CPE TECHNOLOGY BERHAD ("CPE" OR "THE COMPANY")
REGISTRATION NO.: 202101015732 (1416032-X)

PROPOSED ACQUISITION OF A PIECE OF FREEHOLD LAND HELD UNDER HSD 506795, PTD 212906, MUKIM PLENTONG, DAERAH JOHOR BAHRU, NEGERI JOHOR CONTAINING AN AREA MEASURING APPROXIMATELY 0.4039 HECTARE IN AREA TOGETHER WITH A UNIT OF FACTORY ERECTED THEREON AND BEARING POSTAL ADDRESS KNOWN AS NO. 17, JALAN INDAH GEMILANG 5, TAMAN PERINDUSTRIAN GEMILANG, 81800, ULU TIRAM, JOHOR ("SUBJECT PROPERTY") BY CHAMPION PRECISION TECHNOLOGY SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF CPE FROM FLOMATIC INDUSTRIES SDN. BHD. FOR A PURCHASE CONSIDERATION OF RM10,000,000.00 ("PROPOSED ACQUISITION")

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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**" or "**Purchaser**"), a wholly-owned subsidiary of CPE, had on 21 July 2026 entered into a Sale and Purchase Agreement ("**SPA**") with Flomatic Industries Sdn Bhd [Registration No. 201301007006 (1036846-M)] ("**FISB**" or "**Vendor**") for the acquisition of the Subject Property for a cash consideration of RM10,000,000.00 ("**Purchase Consideration**") subject to the terms and conditions set out in the SPA.

2. BACKGROUND INFORMATION

2.1 Information on CPT

CPT was incorporated in Malaysia as a private limited company under the Companies Act 1965 and deemed registered under the Companies Act 2016. CPT is a wholly-owned subsidiary of CPE. CPT is principally engaged in 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.

The issued share capital of CPT is RM2,200,000.00 comprising 2,200,000.00 ordinary shares.

As at the LPD, the directors of CPT are Foo Ming, Lee Chen Yeong and Mu Woon Chai.

2.2 Information on FISB

FISB was incorporated in Malaysia as a private limited company under the Companies Act 1965 and deemed registered under the Companies Act 2016. FISB is principally engaged in manufacturing fridge.

As at the LPD, the issued share capital of FISB is RM500,000.00 comprising 500,000 ordinary shares.

The directors of FISB as at the LPD are Tan Hua Shin, Han Ah Yang, Tan Hua Feng (Chen Huahong), Tan Hua Han and Tan Tow Chow.

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3. DETAILS OF THE PROPOSED ACQUISITION

3.1 Information on the Subject Property

Identification		Details
Land Title	:	HSD 506795, PTD 212906, Mukim Plentong, Daerah Johor Bahru, Negeri Johor
Address	:	No. 17, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800, Ulu Tiram, Johor.
Brief Description	:	A piece of freehold land together with a unit of factory erected thereon
Registered owner	:	FISB
Express Conditions	:	i) Tanah ini hendaklah digunakan untuk Industri Sederhana Sesebuah 1 Tingkat beserta Pejabat 3 Tingkat untuk tujuan Perusahaan Sederhana dan kegunaan lain berkaitan dengannya dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang Berkenaan. ii) Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan/dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan. iii) Segala dasar dan syarat yang ditetapkan dan dikuatkuasa dari semasa ke semasa oleh Pihak Berkuasa berkenaan hendaklah dipatuhi.
Restriction-in-interest	:	Tanah yang terkandung di dalam hakmilik ini apabila sahaja bertukar miliknya kepada seorang Bumiputera, maka tidak boleh terkemudian daripada itu dijual, dipajak, atau dipindahmilik dengan apa cara sekali pun kepada orang Bukan Bumiputera tanpa persetujuan Pihak Berkuasa Negeri.
Encumbrances Nature	:	Legal Charge

3.2 Basis and justification for the Purchase Consideration

The Purchase Consideration was determined based on a willing-buyer and willing-seller basis, after taking into consideration the rationale and prospects of the Subject Property, as well as the indicative average market value of comparable properties within the vicinity.

3.3 Sources of Funding

The Proposed Acquisition will be funded through the proceeds raised from the Initial Public Offering.

3.4 Liabilities to be assumed

Save for the obligations and liabilities of the Group arising from the SPA, there are no liabilities or contingent liabilities or guarantees to be assumed by the Group pursuant to the Proposed Acquisition.

The Board also does not foresee any material financial commitments required following the completion of the Proposed Acquisition.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the long-term strategy of CPE and its subsidiaries ("**CPE Group**" or "**Group**") to strengthen its manufacturing and industrial capabilities, as well as expand production capacity. The Proposed Acquisition will provide an opportunity for CPT to acquire additional space within the vicinity of its existing factories to set-up additional and/or new manufacturing line in the near future. With the above, the Proposed Acquisition is expected to enhance the Group's manufacturing footprint and support the expansion plan of the Group.

5. EFFECTS OF THE ACQUISITION

5.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition will not have any effect on the issued share capital and the substantial shareholders' shareholdings of CPE.

5.2 Earnings and earnings per share ("EPS")

The Proposed Acquisition is not expected to have any material effect on the earnings and EPS of the Group for the financial year ending 30 June 2027.

Nevertheless, barring any unforeseen circumstances, the Proposed Acquisition is expected to contribute positively to the future earnings of the Group.

5.3 Net assets (“NA”), NA per share and gearing

The Proposed Acquisition is not expected to have any material effect on the NA and NA per share and gearing of the Group for the financial year ending 30 June 2027.

6. RISK FACTORS

The Proposed Acquisition is subject to general property market risks, including fluctuations in market value and economic conditions. Nevertheless, the Board is of the view that such risks are manageable and acceptable in view of the strategic rationale of the Proposed Acquisition.

7. PERCENTAGE RATIO

Pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the highest percentage ratio applicable to the Proposed Acquisition is 3.05% based on the latest audited consolidated financial statements of CPE for the financial year ended 30 June 2025.

8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisition is not subject to the approval of the shareholders of CPE and any other relevant authorities.

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

None of the Directors, major shareholders of CPE and/or persons connected with them, has any interest, direct or indirect, in the Proposed Acquisition.

12. DIRECTORS’ STATEMENT

The Board, having considered all aspects of the Proposed Acquisition, including but not limited to the rationale, financial effects, salient terms of the SPA and prospects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Group.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the second quarter of financial year 2027.

14. DOCUMENTS FOR INSPECTION

A copy of the SPA is 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 05 August 2026.