consumer-related industries are offset by slower growth in primary and construction-related industries. Primary-related industry is expected to be affected by lower natural gas output and scheduled upstream maintenance. As key infrastructure projects are near completion, construction-related manufacturing growth is also expected to record a moderation. Nevertheless, the E&E industry is set to benefit from the broader spillovers of the global tech upcycle, which is expected to record growth across all semiconductor segments. This is underpinned by the continued growth in global sales outlook, driven by external demand for consumer electronics and AI-related semiconductors. Consumer-related industries will gain support from continued household spending and the launch of domestic electric vehicle models.

Malaysia's gross exports are expected to grow by 5.2% in 2025 (2024: 5.7%). Manufactured exports, particularly electrical and electronics (E&E), will continue to drive this growth, offsetting the decline in commodity exports.

Manufactured exports, which constituted 86.0% of Malaysia's total exports in 2024, are projected to expand by 5.5% (2024: 6.0%). Growth will be led by E&E exports, underpinned by the global technology upcycle. The growth of cloud computing, widespread adoption of AI-powered devices during the replacement cycle and rising demand for devices with enhanced processing capability will continue to drive the broad-based expansion across key end-segments of personal computers, mobiles and servers.

(Source: Economic & Monetary Review 2024, Bank Negara Malaysia)

The manufacturing sector grew by 3.9% in the first half of 2025, supported by expansion in both export- and domestic-oriented industries. The export-oriented industries dominated the first half performance, recording a steady growth of 4.8%, primarily driven by strong gains in the E&E segment. This growth is on the back of demand for data centre-related components and the emergence of initial artificial intelligence (AI) edge applications. Meanwhile, the domestic-oriented industries registered a growth of 2.2%, contributed by continued household spending and construction-related activities.

For the second half of the year, the sector is projected to record a growth of 3.6%, in line with steady performance in all subsectors. Within the export-oriented industries, higher investment in the semiconductor segment and continued implementation of initiatives under existing policies, among others the NIMP 2030 and NSS, will further enhance competitiveness through stronger industrial clusters and greater digital adoption.

Growth in the manufacturing sector is projected to remain steady at 3.0% in 2026, supported by both export- and domestic oriented industries. The broader gains from the global technology upcycle is anticipated to continue supporting export-oriented industries. The E&E cluster is expected to remain the key driver, with sustained growth across semiconductor products, particularly in the chips segment, following robust demand for AI applications and digitalisation. These developments will further elevate growth prospects and strengthen Malaysia's position in the global E&E supply chain.

Exports of manufactured goods are anticipated to expand by 3.0%, resulting from rising demand for E&E and non-E&E products. The E&E products constitute shares of total manufactured goods at 50.4%. The E&E products are projected to grow by 3.9%, buoyed by steady demand for semiconductor. This is in tandem with the continued technological upcycle, leading to a better performance outlook of the global semiconductor market at 9.9%, as reported by the World Semiconductor Trade Statistics.

The E&E products remain Malaysia's export strength, contributing around 40% of total exports. In 2024, the US was Malaysia's largest export market for E&E products, representing about 20% of total exports of E&E products. In addition, being a significant player in the global semiconductor supply chain, Malaysia contributes around 7.0% to the overall global semiconductor market and is the world's sixth-largest semiconductor exporter.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

### **5.3 Prospects of Cape Group**

The Group is principally involved in the provision of EMS for industrial and consumer electronic products, aluminium die casting manufacturing, supply of electronic products and related activities.

The Group has been focusing on enhancing its EMS capabilities with new product lines being developed and offered to existing and potential customers as well as expansion of its service offerings.

Premised on the above and after considering all relevant aspects including the prospects of the E&E industry in Malaysia as set out in **Section 5.2** of this Circular, the Board is cautiously optimistic of the future prospects of the Group.

