CPE Tech®

CPE TECHNOLOGY BERHAD

(Registration No.: 202101015732 (1416032-X))



Ingenuity Engineered

ANNUAL REPORT 2026

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About the Cover

INGENUITY ENGINEERED

As industries become increasingly connected, automated and technology-driven, innovation is no longer defined by ideas alone, but by the ability to transform them into practical, high-performance solutions. In this evolving landscape, lasting value is created through the seamless integration of technical expertise, creativity and forward-thinking engineering. Driven by a spirit of continuous innovation, CPE Technology Berhad combines engineering excellence with inventive thinking to address increasingly complex manufacturing challenges. The Group's commitment to transforming ideas into impactful outcomes empowers customers with advanced manufacturing solutions that are built not only for today, but for the possibilities of tomorrow.

About Us



A leading one-stop solution provider in quality precision machining and mechanical assemblies.

CPE Technology Berhad is a holding company of several subsidiaries, including Champion Precision Engineering Pte Ltd, Champion Precision Technology Sdn. Bhd., Champion Component Sdn. Bhd., Champion Oil Tool Sdn. Bhd. (Return by Liquidator Relating to Final Meeting in relation to Member's Voluntary Winding Up was submitted on 10 August 2026) and Kita Champion Sdn. Bhd. (Incorporated on 9 September 2026).

Our inception started over four decades ago when Champion Precision Engineering Works was founded in Singapore in 1985. Over the next ten years, Champion Precision Engineering Pte Ltd had grown by leaps and bounds and subsequently expanded to Johor, Malaysia in 1995.

VISION

To extend our capabilities and services globally, and provide beyond what is available in the market.

MISSION

To be a leading and preferred partner with our customers by providing high-quality, timely and cost-effective products that exceed our customer's requirements, thus satisfying our aspiration to achieve profitable growth.

OUR STRENGTHS

- Precision Capabilities
- Manufacturing Capacity
- Cost-effective Prices
- Quality Services
- Global Recognition
- Sustainability

Corporate Information

BOARD OF DIRECTORS

ANG SENG WONG
Independent
Non-Executive Chairman

LEE CHEN YEONG
Executive Director cum
Group Chief Executive Officer

FOO MING
Non-Independent
Non-Executive Director

MU WOON CHAI (DERRICK)
Executive Director

LAI HOOI YIM
Independent
Non-Executive Director

LIEW CHEE KAR
Independent
Non-Executive Director

WILLHAM SIAU
Independent
Non-Executive Director
(Retired as INED, NRC Chairman and ARMC member on 21 November 2025)

THAM WEI MEI
Independent
Non-Executive Director

HUN JIANG YANN
Executive Director cum
Group Chief Financial Officer



AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
LAI HOOI YIM

Members
LIEW CHEE KAR
THAM WEI MEI

NOMINATION AND REMUNERATION COMMITTEE

Chairman
LIEW CHEE KAR

Members
FOO MING
THAM WEI MEI

REGISTERED OFFICE

L2-02, 1 Medini Hub,
Persiaran Medini Utara 3,
Medini Iskandar, 79000
Nusajaya, Johor, Malaysia.
Tel: +607 818 0350
Email: info.my@vistra.com

SHARE REGISTRAR AND ISSUING HOUSE

Vistra Investor & Issuing House Services Sdn. Bhd.
(Company No. 197101000970 (11324-H))
(formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.)
Unit 32-01, Level 32,
Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel: +603 2783 9299
Fax: +603 2783 9222
Email: is.enquiry@vistra.com

COMPANY SECRETARY

WONG CHEE YIN
(MAICSA No. 7023530)
(SSM Practising No. 202008001953)

AUDITORS

Moore Stephens Associates PLT
[201304000972 (LLP0000963-LCA)]
Chartered Accountants
[AF002096]
Suite 31-01, Level 31,
MENARA JLAND,
Johor Bahru City Centre,
Jalan Tun Abdul Razak,
80888 Ibrahim International
Business District, Johor, Malaysia.
Tel: +607 224 1118

PRINCIPAL BANKERS

Public Islamic Bank Berhad
United Overseas Bank
(Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia
Securities Berhad
Sector: Industrial Products and Services
Stock Code: 5317
Stock Name: CPETECH

Consumer Electronics and Semiconductors | Health and Science | Flows and Regulators | Electro-Optical Instruments | Medical Equipment | Automotive Components

WEBSITE

https://www.cpetbhd.com/

Corporate Structure



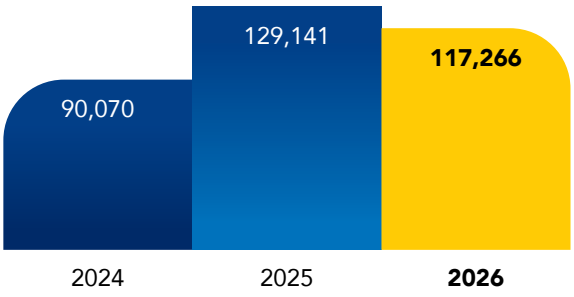
Financial Highlights

	FYE 2024	FYE 2025	FYE 2026
Revenue (RM'000)	90,070	129,141	**117,266**
Profit Before Tax (RM'000)	14,263	30,535	**22,922**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) (RM'000)	20,843	36,016	**29,826**
Net Profit After Tax (RM'000)	11,093	23,590	**17,792**
Total Equity (RM'000)	313,919	328,275	**334,363**
Total Assets (RM'000)	343,576	351,372	**355,506**
Total Liabilities (RM'000)	29,657	23,097	**21,143**
Gearing Ratio	0.04	0.01	**0.01**
Basic Earnings Per Share (Sen)	1.85	3.51	**2.65**
Net Assets Per Share Attributable to Owners (Sen) [1]	0.47	0.49	**0.50**

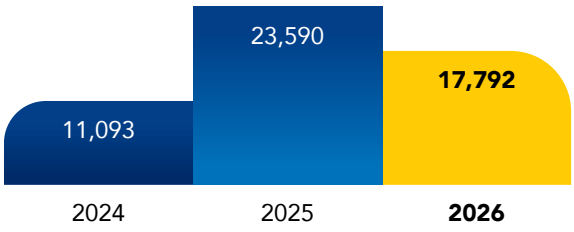
Note:
[1] Net Assets Per Share Attributable to Owner is calculated based on the Company's number of ordinary shares as at FYE 30 June 2026 of 671,314,791 ordinary shares.

