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CAPE EMS PROPOSES ACQUISITION OF ICONN INC. TO EXPAND OPERATIONS INTO THE USA

The proposed acquisition comes with a profit guarantee of USD8.0 million

JOHOR, 18 September 2023 – **Cape EMS Berhad** (formerly known as Cape EMS Manufacturing (M) Berhad) (“**Cape EMS**” or the “**Company**”) which is principally an investment holding company involved in the provision of electronics manufacturing services (“**EMS**”), announced that it has entered into a conditional stock purchase agreement for the proposed acquisition of iConn Inc. (“**iConn**”) and a proposed private placement of up to 92.3 million new ordinary shares.

Under the proposed acquisition, Cape EMS will be acquiring the entire stake in iConn comprising 50,072 common stocks for a cash consideration of USD16.5 million (equivalent to approximately RM76.6 million). The acquisition will be funded through the proceeds to be raised from the proposed private placement, internally generated funds and/or bank borrowings. The seller has given a profit guarantee of USD8.0 million (equivalent to approximately RM37.1 million) over an agreed period of 36 months starting from 1 January 2024 until 31 December 2026.

The strategic acquisition will integrate iConn’s design and engineering capabilities into Cape EMS’s process, which would allow the Cape EMS to expand its EMS segment’s range of services, thereby improving its appeal to existing and potential customers. In addition, Cape EMS will have a geographical advantage in supporting customers from the USA as well as tapping into iConn’s business and supply networks.

Cape EMS Managing Director/Group Chief Executive Officer Tee Kim Chin (Christina) (鄭莉蕻) said, “Given our strategy is to focus on our core competency within the EMS business segment and further growing our business offerings, we believe that this acquisition will allow us to gain an operational foothold within the USA and to further explore new opportunities in Canada and Mexico where iConn currently has an active presence in. The

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geographical proximity and similar time zone differences will enable us to better serve existing and new customers in addition to reducing our risk concentration in a specific product or market. In addition to that, the access to iConn's expertise in the design of manufacturing and engineering of electronic components can be further offered to our existing as well as new customers thereby improving our competitive advantage on a global scale."

About Cape EMS Berhad (纵横集团)

Cape EMS Berhad (formerly known as Cape EMS Manufacturing (M) Berhad) is principally an investment holding company and is involved in electronics manufacturing services. Through its subsidiaries, it is also involved in aluminium die cast manufacturing and electronics manufacturing services, as well as supply of electronic products and related activities.

Cape EMS Berhad serves customers from both industrial and consumer sectors mainly from the U.S.A, Europe and Asia Pacific markets.

For more information, please visit <https://cape-group.com.my/en/home>

Issued by Imej Jiwa Communications Sdn Bhd on behalf of Cape EMS Berhad

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