### 5.3.1 Steps undertaken or to be undertaken to improve the financial condition of the Group

The Group has undertaken several initiatives which include, among others, the following:

- (i) On 26 January 2024, the Company had completed the acquisition of the entire capital stock in iConn Inc. (“**iConn**”), a company incorporated in United States of America and principally involved in the provision of virtual manufacturing services such as design for manufacturing and engineering. The acquisition of iConn would enable the integration of iConn’s design and engineering capabilities into the Group’s EMS process and expand its EMS service offerings as the Group previously relied on its customers for the provision of electronic schematics, assembly drawings, wire lists and test specifications for its EMS operations;
- (ii) On 25 March 2025, the Company has entered into collaborations with Aerospace Industrial Development Corporation (“**AIDC**”), a company listed on the Taiwan Stock Exchange, to collaborate in the fields of renewable energy, aerospace parts manufacturing and life-science technology.

AIDC is principally engaged in business categories as follows:

- (i) design, manufacture, assembly, testing and maintenance of aircraft, engines, avionics and related components;
- (ii) consulting services and technology transfers of aerospace technology, logistical support and engineering technology management of large-scale projects; and
- (iii) engineering and development of software and sales of aerospace products.

The collaboration in the renewable energy field mainly focuses on next generation microgrid solutions, including “power island”, which are self-sustaining energy systems designed to provide reliable, clean electricity to remote and underserved communities across Southeast Asia. In this regard, Cape serves as the engineering, procurement and construction (EPC) contractor and lead local business development efforts in Malaysia.

As for the collaboration of aerospace parts production field, Cape will be responsible for facilitating aerospace parts manufacturing.

Additionally, the collaboration of lifescience technology field mainly involves sub-micron precision manufacturing to produce essential components for medical and scientific applications. Cape will be responsible for equipment installation, planning certification guidance, and manufacturing;

- (iii) On 26 August 2025, the Company has completed the acquisition of the entire equity interest of Cape Renewables Sdn Bhd (formerly known as Good Hope Global Sdn Bhd) (“**Cape RE**”), a company incorporated on 27 August 2013 under the Companies Act 1967 and is principally involved in the renewable energy storage with parts and solution, installation of smart city lighting and surveillance system, supply of battery energy storage system for EV and grid application. The acquisition of Cape RE enables the Company to capitalise the MOU signed with EV Connection Sdn Bhd (“**EVC**”) on 30 July 2025. EVC is principally involved in (i) trading of EV charging station, charging cable and other infrastructure; (ii) supply and installation of solar photovoltaic system and its related activities; and (iii) supply and installation of battery energy storage system and its related activities.

The MOU outlines a strategic collaboration to supply and install EV charging stations and solar-related peripherals to support the growing demand for green mobility and renewable energy solutions in Malaysia. Cape RE will be responsible for supplying EV charges and solar peripherals while EVC will oversee the installation of EV charging stations and photovoltaic systems;

- (iv) On 5 August 2025, the Company had incorporated a wholly-owned subsidiary under the Act, namely Ligowave Wireless Sdn Bhd (“**LWSB**”). LWSB’s intended principal activity of provision of wireless communication solutions, research and development in wireless businesses and branding distributions in Malaysia. The incorporation of LWSB is part of Group’s effort to expand its presence in the wireless communication sector and strengthen its capabilities in delivering integrated technology solutions to meet growing market demand; and
- (v) On 1 September 2025, the Company had entered into a Strategic Cooperation Agreement with Shanghai Sermatec Energy Technology Co., Ltd (“**Sermatec**”), to localise battery energy storage solutions in Malaysia and establish supply and long-term maintenance service business strategy across the ASEAN region.

In this agreement, Sermatec will transfer the know-how assembly of its Battery Energy Storage System (“**BESS**”) to Cape’s manufacturing facility. This system will be locally manufactured and supplied with comprehensive insurance coverage and supported with a long-term operations & maintenance contract.

In addition to BESS assembly, Cape, through its subsidiary Cape RE, assumes full responsibility for localised monitoring and management of both the Battery Management System and Energy Management System. Cape will serve as Sermatec’s regional partner to produce, test, and manage BESS products tailored for the Southeast Asian market.

Following the above, the Group intends to undertake the Proposed Variation and Proposed Private Placement mainly for expansion of its EMS production lines to include battery pack, PDUs, battery storage system and solar energy related products as well as the working capital of the Group, which aligns with the Group’s strategy of enhancing its EMS capabilities. Meanwhile, the proceeds earmarked for working capital will provide the Group with necessary funds to support its operating and administrative requirements.