	Revenue (RM'000)	Net Profit After Tax ("PAT") (RM'000)	Net Assets Per Share Attributable to Owners (Sen) [1]	Basic Earnings Per Share (Sen)
FYE 2026	**117,266**	**17,792**	**0.50**	**2.65**
FYE 2025	129,141	23,590	0.49	3.51
FYE 2024	90,070	11,093	0.47	1.85

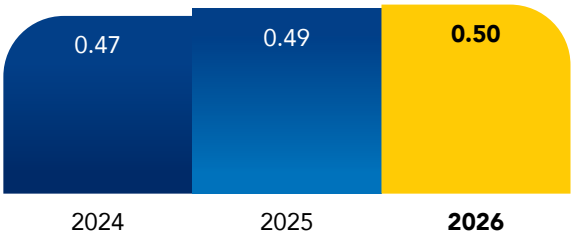
Revenue (RM'000)



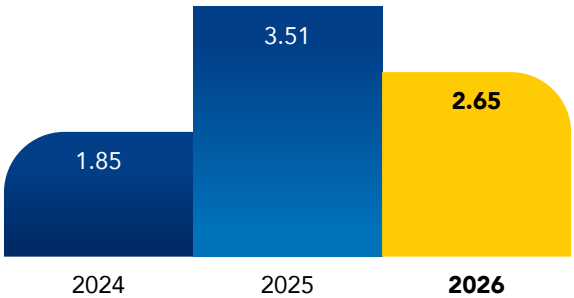
PAT (RM'000)



Net Assets Per Share Attributable to Owners (Sen)



Basic Earnings Per Share (Sen)



Board of Directors' Profile



ANG SENG WONG

Independent Non-Executive Chairman

Age 64 **Gender** Male **Nationality** Malaysian
Date of Appointment to The Board 1 April 2022

Qualifications
- Doctor of Business Administration, Swiss School of Management
- Master of Business Administration, Cardiff Metropolitan University, Wales
- Member of Malaysian Institute of Accountants ("MIA")
- Fellow Member of the Institute of Corporate Directors ("ICDM")
- Bachelor of Business (Banking and Finance)
- Bachelor of Arts, Chisholm Institute of Technology, Australia (currently known as Monash University)

Working Experience and Occupations (which include past directorships)
- Freelance Lecturer (2003 - Current)
- Eduspec Holdings Berhad, Independent Non-Executive Director (2024)
- EG Industries Berhad, Non-Independent Non-Executive Director (2009 - 2024)
- Ralco Corporation Berhad, Independent Non-Executive Director (2019 - 2024)
- Astral Supreme Berhad (currently known as Vizione Holdings Berhad),
  - Executive Director (2005)
  - General Manager (2003 - 2004)
- Pacific Asian Exporters Inc., Regional Representative (1999 - 2007)
- NCK Corporation Berhad, Corporate Affairs Manager (1994 - 1998)
- CIDC (Malaysia) Sdn. Bhd., Representative (1993 - 1994)
- TH-Exima Electronic (M) Sdn. Bhd., Finance Director (1991 - 1992)
- Mbf Finance Berhad, Assistant Manager (1990 - 1991)
- Apex Securities Sdn. Bhd. (currently known as JF Apex Securities Berhad), Researcher (1989 - 1990)
- Freeman McMurrick Pty. Ltd., Accountant (1986 - 1989)

Present directorship in public companies and listed corporations
- Independent Non-Executive Director, Salcon Berhad (2026 - Current)
- Independent Non-Executive Director, Richtech Digital Berhad (2026 - Current)
- Independent Non-Executive Chairman, Infoline Tec Group Berhad (2024 - Current)
- Independent Non-Executive Director, Life Water Berhad (2023 - Current)

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
No

Board of Directors' Profile



LEE CHEN YEONG

Executive Director cum Group Chief Executive Officer

Age 54 **Gender** Male **Nationality** Malaysian
Date of Appointment to The Board 26 April 2021

Qualifications
- Singapore-Cambridge General Certificate of Education Examination (Normal Level) 1988

Working Experience and Occupations (which include past directorships)
- Over the years, he has garnered approximately 38 years of experience in the precision engineering industry.

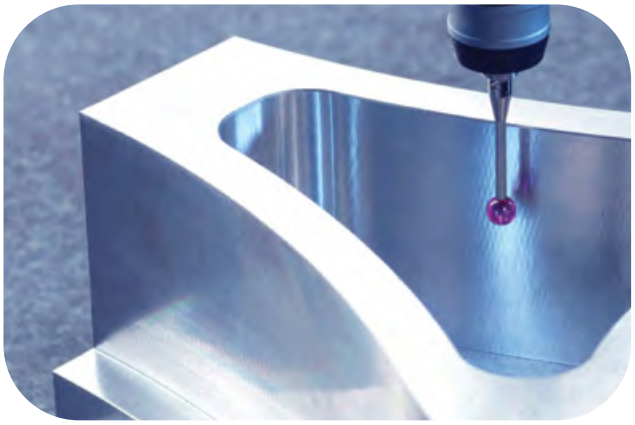
Present directorship in public companies and listed corporations
No

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
- Major shareholder
- Number of shares as of 30 June 2026: 193,240,846 Direct Interest



Board of Directors' Profile



FOO MING

Non-Independent Non-Executive Director

Age 73 **Gender** Male **Nationality** Malaysian
Date of Appointment to The Board 26 April 2021

Qualifications
- Certificate in Supervisory Studies, Lancastrian School of Management and the Institution of Industrial Managers, 1982
- Grade Three National Trade Certificate in Metal Machining, Industrial Training Board Singapore, 1976
- Secondary School Education from Sekolah Menengah Kebangsaan St. Paul Tanjung Tualang, Perak, Malaysia, 1969

Working Experience and Occupations (which include past directorships)
- Co-founder of the Group and he has obtained approximately 57 years of experience in precision engineering industry. (1985 - Current)
- Union Hydraulic Jack Pte. Ltd.,
  - Assistant Engineer (1979 - 1984)
  - Technical Supervisor (1977 - 1979)
- Kenwan Precision Engineering Private Limited, Senior Setter (1975 - 1977)
- Polygon Products Private Limited, Junior Machinist (1972 - 1975)
- Ngai Cheong Engineering Works, General Worker (1970)

