CPE TECHNOLOGY BERHAD
REGISTRATION NO.: 202101015732 (1416032-X)

THE ACQUISITION OF MACHINERIES BY CHAMPION PRECISION TECHNOLOGY SDN. BHD. [REGISTRATION NO. 199501027211 (356416-M)], A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

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1. INTRODUCTION

The Board of Directors of CPE Technology Berhad ("**CPE**" or "**the Company**") wishes to announce that Champion Precision Technology Sdn. Bhd. [Registration No. 199501027211 (356416-M)] ("**CPT**"), a wholly-owned subsidiary of the Company had acquired seventy (70) machineries from the Vendors as stated in Section 3 of this announcement, whereby the Vendors agreed to sell and CPT agreed to purchase the machineries from the Vendors at the total consideration of RM21,017,220.00 ("**the Acquisitions**").

2. INFORMATION ON CPT

CPT, a wholly-owned subsidiary of CPE, is a company incorporated in Malaysia and having its registered office at L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya, Johor. The issued and fully paid-up share capital of CPT is RM2,200,000.00 comprising of 2,200,000 ordinary shares.

The principal activity of CPT is the manufacturing of precision machined parts and components using computer numerical control ("**CNC**") turning and milling technology and the provision of CNC turning and milling services.

3. INFORMATION ON VENDORS

No.	Company Name & Registration Number	Registered / Business Address	Issued & Paid-Up Capital	Principal Activity
1.	Yamazen (Malaysia) Sdn. Bhd. [199001007845 (199415-U)]	Unit 27-07, Level 27, Q Sentral 2A, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur Wilayah Persekutuan	RM1,000,000.00 comprising of 1,000,000 ordinary shares	Trading in Specialised Machine Tools and Equipment and the Provision of Related Services including Training and Consultancy Services
2.	Numac Machinery Sdn. Bhd. [198501006051 (138493-H)]	Tkt. 2, No. 17 & 19, Jalan Brunei Barat, Pudu, 55100 Kuala Lumpur, Kuala Lumpur Wilayah Persekutuan	RM2,200,000.00 comprising of 2,200,000 ordinary shares	1. Trading in Industrial Machinery and Equipment and the Provision of Related Services. 2. Renting in Industrial Machinery and Equipment and the Provision of Related Services. 3. Training and Consultancy Services.

4. DETAILS OF MACHINERIES

Acquisition of turning and milling machineries to improve production capacity, machining accuracy, and manufacturing efficiency.

5. CONSIDERATION AND PAYMENT TERMS

The purchase consideration for the Acquisition shall be satisfied by cash and loan financing.

6. RATIONALE AND BENEFITS OF THE TRANSACTION

The acquisition is to meet CPE and its subsidiaries' current and expected demand for future business expansion and operational efficiency.

7. RISK FACTORS

The inherent risk of Proposed Acquisition includes machines breakdown and increase in repair and maintenance cost of the Group.

The Board of Directors of CPT will continue to exercise due care in considering the risks and will take appropriate measures to mitigate such risks.

8. UTILISATION OF PROCEEDS

The purchase consideration which was arrived on the basis of the willing buyer and willing seller and will utilize the proceeds generated from Initial Public Offering for settlement of the machines.

9. FINANCIAL EFFECTS

The Acquisition is not expected to have any material effect on the share capital, net assets or gearing of the Group for the financial year ending 30 June 2027, except for an increase in the Group's property, plant and equipment arising from the acquisition of the machinery.

The Acquisition of the machinery is intended to enhance the Group's production capacity and operational efficiency, which is expected to contribute positively to the Group's future earnings.

10. LIABILITIES TO BE ASSUMED

There are no liabilities to be assumed.

11. PROSPECTS

The semiconductor segment, which contributes approximately two-thirds of the Group's revenue, is expected to remain a key growth driver, supported by continued investments in AI, high-performance computing, advanced memory and leading-edge semiconductor technologies.

In response to the continuing increase in demand and requests from customers, the Group plans to acquire an additional 70 CNC machines and a factory property through a sub-sale transaction. The proposed expansion is intended to provide additional capacity to support the Group's future production requirements.

The outlook remains subject to geopolitical, trade and macroeconomic uncertainties. The Group will continue to monitor market conditions and focus on operational execution, cost management and the development of its manufacturing capabilities.

12. APPROVAL / CONSENT REQUIRED

The Acquisition is not subject to the approval of the shareholders of CPE and/or any other relevant authority(ies).

The Acquisition is not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.

13. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, substantial shareholders of CPE and/or person connected with them has any interest, direct or indirect, in the Acquisitions.

14. DIRECTORS' STATEMENT

After having considered all aspects of the Acquisitions, the Board of Directors of CPE is of the opinion that the Acquisitions is fair, reasonable and in the best interest of CPE and its subsidiaries.

15. EXPECTED COMPLETION DATE

Barring unforeseen circumstances, the Acquisitions is expected to be completed by third quarter of financial year 2027.

16. DOCUMENT FOR INSPECTION

The documents will be available for inspection during normal office hours at the registered office of CPE at L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya, Johor from Monday to Friday between 8.30 a.m. to 5.30 p.m. (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 5 August 2026.