Moving forward, the Group will continue to leverage its core competency in providing EMS for electronic products supported by its aluminium die cast manufacturing, sourcing and procurement capabilities.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

### **5.3.2 Impact of the Proposals and value creation to the Group and its Shareholders**

As set out in **Section 3** of this Circular, the Proposals will enable the Group to meet the funding requirements for its expansion of new production lines for EMS operations as well as meeting the day-to-day operation needs, without having to incur additional interest costs or service principal repayments as compared to financing using bank borrowings.

Premised on the above, the Proposed Variation and Proposed Private Placement are expected to have a positive impact on the financial performance and financial position of the Group, which in turn is expected to create value for the Shareholders.

Save for the Proposed Variation, the consolidated EPS / LPS of the Group is expected to be diluted as a result of the increased number of Shares arising from the Proposed Private Placement. The effects of the Proposed Private Placement on the share capital, NA and gearing, earnings and EPS of the Group are set out in **Section 6** of this Circular.

After taking into consideration the proposed utilisation of proceeds in **Section 3** of this Circular, the rationale in **Section 4** of this Circular and the effects of the Proposals in **Section 6** of this Circular, the Board is of the view that the Proposals are expected to create value and are adequate to meet the Group's immediate funding needs.

### **5.3.3 Adequacy of the Proposals in addressing the Group's financial requirements**

#### **5.3.3.1 Proposed Variation**

Premised on **Sections 3** and **4.1** of this Circular, the Board is of the view that the Proposed Variation is adequate to address the Group's financial requirements at this juncture. Notwithstanding the above, the Group will continuously assess its financial position and condition and explore other suitable funding proposals for its financial requirements at relevant points in time.

#### **5.3.3.2 Proposed Private Placement**

Premised on the above as well as the effects of the Proposed Private Placement as set out in **Section 6** of this Circular, the Board is of the view that the Proposed Private Placement is adequate to address the Group's financial requirements at this juncture.

As set out in **Section 3** of this Circular, the proceeds from the Proposed Private Placement will be used to provide the Group with the necessary funds for the capital expenditure of the Group. This will enable the Group to stay competitive in the market.

All of the aforementioned initiatives are aimed at improving the financial condition of the Group. The Group will continuously explore other measures to improve its financial performance and condition including acquisitions and/or investments in any suitable and complementary businesses and/or assets. Such acquisitions and/or investments may include, amongst others, businesses and/or assets in the industry which the Group is involved in.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**



## 6. EFFECTS OF THE PROPOSALS

### 6.1 Share capital

#### 6.1.1 Proposed Variation

The Proposed Variation will not have any effect to the issued share capital of the Company.

#### 6.1.2 Proposed Private Placement

The pro forma effects of the Proposed Private Placement on the issued share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Issued share capital as at the LPD	992,000,000	324,021,070	992,000,000	324,021,070
Assuming full exercise of the outstanding SIS Options	-	-	148,800,000	<sup>(1)</sup> 55,175,040
	<b>992,000,000</b>	<b>324,021,070</b>	<b>1,140,800,000</b>	<b>379,196,110</b>
Placement Shares to be issued pursuant to the Proposed Private Placement	114,080,000	<sup>(2)</sup> 34,224,000	114,080,000	<sup>(2)</sup> 34,224,000
<b>Enlarged issued share capital after the Proposed Private Placement</b>	<b>1,106,080,000</b>	<b>358,245,070</b>	<b>1,254,880,000</b>	<b>413,420,110</b>

Notes:

(1) Assuming all the 148,800,000 outstanding SIS Options are exercised at the exercise price of RM0.30 each and reversal of share option reserves of RM10.54 million.

(2) Based on an illustrative price of RM0.30 per Placement Share.

## 6.2 NA and gearing

### 6.2.1 Proposed Variation

The Proposed Variation will not have any effect on the NA and gearing of the Group.