Present directorship in public companies and listed corporations
No

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
- Major shareholder
- Number of shares as of 30 June 2026: 113,537,328 Direct Interest

Board of Directors' Profile



MU WOON CHAI

Executive Director

Age 60 **Gender** Male **Nationality** Singaporean
Date of Appointment to The Board 26 April 2021



Qualifications
- Craftsman Certificate, Singapore Economic Development Board, 1988
- National Trade Certificate Grade Two in Precision Machining (Practical and Theory Parts), Vocational and Industrial Training Board Singapore, 1985
- In-Centre Training in Precision Machining, Tata-Government Training Centre, 1985
- Singapore-Cambridge General Certificate of Education Examination (Ordinary Level), 1982

Working Experience and Occupations (which include past directorships)
- Over the years, he has obtained approximately 41 years of experience in precision engineering industry.
- Ordnance Development & Engineering Company of Singapore Pte. Ltd., Machinist (1985 - 1995)

Present directorship in public companies and listed corporations
No

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
- Major shareholder
- Number of shares as of 30 June 2026: 75,374,917 Direct Interest

Board of Directors' Profile



HUN JIANG YANN

Executive Director cum Group Chief Financial Officer

Age 58 **Gender** Male **Nationality** Malaysian
Date of Appointment to The Board 1 July 2025

Qualifications
- Member of ICDM
- Certified Financial Planner, Financial Planning Association of Malaysia
- Master of Financial Planning, University of Southern Queensland, Australia, 2005
- Fellow Member, Association of International Accountants (United Kingdom)
- Member, The Association of Business Executives

Working Experience and Occupations (which include past directorships)
- Financial Controller to the Group (2013 - 2022)
- Sunway College Johor Bahru, Lecturer (2007 - 2018)
- Hanson Consulting, Partner (2010 - 2011)
- JY Hun Training & Consultancy, Principal, (2005 - 2014)
- KTC Human Resource Consultants Sdn. Bhd. and KTC Megah Sdn. Bhd.,
- Various positions from Branch Manager to Executive Director (2000 - 2005)
- Chong & Associates,
  - Audit Branch Manager (1995 - 1999)
  - Audit Supervisor (1994)
- Syarikat C H. Kam,
  - Audit/Tax Supervisor (1993 - 1994)
  - Audit/Tax Assistant (1992 - 1993)

Present directorship in public companies and listed corporations
No

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
- Shareholder
- Number of shares as of 30 June 2026: 200,000 Direct Interest

Board of Directors' Profile



LAI HOOI YIM

Independent Non-Executive Director

Age 58 **Gender** Female **Nationality** Malaysian
Date of Appointment to The Board 1 April 2025

Qualifications
- Member of MIA
- Fellow Member of the Association of Chartered Certified Accountants ("ACCA")
- Member of ICDM
- Diploma in Commerce (Financial Accounting), Kolej Tunku Abdul Rahman, 1992

Working Experience and Occupations (which include past directorships)
- Sha, Tan & Co, Business Development Associate (2012 - Current)
- TCK & Co, Business Development Associate (2011 - Current)
- Figure Portal Sdn. Bhd., Director (2020 - Current)
- ASSA ABLOY Opening Solutions Malaysia Sdn. Bhd.,
  - Consultant (2019)
  - Finance Manager (2015 - 2019)
- Network Foods Industries Sdn. Bhd., Senior Finance Manager (2015)
- Platinum Paradise Sdn. Bhd., Finance Manager (2013)
- IOI Corporation Berhad, Accountant (1995 - 2011)
- Leong Ho & Associates, Audit Senior, (1994 - 1995)
- Tan & Co, Audit Semi-Senior (1993)
- Lim, Tay & Co., Audit Assistant (1992 - 1993)

Present directorship in public companies and listed corporations
No

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
No

Board of Directors' Profile



LIEW CHEE KAR

Independent Non-Executive Director

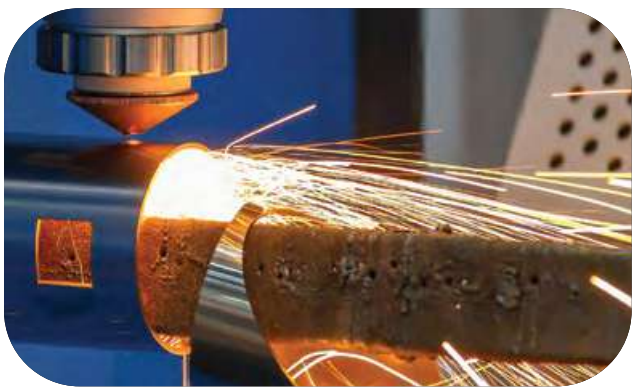
Age 42 **Gender** Female **Nationality** Malaysian
Date of Appointment to The Board 16 June 2022

Qualifications
- Member of ICDM
- Member of Sabah Law Society
- Certificate of Legal Practice, 2008
- Bachelor of Laws (Hons) from University of West of England, Bristol, United Kingdom, 2006

Working Experience and Occupations (which include past directorships)
- Messrs. Lim Chung & Zahbia,
  - Senior Legal Associate (2015 - Current)
  - Pupil (2014 - 2015)
- Messrs. Lee Choon Wan & Co,
  - Partner (2013 - 2014)
  - Legal Associate (2009 - 2013)
- Messrs. Albar & Partners,
  - Pupil (2008 - 2009)

Present directorship in public companies and listed corporations
- Independent Non-Executive Director, Enest Group Berhad (2025 - Current)

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No



Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
No

Board of Directors' Profile



THAM WEI MEI

Independent Non-Executive Director

Age 59 **Gender** Female **Nationality** Malaysian
Date of Appointment to The Board 18 July 2023

Qualifications
- Member of ICDM
- Qualified Nutritional Therapist
- Member, Association of Nutritional and Functional Medicine Practitioners, Malaysia
- Professional Certificate in Nutritional Medicine, School of Complementary and Traditional Medicine managed by DSY Medical Education Sdn. Bhd., 2022
- Bachelor of Communication (Hons), Universiti Sains Malaysia, 1991

Working Experience and Occupations (which include past directorships)
- Alpha Platform Public Relations Sdn. Bhd., Executive Director and Head of Client Services, (2016 – Current)
- Livinglyfe Wellness Sdn. Bhd., Nutritional Therapist (2022 - 2024)
- Wisma Setiamas Sdn. Bhd. (now known as Centre for New Inclusive Asia Studies Sdn. Bhd.) (2016 - 2018)
- Alpha Platform (M) Sdn. Bhd., Director (1998 - 2019)
- World Call Sdn. Bhd., Marketing and Client Services Consultant (1995 – 1998)
- Asia PR Publishing Sdn. Bhd.
  - Assistant Bureau Chief (1992 – 1995)
  - Editorial Executive (1992)
- PT Yulinda Duta Fashion, Marketing Executive (External Markets) (1991 – 1992)

Present directorship in public companies and listed corporations
- Independent Non-Executive Director of Lay Hong Berhad (2023 - Current)
- Independent Non-Executive Director of Protasco Berhad (2018 - Current)

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
No

Note to the Directors' Profile:
1. The attendance details of the Directors' meetings can be found on page 51 of the Annual Report.

Key Senior Management's (KSM) Profile

HUN JIANG YANN

Executive Director cum Group Chief Financial Officer

Age 58 **Date of Joining as KSM** 1 April 2022

Refer to the Board of Directors' Profile on page 10



AKIRA NAKASHIMA

Chief Operating Officer for International Business Development of Champion Precision Engineering Pte. Ltd.

Age 54 **Date of Joining as KSM** March 2021

Qualifications
- Bachelor of Arts in Psychology from Sonoma State University, USA,1998

Working Experience and Occupations (which include past directorships)
- Joining the group in March 2021 and he has approximately 27 years of experience in various types of international trading business, particularly approximately 21 years of his experience in the semiconductor industry.
- Kokusai Electric Asia Pacific Co. Ltd., Singapore, Senior Sales Manager (2016 - 2021)
- Hitachi Kokusai Electric Inc., Japan, Senior Sales Manager (2014 - 2016)
- Fujikin Singapore, Deputy General Manager (2010 - 2014)
- Fujikin Incorporated,
  - Overseas Sales Manager for Southeast Asia (2010)
  - Sales Manager (2005 - 2007)
- Simco-Ion Japan, Technical Sales (2007 - 2010)
- San-Ei Corporation, Sales Engineer (1999 - 2005)

Present directorship in public companies and listed corporations
No

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
No

Key Senior Management's (KSM) Profile

KHERN YENG KAR

General Manager of Champion Precision Technology Sdn. Bhd.

Age 58 **Date of Joining as KSM** 1 March 2011

Qualifications
- Bachelor of Science in Mechanical Engineering, University of Toledo, USA, 1991

Working Experience and Occupations (which include past directorships)
- Joining the group in March 2011 and he has approximately 35 years of experience in the area of engineering.
- ASM Technology (M) Sdn. Bhd., Manufacturing Manager (2000 - 2011)
- Delta Structure Sdn. Bhd., Operation Manager (1998 - 2000)
- Mechmar (Thailand) Co. Ltd., Factory Manager (1995 - 1998)
- Mechmar Boilers Sdn. Bhd., Production Engineer (1991 - 1995)

Present directorship in public companies and listed corporations
No

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
No

TAN LAY CHOON

General Manager of Champion Precision Engineering Pte. Ltd.

Age 61 **Date of Joining as KSM** April 2018

Qualifications
- Diploma in Industrial Management, Ngee Ann Polytechnic, Singapore, 1991
- Diploma in Mechanical Engineering, Ngee Ann Polytechnic, Singapore, 1986

Working Experience and Occupations (which include past directorships)
- Joining the group on October 1998 and promoted to General Manager in April 2018, primarily responsible for overseeing the operations in Singapore with a focus on customer relations and QA.
- Die Casting Technology Pte. Ltd., Quality Assurance Engineer (1996 - 1998)
- Avimo-Electro Optics Pte. Ltd., Quality Assurance Engineer (1995 - 1996)
- Avimo Singapore Limited, Quality Assurance Engineer (1991 - 1995)
- Rodime Singapore Pte. Ltd., Quality Assurance Assistant Engineer (1991)
- Techna Telesis International Pte. Ltd., Quality Assurance Engineer (1989 - 1991)
- Wearnes Precision Pte. Ltd., Assistant Quality Assurance Engineer (1986 - 1989)

Present directorship in public companies and listed corporations
No

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
No

Key Senior Management's (KSM) Profile

NGEIN LIONG FATT

Senior Business Development Manager of Champion Precision Engineering Pte. Ltd.

Age 66 **Date of Joining as KSM** April 2004

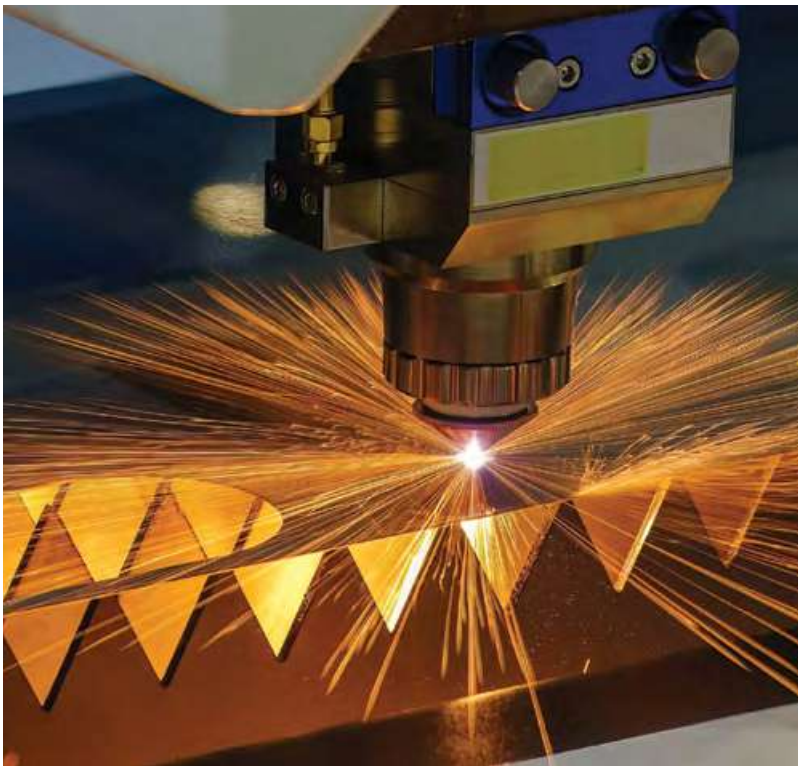
Qualifications
- National Productivity Awards, National Productivity Council in 1988
- Craftsman Certificate, Singapore Economic Development Board, 1985
- In-centre Training in Precision Machining, Brown Boveri-Government Training Centre, 1985
- Manufacturing Management Specialist, Sanno Institute of Business Administration
- Singapore-Cambridge General Certificate of Education Ordinary Level, 1977