### 6.2.2 Proposed Private Placement

The pro forma effects of the Proposed Private Placement on the NA and gearing of the Group are as follows:

#### Minimum Scenario

	<b>*Audited as at 30 June 2025 RM'000</b>	<b>After the Proposed Private Placement RM'000</b>
Share capital	324,021	<sup>(1)</sup> 358,245
Exchange translation reserve	(1,526)	(1,526)
Revaluation reserve	52,854	52,854
Retained profits	59,938	<sup>(1)</sup> 58,958
<b>Shareholders' equity / NA</b>	<b>435,287</b>	<b>468,531</b>
Non-controlling interests	289	289
<b>Total equity</b>	<b>435,576</b>	<b>468,820</b>
No. of Shares in issue ('000)	992,000	1,106,080
NA per Share (RM)	0.44	0.42
Total borrowings (RM'000)	171,325	171,325
Gearing (times)	0.39	0.37

#### Notes:

\* The Company had on 28 April 2025 announced the change of the financial year end from 31 December 2024 to 30 June 2025.

(1) Based on an illustrative issue price of RM0.30 per Placement Share and after deducting estimated expenses of RM0.98 million in relation to the Proposals.

### Maximum Scenario

	<b>*Audited as at 30 June 2025 RM'000</b>	<b>(I) Assuming full exercise of the outstanding SIS Options RM'000</b>	<b>(II) After (I) and the Proposed Private Placement RM'000</b>
Share capital	324,021	<sup>(1)</sup> 379,196	<sup>(2)</sup> 413,420
Exchange translation reserve	(1,526)	(1,526)	(1,526)
Revaluation reserve	52,854	52,854	52,854
Retained profits	59,938	59,938	<sup>(2)</sup> 58,958
<b>Shareholders' equity / NA</b>	<b>435,287</b>	<b>490,462</b>	<b>523,706</b>
Non-controlling interests	289	289	289
<b>Total equity</b>	<b>435,576</b>	<b>490,751</b>	<b>523,995</b>
No. of Shares in issue ('000)	992,000	1,140,800	1,254,880
NA per Share (RM)	0.44	0.43	0.42
Total borrowings (RM'000)	171,325	171,325	171,325
Gearing (times)	0.39	0.35	0.33

### Notes:

\* The Company had on 28 April 2025 announced the change of the financial year end from 31 December 2024 to 30 June 2025.

- (1) Assuming all the 148,800,000 outstanding SIS Options are exercised at the exercise price of RM0.30 each and reversal of share option reserves of RM10.54 million.
- (2) Based on an illustrative issue price of RM0.30 per Placement Share and after deducting estimated expenses of RM0.98 million in relation to the Proposals.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

### 6.3 Substantial Shareholders' shareholdings

#### 6.3.1 Proposed Variation

The Proposed Variation will not have any effect on the substantial Shareholders' shareholding in the Company.

#### 6.3.2 Proposed Private Placement

The pro forma effects of the Proposed Private Placement on the substantial Shareholders' shareholding in the Company based on the register of substantial Shareholders of the Company as at the LPD are as follows:

##### Minimum Scenario

Substantial Shareholders	As at the LPD				After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Chung Chee Yang	81,075,900	8.17	-	-	81,075,900	7.33	-	-
Chung Dao	93,430,700	9.42	-	-	93,430,700	8.45	-	-
Tee Kim Chin	125,924,800	12.69	-	-	125,924,800	11.38	-	-

##### Notes:

(1) Computed based on 992,000,000 Shares as at the LPD.

(2) Computed based on 1,106,080,000 Shares following the completion of the Proposed Private Placement.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

**Maximum Scenario**

Substantial Shareholders	As at the LPD				(I) Assuming full exercise of the outstanding SIS Options			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Chung Chee Yang	81,075,900	8.17	-	-	81,075,900	7.11	-	-
Chung Dao	93,430,700	9.42	-	-	93,430,700	8.19	-	-
Tee Kim Chin	125,924,800	12.69	-	-	140,804,800	12.34	-	-

Substantial Shareholders	(II) After (I) and the Proposed Private Placement			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
Chung Chee Yang	81,075,900	6.46	-	-
Chung Dao	93,430,700	7.45	-	-
Tee Kim Chin	140,804,800	11.22	-	-

**Notes:**

- (1) Computed based on 992,000,000 Shares as at the LPD.
- (2) Computed based on 1,140,800,000 Shares, assuming full exercise of the outstanding SIS Options.
- (3) Computed based on 1,254,880,000 Shares following the completion of the Proposed Private Placement.

## **6.4 Earnings and EPS**

### **6.4.1 Proposed Variation**

The Proposed Variation will not have any material effect on the consolidated earnings of the Group for the FYE 30 June 2026. Barring any unforeseen circumstances, the utilisation of the IPO Proceeds pursuant to the Proposed Variation is expected to contribute positively to the future earnings and EPS of the Group.

### **6.4.2 Proposed Private Placement**

The Proposed Private Placement is not expected to have an immediate material effect on the EPS of the Company, save for the dilution to EPS due to the increase in the number of Shares pursuant to the issuance of Placement Shares.

Although the EPS will be diluted due to the increase in the number of Shares, the Proposed Private Placement is expected to contribute positively to the earnings of the Company thereafter in view of the utilisation of proceeds as set out in **Section 3** of this Circular.

## **6.5 Convertible securities**

Save for the 148,800,000 outstanding SIS Options, the Company does not have any outstanding convertible securities as at the LPD. In accordance with the provisions of the By-Laws, the Board confirmed that the Proposed Private Placement will not result in any adjustments to the exercise price and number of SIS Options granted.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Cape Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	High RM	Low RM
<b><u>2024</u></b>		
November	0.410	0.305
December	0.400	0.355
<b><u>2025</u></b>		
January	0.390	0.320
February	0.340	0.265
March	0.300	0.220
April	0.265	0.210
May	0.265	0.195
June	0.295	0.220
July	0.350	0.270
August	0.345	0.295
September	0.340	0.295
October	0.325	0.280
Last transacted market price on 12 September 2025, being the last market day immediately prior to the announcement of the Proposals	0.320	
Last transacted market price on the LPD	0.290	

(Source: Bloomberg)

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

## 8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to the following being obtained:

- (i) the approval of Bursa Securities for the listing and quotation of up to 114,080,000 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities.

The approval of Bursa Securities for the above has been obtained on 28 October 2025 subject to, amongst others, the following conditions:

Conditions		Status of compliance
(a)	Cape and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;	To be complied
(b)	TA Securities is required to furnish Bursa Securities with details of the placees in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement;	To be complied
(c)	Cape and TA Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;	To be complied
(d)	Cape to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and	To be complied
(e)	Cape to furnish Bursa Securities with a certified true copy of the resolutions passed by the Shareholders in general meeting approving the Proposed Variation and Proposed Private Placement.	To be complied

- (ii) the approval of Shareholders at the forthcoming EGM; and
- (iii) the approvals / consents from any other relevant parties / authorities, if required.

The Proposed Variation and Proposed Private Placement are not inter-conditional.

The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**



**9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals, there are no other corporate exercises which have been announced by the Company but pending completion as at the date of this Circular.

**10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors, major Shareholders, chief executive and/or persons connected with them have any interest, direct or indirect, in the Proposals.

**11. BOARD'S RECOMMENDATION**

The Board, having considered the relevant aspects of the Proposals, including but not limited to the rationale, prospects and the effects of the Proposals, is of the opinion that the Proposals are in the best interests of the Company.

Accordingly, the Board recommends that the Shareholders vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

**12. ESTIMATED TIMEFRAME FOR COMPLETION**

Subject to all required approvals being obtained, the Proposals are expected to be completed by the second quarter of 2026.

The tentative timeline for the implementation of the Proposals is as follows:

Date	Events
25 November 2025	<ul style="list-style-type: none"><li>• EGM for the Proposals</li><li>• Effective date of the Proposed Variation</li></ul>
April 2026	<ul style="list-style-type: none"><li>• Listing and quotation of the Placement Shares and completion of the Proposed Private Placement</li></ul>

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

### 13. EGM

The EGM will be held at Ballroom 1, Imperial Lexis Kuala Lumpur, No. 15, Jalan Kia Peng, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia on the date and time indicated below or at any adjournment thereof. The Notice of EGM together with the Form of Proxy and this Circular are available at the Company's website at [www.cape-group.com.my](http://www.cape-group.com.my).