Working Experience and Occupations (which include past directorships)
- Joining the group on July 2004 and he has approximately 43 years of experience in the manufacturing industry.
- Solid Tech Engineering Pte. Ltd., Business Development Manager (2004)
- Pheng Tat Precision Tools Pte. Ltd., Business Development Manager (2001 - 2003)
- JP Venture Pte. Ltd., Business Development Manager (2001)
- ZionTECH Pte. Ltd., Sales Manager (2000 - 2001)
- Norelco Centreline Pte. Ltd., Sales Manager (1999 - 2000)
- Centrelines Engineering (S) Pte. Ltd., Sales Manager (1998 - 1999)
- Val Tools Pte. Ltd., Sales Executive (1996 - 1998)
- Rexon Singapore Pte. Ltd., Production Supervisor (1994 - 1995)
- Mould Base Manufacturer Singapore Pte. Ltd., Production Manager (1993 - 1994)
- Chartered Metal Industries Private Limited,
  - Plant Supervisor (1989 - 1993)
  - Senior Technician (1983 - 1989)

Present directorship in public companies and listed corporations
No

Any family relationship with any Director and/or Major Shareholder and/or Key Senior Management of the Company
No

Any conflicts of interest that the person has with the Company
No





Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any
No

Details of any interest in the securities of the Company
No

Management Discussion and Analysis

Business Overview

CPE Technology Berhad ("**CPE**" or "**the Company**") and its subsidiaries (collectively, "**the Group**") provide precision engineering support services, principally the manufacture of precision-machined parts and components and computer numerical control ("**CNC**") machining services. Our customers operate across the semiconductor, life sciences and medical devices, sports equipment and other industries in Malaysia and overseas.

Our core manufacturing processes comprise CNC milling and turning, supported by secondary processes including polishing, grinding and sandblasting. We manufacture customised components using materials procured by the Group or supplied by customers. The semiconductor industry, particularly the supply chain for Integrated Gas System ("**IGS**") equipment, remains our largest end market.

For the financial year ended 30 June 2026 ("**FYE 2026**"), the Group focused on supporting customer development programmes while preparing its manufacturing operations for anticipated increases in production. Demand was subdued in the first half but improved towards the financial year end. Revenue and profitability were lower than in FYE 2025, although the Group maintained a strong balance sheet and continued to invest in its capacity and capabilities.



Operations Review

The first half of FYE 2026 was characterised by cautious purchasing among semiconductor equipment customers and changes in their inventory requirements. A major customer's transition to a Kanban inventory management system temporarily reduced direct purchase volumes, while the Group built inventory to support continuity of supply. We adjusted production schedules and capacity allocation in response to these changes.

At the same time, we devoted engineering and manufacturing resources to developing and qualifying new products for existing and prospective customers. This work reduced capacity available for mass production in the near term but was necessary to prepare components for future customer programmes. Our established expertise in precision machining and IGS components continued to underpin these engagements.

Customer requirements strengthened in the second half as purchasing and inventory replenishment increased. Development work moderated and resources were progressively redirected towards volume production. By 30 June 2026, the Group's order book had approximately doubled compared to six months earlier. We also secured new customer projects expected to enter production ramp-up over the coming quarters, subject to customers' schedules and requirements.

Throughout the year, our operational priorities remained consistent: meeting technical specifications, maintaining quality and delivery performance, and deploying our resources in line with demand. These priorities will guide the progressive expansion of our manufacturing capacity.

Technology

Our technology investments during FYE 2026 centred on CNC machining capability and engineering support for increasingly demanding customer specifications. We continued to invest in machinery while working with customers on the development, testing and qualification of new components. This involvement at the development stage strengthens our understanding of their requirements and prepares us for subsequent production programmes.

After the financial year end, CPE entered into a Share Purchase and Joint Venture agreement with Japan-based Kanekita Co., Ltd. The proposed joint venture is intended to combine Kanekita's passivation treatment technology and technical expertise with the Group's manufacturing capabilities. Subject to its implementation, it would allow the Group to broaden its offering to include high-value stainless-steel components incorporating advanced surface treatment for semiconductor manufacturing equipment. The joint venture is expected to commence in year 2027.

Management Discussion and Analysis

Manufacturing Capabilities and Capacities

The Group committed to acquire 118 new CNC machines during FYE 2026. Of these, 11 had been received and commissioned as at 30 June 2026. The investment is intended to increase machining capacity and support higher requirements from existing and new customers.

Subsequent to the financial year end, the Group placed orders for a further 70 CNC machines. Delivery is expected in the last quarter of calendar year 2026 and the first quarter of calendar year 2027. Installation and commissioning will be managed progressively alongside customer production schedules, staffing and available manufacturing space.

On 21 July 2026, our wholly owned subsidiary, Champion Precision Technology Sdn. Bhd., entered into a sale and purchase agreement to acquire a factory at No. 17, Jalan Indah Gemilang 5, Ulu Tiram, Johor, near the Group's existing facilities, for RM10.0 million. The proposed acquisition is intended to provide space for additional or new manufacturing lines. The acquisition has been completed on 15 September 2026.

Financial Performance Review

FYE 2026 reflected the effect of softer customer purchases and the allocation of resources to product development in the first half, followed by improved production activity towards the year end. Although the second half showed stronger momentum, the recovery did not fully offset the lower contribution earlier in the year.

Revenue

The Group recorded revenue of RM117.3 million, a decline of 9.2% from RM129.1 million in FYE 2025. The decline was mainly attributable to lower contributions from the semiconductor and life sciences and medical devices industries, partly offset by growth in sports equipment and certain other industries.

Semiconductor revenue was RM77.7 million, compared with RM85.3 million a year earlier. Accounting for approximately 66.2% of total revenue, the semiconductor industry remained the Group's largest revenue contributor. Revenue from life sciences and medical devices fell to RM11.2 million from RM18.9 million, while sports equipment revenue increased to RM17.5 million from RM14.8 million. In addition to customer purchasing patterns, the use of production resources for development and qualification work affected shipment volumes in the first half. As more resources returned to mass production, revenue improved towards the financial year end.



Profit

Profit before tax ("**PBT**") decreased by 25.5% to RM22.8 million from RM30.5 million, while profit after tax ("**PAT**") declined by 24.9% to RM17.7 million from RM23.6 million. Gross profit fell to RM28.0 million from RM39.9 million and gross profit margin narrowed to 23.9% from 30.9%. Cost of sales remained broadly unchanged at RM89.3 million despite lower revenue, reflecting in part higher depreciation and employee benefit costs.

The decrease in gross profit was partly offset by lower foreign exchange losses and finance costs. Net other gains amounted to RM0.8 million, compared with net other losses of RM3.3 million in FYE 2025. Finance costs decreased to RM0.1 million from RM0.4 million. Basic earnings per share was 2.65 sen, compared with 3.51 sen in the previous year.

Liquidity

As at 30 June 2026, deposits, cash and bank balances amounted to RM172.4 million, including encumbered deposits of RM0.9 million, compared with RM158.5 million a year earlier. Short-term investments stood at RM30.8 million, compared with RM50.6 million. Together, these balances amounted to RM203.2 million and provided financial flexibility for working capital and the Group's expansion plans.

Bank borrowings declined to RM0.5 million from RM0.7 million. Total borrowings and lease liabilities decreased to RM2.0 million from RM2.5 million, while net current assets increased slightly to RM261.7 million from RM260.4 million.

Management Discussion and Analysis

Key Performance Highlights

Particulars	FYE 2025	FYE 2026
Revenue (RM'000)	129,141	**117,266**
Profit Before Tax (RM'000)	30,535	**22,922**
EBITDA (RM'000)	36,016	**29,826**
Net Profit After Tax (RM'000)	23,590	**17,792**
Total Equity (RM'000)	328,275	**334,363**
Total Assets (RM'000)	351,372	**355,506**
Total Liabilities (RM'000)	23,097	**21,143**
Gearing Ratio (times)	0.01	**0.01**
Basic Earnings Per Share (sen)	3.51	**2.65**
Net Assets Per Share Attributable to Owners (RM)	0.49	**0.50**

**Financial figures are in RM'000 unless otherwise stated.*

Total equity increased to RM334.4 million from RM328.3 million as profit retained during the year was more than the offset of dividend distributions and foreign currency translation losses. Net assets per share attributable to owners rose to RM0.50 from RM0.49.

Capital Management

The Group continued to balance investment in manufacturing capacity with the need to maintain liquidity for its operations. Additions to property, plant and equipment totalled RM14.3 million during FYE 2026, including RM12.5 million for plant and machinery. Capital commitments contracted but not provided for amounted to RM37.5 million as at 30 June 2026. The Group's low borrowings and cash reserves provide capacity to fund the progressive implementation of its expansion plans.

We continued to manage foreign currency exposure by matching receipts and payments in the same currency where practicable. Surplus funds were held in bank deposits and short-term investments to support funding requirements while earning returns. Capital allocation will remain guided by customer demand, operational readiness and the need to preserve financial flexibility.

Challenges and Strategy

Talent and Human Capital

The expansion of the CNC machine fleet and the growing technical demands of customer programmes increase the need for skilled engineering, machining and quality assurance personnel. Recruitment, training and workforce planning will therefore be important to the pace at which new capacity can be brought into productive use. We will continue to develop employees' technical competencies and align staffing with machinery commissioning and production requirements.

Customer Demand and Production Planning

Changes in customer inventory practices and purchasing schedules affected production planning during FYE 2026. The need to balance development and qualification work with volume production placed further demands on available resources. We responded through flexible capacity allocation and close engagement with customers. Although orders increased towards year end, the timing of production ramp-ups remains dependent on customers' programmes and broader semiconductor investment cycles.

Exchange Rate Volatility

The Group's international business exposes it to movements in foreign currencies, particularly the US dollar. These movements may affect the Ringgit value of sales, purchases and monetary balances, including reported exchange gains or losses. We seek to mitigate exposure through natural hedging and the management of foreign currency balances, while recognising that these measures cannot fully remove the effect of exchange rate fluctuations.

Management Discussion and Analysis

Prospect and Outlook

The Group enters FYE 2027 with stronger order momentum and a substantial programme of capacity expansion. Customer demand improved towards the end of FYE 2026, and the product development and qualification work undertaken during the year positions us to support new programmes. The conversion of these opportunities into revenue will depend on customer schedules, successful production ramp-ups and prevailing market conditions.

Growth in artificial intelligence, high-performance computing, advanced memory and related semiconductor technologies is expected to support demand for manufacturing equipment over time. Our position in the IGS component supply chain provides opportunities to participate in this demand. The progressive delivery and commissioning of additional CNC machines will be central to our response, supported by the proposed acquisition of nearby factory space.

The proposed joint venture with Kanekita offers a longer-term opportunity to add passivation treatment capabilities to our precision machining business. Its contribution will depend on successful establishment and implementation. We will also continue to serve life sciences and medical devices, sports equipment and other customers, which provide diversity across end markets.

We remain mindful of geopolitical and trade developments, the cyclical nature of semiconductor equipment spending, foreign exchange movements and changes in customer purchasing patterns. Our focus for FYE 2027 is to execute the expansion programme in step with demand, maintain product quality and delivery reliability, and preserve cost and capital discipline.