Day, date and time of the EGM	: Tuesday, 25 November 2025 at 11.00 a.m. or immediately after the conclusion of the 2025 Annual General Meeting of the Company, which is scheduled to be held at the same venue and on the same day at 10.00 a.m., whichever is later or at any adjournment thereof
-------------------------------	--

If you are unable to participate in the EGM and wish to appoint proxy(ies) instead, the appointment of proxy(ies) must be deposited at the Company's Share Registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia or electronically lodged via facsimile to 03-2094 9940/ 03-2095 0292 or by email to [info@sshshb.com.my](mailto:info@sshshb.com.my) not less than forty-eight (48) hours before the date and time for holding the EGM indicated above. The completion and lodging of the Form of Proxy will not preclude a shareholder from attending and voting at the EGM should the shareholder subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

### 14. FURTHER INFORMATION

You are advised to refer to the Appendices of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**CAPE EMS BERHAD**

**TEE KIM CHIN**  
Non-Independent Managing Director / Group Chief Executive Officer

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular. They confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or information contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

**2. CONSENT AND CONFLICT OF INTEREST**

TA Securities, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

TA Securities has confirmed that there is no conflict of interest that exists or any circumstances which would or is likely to give rise to a possible conflict of interests in relation to its role as the Principal Adviser for the Proposals.

**3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****Material commitments**

Save as disclosed below, as at the LPD, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group:

	RM'000
<b>Authorised and contracted for:</b>	
Equipment, furniture and fittings	37
Plant and machinery	5,060
Renovation and electrical installation	226
	<b>5,323</b>

**Contingent liabilities**

As at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

**4. MATERIAL LITIGATION**

As at the LPD, the Group is not involved in any material litigation, claims or arbitration and the Board confirmed that there are no proceedings pending or threatened involving the Group, or of any facts likely to give rise to any such proceedings which might materially affect the business or financial position of the Group.

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:

- (i) Constitution of the Company;
- (ii) audited consolidated financial statements of the Company for the FYE 31 December 2023 and 18-month FPE 30 June 2025; and
- (iii) letter of consent referred to in **Section 2** of this **Appendix I**.

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**

**HISTORICAL FINANCIAL INFORMATION**

	Audited			
	FYE 31 December 2021	FYE 31 December 2022	FYE 31 December 2023	18-month FPE 30 June 2025
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	344,334	437,954	548,644	690,423
Cost of sales	(302,443)	(376,325)	(461,302)	(648,381)
<b>GP</b>	<b>41,891</b>	<b>61,629</b>	<b>87,342</b>	<b>42,042</b>
Other income	983	7,143	4,751	12,502
Finance income	19	97	3,063	4,301
Administrative expenses	(10,674)	(14,528)	(25,747)	(65,863)
Distribution costs	(965)	(373)	(728)	(4,041)
Other expenses	(567)	(4,025)	-	-
Net loss on impairment of financial assets	-	-	-	(5,815)
Finance costs	(5,332)	(9,100)	(10,980)	(17,713)
<b>PBT/ (LBT)</b>	<b>25,355</b>	<b>40,843</b>	<b>57,701</b>	<b>(34,587)</b>
Income tax expense	909	(7,303)	(13,358)	(3,476)
<b>PAT/ (LAT)</b>	<b>26,264</b>	<b>33,540</b>	<b>44,343</b>	<b>(38,063)</b>
PAT/ (LAT) attributable to:				
- owners of the Company	26,264	33,540	44,377	(37,977)
- non-controlling interests	-	-	(34)	(86)
GP margin (%)	12.17	14.07	15.92	6.09
PAT/ (LAT) margin (%)	7.63	7.66	8.08	(5.51)
Weighted average no. of Shares in issue ('000)	40,000	524,548	893,888	992,000
Basic EPS / (LPS) (sen)	65.66	6.39	4.96	(3.83)

**Financial commentary**
**(a) 18-month FPE 30 June 2025 compared to FYE 31 December 2023**

There were no comparative figures for the FYE 31 December 2023 as the audited consolidated financial statements of the Company were prepared based on the 18-month from 1 January 2024 to 30 June 2025, as a result of a change in the Company's financial year end from 31 December to 30 June. As such, the financial commentaries presented herein are based on 18-month FPE 30 June 2025 compared to FYE 31 December 2023.