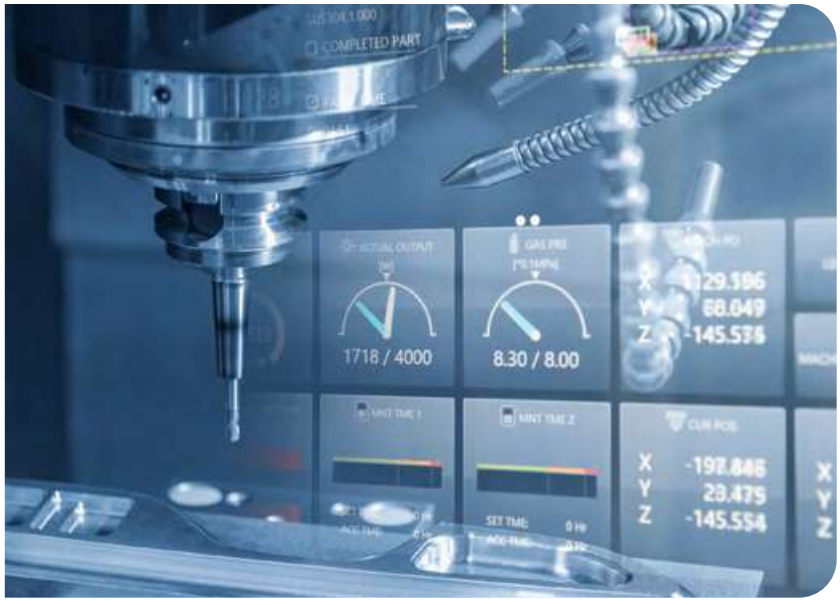
Dividend Policy

The Company's ability to pay dividends depends on the Group's financial performance, cash flow requirements and capital expenditure plans, among other factors. Its policy is to recommend and distribute dividends of at least 25.00% to 50.00% of annual audited consolidated PAT attributable to owners of the Company after deducting non-operating income. This policy reflects the Company's present intention and does not constitute a legally binding commitment; future dividends remain subject to the Board's discretion.

For FYE 2026, the Company declared a first interim single-tier dividend of 1.50 sen per ordinary share on 10 December 2025, amounting to approximately RM10.1 million. It was paid on 23 December 2025. The Board has recommended a single-tier final dividend of 1.50 sen per ordinary share for FYE 2026, amounting to approximately RM10.1 million, subject to shareholders' approval at the forthcoming Annual General Meeting.

The Board will continue to consider shareholder returns alongside the funding needs of the Group's operations and expansion programme.





Sustainability Statement

Dear Shareholders,

At CPE Technology Berhad ("CPE", the "Group" or the "Company"), sustainability is a core pillar of our strategy and operations. Guided by our commitment to environmental stewardship and responsible business practices, we continue to embed sustainable solutions across our value chain. This Sustainability Statement outlines our initiatives and progress for the financial year ended 2026, reflecting our efforts to reduce environmental impact while enhancing operational efficiency.

Building on the commissioning of our existing Solar Photovoltaic ("PV") project at Plant 3, which continued to operate smoothly during the year, we further expanded our renewable energy initiatives in FYE 2026 by committing to two additional rooftop Solar PV projects at Plant 2 and Plant 4. These initiatives represent further steps towards increasing the use of renewable energy across our manufacturing operations and reducing our reliance on conventional energy sources. In parallel, supporting the nation's efforts to sustain natural resources for future generations, we continued to contribute to the Renewable Energy Fund at a rate of 1.6% of our monthly electricity consumption from Tenaga Nasional Berhad ("TNB").

Complementing our energy initiatives, our rainwater harvesting system reinforces water conservation by supplying water for flushing and general cleaning. Together, these initiatives strengthen our environmental performance and underscore our long-term commitment to responsible resource management.

This Sustainability Statement underscores our ongoing journey toward a greener future, balancing innovation with accountability. We remain focused on advancing sustainable practices that align with global environmental goals while driving long-term value for our stakeholders.

Scope and Basis of Scope

This Statement covers the Group's sustainability performance and progress of all our business operations in Malaysia and Singapore subsidiaries.

Principal Activities of the Group

Control	Name of Company	Principal Activity
Holding	CPE Technology Berhad	CPE Technology Berhad is an investment holding company listed on the Main Market of Bursa Malaysia, which focuses on manufacturing precision-machined parts and components through their subsidiaries.
Subsidiaries	Champion Precision Technology Sdn. Bhd.	Specialist in precision machining and mechanical sub-assembly including CNC Turning & Milling, Turn-Mill and finishing processes.
	Champion Component Sdn. Bhd.	Specialist in precision machining and mechanical sub-assembly including CNC Turning & Milling, Turn-Mill and finishing processes.
	Champion Oil Tool Sdn. Bhd.	Dormant (Return by Liquidator Relating to Final Meeting in relation to Member's Voluntary Winding Up was submitted on 10 August 2026)
	Champion Precision Engineering Pte. Ltd.	Trading of precision machine parts and components.
	Kita Champion Sdn. Bhd.	Specialist in surface treatment and coating of metals fabrication processes.

Sustainability Statement



In addition, the Group's reporting scope also extends to our six manufacturing plants located in Johor, Malaysia:

- No. 18, Jalan Istimewa 4, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor ("Plant 1");
- No. 4, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor ("Plant 2");
- No. 6, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor ("Plant 3");
- No. 5, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor ("Plant 4");
- No. 2, Jalan Indah Gemilang 3, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor ("Plant 5"); and
- No. 2, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor ("Plant 6").

Reporting Frameworks and Standards

In the preparation of this Sustainability Statement, we have been guided by the regulatory framework and guidelines as set out below:

- Practice Note 9 & 9A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa");
- Sustainability Reporting Guide, 3rd Edition ("SRG") issued by Bursa; and
- Malaysian Code on Corporate Governance, updated on 28 April 2021 ("MCCG 2021")

Statement of Assurance

This Sustainability Statement has not been subjected to internal review or external assurance. The information disclosed herein is prepared on a best-effort basis, and while no independent verification has been undertaken, the Group remains committed to enhancing the completeness and accuracy of its data collection and reporting processes. We will continue to improve our reporting practices in future cycles, with the aim of progressively strengthening the reliability of our disclosures.

Feedback

To continuously improve on our sustainability efforts, we welcome and encourage our stakeholders to provide feedback pertaining to this Statement or our sustainability practices and initiatives. Comments and questions can be directed to our designated email address at ir@cpetbhd.com.

Sustainability Statement

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

Sustainability Governance Structure



We recognise the critical importance of establishing a comprehensive sustainability governance and leadership framework to effectively drive CPE's sustainability agenda. Our governance structure has been designed to ensure the seamless integration of sustainability considerations into all facets of our business operations and decision-making processes.