The Group's revenue for the 18-month FPE 30 June 2025 increased by RM141.78 million or 25.84% to RM690.42 million (FYE 31 December 2023: RM 548.64 million). The increase in revenue was mainly contributed by stronger sales posted from the Group's EMS segment for wireless communication equipment and electronic cigarettes.

The Group's GP for 18-month FPE 30 June 2025 decreased by RM45.30 million or 51.87% to RM42.04 million (FYE 31 December 2023: RM87.34 million), mainly due to the decrease in the Group's GP margin, from 15.92% to 6.09% for the 18-month FPE 30 June 2025. The decrease in GP margin was mainly due to lower unit selling price of the Group's EMS segment for wireless communication equipment and consumer electronic products, particularly in electronic cigarettes, which was impacted by the weakening of foreign exchange, while fixed cost continued to be incurred.

The Group recorded LBT of RM34.59 million for the 18-month FPE 30 June 2025, mainly due to reduced GP, depreciation of property, plant and equipment and right-of-use assets amounted to RM38.77 million as well as impairment losses on trade receivables amounted to RM5.81 million.

**(b) FYE 31 December 2023 compared to FYE 31 December 2022**

The Group's revenue for the FYE 31 December 2023 increased by RM 110.70 million or 25.27% to RM 548.64 million (FYE 31 December 2022: RM 437.95 million). The increase in revenue was mainly contributed by higher sales order from EMS of wireless communication equipment and electronic cigarettes as well as the Group secured a new customer from industrial electronic products sector, particularly for thermal energy devices.

The Group's GP for FYE 31 December 2023 increased by RM25.71 million or 41.72% to RM87.34 million (FYE 31 December 2022: RM61.63 million). The increase in GP was mainly contributed by the increase in revenue as mentioned above. The Group's GP margin had increased marginally, from 14.07% for FYE 31 December 2022 to 15.92% for FYE 31 December 2023, which was contributed by higher sales from higher margin products.

The Group's PBT increased by RM16.86 million or 41.28% to RM57.70 million for the FYE 31 December 2023 (FYE 31 December 2022: RM40.84 million) in line with the increase in GP as set out above.

**(c) FYE 31 December 2022 compared to FYE 31 December 2021**

The Group's revenue for the FYE 31 December 2022 increased by RM 93.62 million or 27.19% to RM 437.95 million (FYE 31 December 2021: RM344.33 million). This was mainly due to the increase in order received from EMS of wireless communication equipment and electronic cigarettes.

The Group's GP for FYE 31 December 2022 increased by RM19.74 million or 47.12% to RM61.63 million (FYE 31 December 2021: RM41.89 million). The increase in GP is in line with the increased revenue as mentioned above. The Group's GP margin has increased marginally, from 12.17% for FYE 31 December 2021 to 14.07% for FYE 31 December 2022, which was contributed by higher sales from higher margin products.

The Group's PBT increased by RM15.49 million or 61.08% to RM40.84 million for the FYE 31 December 2022 (FYE 31 December 2021: RM25.36 million). The increase in PBT is in line with the increased GP as mentioned above as well as the increase in realised foreign exchange gain by RM4.67 million (FYE 31 December 2021: RM0.07 million). However, the increase in PBT was partially offset by the increase in administrative expenses and other costs of RM7.31 million (i.e., auditors' remuneration, depreciations of right-of-use assets, depreciation of property, plant and equipment, unrealised loss on foreign exchange).

**-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-**



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

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("**EGM**" or "**Meeting**") of Cape EMS Berhad ("**Cape**" or the "**Company**") will be held at Ballroom 1, Imperial Lexis Kuala Lumpur, No. 15, Jalan Kia Peng, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Tuesday, 25 November 2025 at 11.00 a.m. or immediately after the conclusion of the 2025 Annual General Meeting of the Company, which is scheduled to be held at the same venue and on the same day at 10.00 a.m., whichever is later or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution with or without modifications:

### **ORDINARY RESOLUTION 1**

#### **PROPOSED VARIATION OF THE UTILISATION OF PROCEEDS PREVIOUSLY RAISED FROM THE INITIAL PUBLIC OFFERING OF THE COMPANY ("**PROPOSED VARIATION**")**

**"THAT** subject to the approval of all the relevant authorities, where required, approval be and is hereby given to the Company for the variation to the utilisation of proceeds previously raised from the initial public offering of the Company;

**AND THAT** the Board of Directors of the Company ("**Board**") be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Variation and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Variation."

### **ORDINARY RESOLUTION 2**

#### **PROPOSED PRIVATE PLACEMENT OF UP TO 114,080,000 NEW ORDINARY SHARES IN CAPE TO INDEPENDENT THIRD-PARTY INVESTORS TO BE IDENTIFIED LATER AND AT AN ISSUE PRICE TO BE DETERMINED LATER ("**PROPOSED PRIVATE PLACEMENT**")**

**"THAT** subject to the approval of all the relevant authorities and parties (if required) being obtained, approval be and is hereby given to the Board to issue and allot up to 114,080,000 new ordinary shares in the Company ("**Cape Shares**" or "**Shares**") ("**Placement Shares**") to independent third-party investor(s), who qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act, 2007 to be identified later, in one or more tranches at an issue price to be determined at a later date by the Board ("**Price-Fixing Date**") upon such terms and conditions as disclosed in the circular to the shareholders of the Company ("**Shareholders**") dated 7 November 2025 ("**Circular**");

**THAT** the issue price for each tranche of the Placement Shares will be determined based on a discount of not more than 10% to the 5-day volume-weighted average market price of Cape Shares up to and including the Price-Fixing Date;

**THAT** the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities and in the best interest of the Company;

**THAT** such Placement Shares shall, upon allotment, issuance and full payment of the issue price, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Placement Shares shall not be entitled to any dividend, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares;

**THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Private Placement;

**THAT** pursuant to Section 85 of the Companies Act 2016, read together with Clause 53 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the Shareholders to be offered new Cape Shares ranking equally to the existing issued Cape Shares arising from any issuance of new Cape Shares pursuant to the Proposed Private Placement;

**AND THAT** the Board is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Placement Shares pursuant to the Proposed Private Placement.”

**BY ORDER OF THE BOARD**

**YEOW SZE MIN (MAICSA 7065735)**  
**(SSM PC No. 201908003120)**

**TAN LEY THENG (MAICSA 7030358)**  
**(SSM PC No. 201908001685)**

Company Secretaries

Kuala Lumpur  
7 November 2025



Notes:

- (1) Only a member whose name appears in the Record of Depositors as at 18 November 2025 shall be regarded as a member entitled to attend, participate, speak and vote or to appoint a proxy or proxies to attend, participate, speak and vote at the EGM.
- (2) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- (3) Subject to Paragraph (4) below, a member entitled to attend and vote is entitled to appoint up to two (2) or more proxies to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (4) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with the Company's Share Registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia or electronically lodged via facsimile to 03-2094 9940/ 03-2095 0292 or email to [info@sshsb.com.my](mailto:info@sshsb.com.my) not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (7) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the resolution set out above will be put to vote by way of poll.



Notes:

- (1) Only a member whose name appears in the Record of Depositors as at 18 November 2025 shall be regarded as a member entitled to attend, participate, speak and vote or to appoint a proxy or proxies to attend, participate, speak and vote at the EGM.
- (2) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- (3) Subject to Paragraph (4) below, a member entitled to attend and vote is entitled to appoint up to two (2) or more proxies to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (4) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy and the power of attorney or other authority (if any), which is signed or a notarially certified copy thereof, must be deposited with the Company's Share Registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia or electronically lodged via facsimile to 03-2094 9940/ 03-2095 0292 or email to [info@sshshb.com.my](mailto:info@sshshb.com.my) not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (7) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the resolution set out above will be put to vote by way of poll.

Fold this flap for sealing

---

Then fold here

---

AFFIX  
STAMP

The Share Registrar of  
**CAPE EMS BERHAD**  
**(Registration No. 199901026859 (501759-M))**  
c/o Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium, Jalan Damanlela,  
Pusat Bandar Damansara, Damansara Heights,  
50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia

1st fold here

---