The Board of Directors is responsible for setting the Group's strategic direction on sustainability, with oversight and support provided by the Environmental, Social and Governance ("ESG") Working Group.

To operationalise the Group's ESG strategies and initiatives, the ESG Working Group has been established to oversee the achievement of our sustainability objectives and to spearhead implementation efforts. The Working Group is chaired by our Executive Director, Mr. Mu Woon Chai ("Mr. Mu"), and is supported by the Group Chief Financial Officer ("CFO"), the General Managers ("GM") of Champion PT and Champion PE, the Group Accountant, as well as the Compliance Department.

Roles and Responsibilities of the Board and ESG Working Group

	Roles and Responsibilities
Board of Directors	• Provide general leadership, direction and oversight of the Group's overall Sustainability Framework. • Provide advice and approve sustainability strategy (review periodically) and ensure all business strategies and major business operations are embedded with sustainability considerations. • Ensures sustainability matters are considered within the Group's respective business segment and progressively embed strong sustainability culture throughout the Group.
ESG Working Group Lead – Executive Director, Mr. Mu	• Responsible for the overall governance of our sustainability strategies and performance. • Facilitate the sustainability strategy (review periodically) and ensure all business strategies and major business operations are embedded with sustainability considerations. • Conduct periodic reviews of the material sustainability matters and approve material sustainability matters, indicators and targets, the performance and annual sustainability disclosures and also ensure key decisions on sustainability matters are made and aligned with our Group's overall business strategies and goals. • Determine the adequacy of the response and the current standing and performance of the material sustainability matters of the Group. • Review all sustainability-related framework, initiatives, key sustainability risks and opportunities for sustainability practices across all business operations. • Review and ensure adequate resources are made available for the successful implementation of sustainability strategies and initiatives. • Review and report sustainability progress and performance to our Board.
Group CFO	• Prepare the reports for material sustainability matters, sustainability progress, performance indicators and targets, the performance and annual sustainability disclosures. • Implement the integration of sustainability management into our Group's business strategy and goals. • Implement sustainability strategies, sustainability-related policies, initiatives, sustainability risks and opportunities for sustainability practices across all business operations. • Set sustainability performance indicators and perform data gathering, compiling and reporting. • Track the targets of sustainability indicators and progress performance indicators.

Sustainability Statement

	Roles and Responsibilities
GM of Champion PT & Champion PE, Group Accountant	• Implement daily management of sustainability matters. • Implement stakeholder engagement efforts.
Compliance Department	• Ensure compliance with ESG related laws, regulations and rules.

The Board of Directors remains committed to strengthening its understanding of sustainability matters, including climate-related risks and opportunities, by participating in training programmes to support informed and effective decision-making.

During FYE 2026, the performance evaluations of the Board and Senior Management incorporated an assessment of their effectiveness in managing the Company's material sustainability risks and opportunities. This provides a more direct mechanism for evaluating accountability and oversight of sustainability matters. Their performance is also reflected in the Company's progress in achieving its material sustainability goals, which include:

- Recognition from major customers for outstanding vendor performance;
- Compliance with applicable Safety, Health and Environmental regulations, with no violations or penalties incurred;
- Implementation of initiatives to promote employee well-being, safety and health, including training and development programmes as well as the introduction of bicycle initiative; and
- Collaboration with local vocational college or community college across nationwide to provide more employment opportunities and internship placement, strengthening the effort for social responsibility.

Governance Policies & Procedures

To strengthen its Corporate Governance framework, the Group has established and enforced a set of key policies that guide ethical conduct, ensure accountability and support effective risk management. These include:

- Anti-Bribery and Anti-Corruption Policy and Guidelines
- Codes of Ethics and Conduct
- Whistleblower Policy and Procedure
- Fit and Proper Policy
- Occupational Safety and Health Policy and Environmental Policy
- Risk Management and Internal Control Framework

Together, these policies provide the necessary structure to uphold sound governance practices across the Group.

Material Matters & Assessment Process

Our materiality assessment process allows us to identify and evaluate key risks and opportunities that influence the Group's ability to achieve long-term sustainable growth. This process takes into account both the impact of each sustainability matter on the Group and its importance to our stakeholders, ensuring that our strategy remains relevant and responsive to evolving expectations.

The material issues presented were determined through internal discussions across various departments of the Group, complemented by engagements with key stakeholders to better understand their concerns and priorities. This approach ensures that the identified matters reflect not only business impacts but also the perspectives of those who are most affected by or have influence over our operations.

Materiality Assessment Process:

1. ***Identification of Sustainability Matters***
   - Assessment of the Group's operating context and industry landscape
   - Identification of key stakeholders and engagement to understand their needs, expectations and concerns regarding sustainability impacts
   - Development of an initial list of sustainability matters relevant to the Group

2. ***Prioritisation of Material Matters***
   - Ranking of material matters based on their significance to the Group's economic, environmental and social performance, as well as their influence on stakeholders' decision-making
   - Consideration of stakeholder feedback in determining priorities

Stakeholder Engagement

A critical element of our materiality assessment is active stakeholder engagement, ensuring that our sustainability priorities align with the concerns and expectations of those who have a vested interest in CPE. Maintaining meaningful and continuous engagements with our stakeholders enable us to understand their expectations, address their concerns and align their priorities with our business strategies.

Sustainability Statement

We engage with stakeholders through various channels and corporate touchpoints, ensuring that their feedback is systematically gathered, analysed and incorporated into our decision-making processes. Strengthening these relationships not only enhances our ESG impact but also contributes to sustainable business growth. As we move forward in an increasingly digital landscape, we continue to leverage technology to enhance stakeholder engagement, enabling more efficient, transparent and responsive communication.

During FYE 2026, the Group continued to engage with the investment community through investor visits, meetings and quarterly financial results briefings. These engagements provide investors and other market participants with opportunities to gain a better understanding of the Group's financial performance, business developments and prospects, while promoting transparency and facilitating constructive dialogue between Management and the investment community. During the year, the Group conducted 18 engagement sessions, reaching a total of 172 participants.

The table below outlines our key stakeholder groups, the engagement methods we employ and the primary areas of interest that guide our interactions:

Stakeholders	Engagement Methods/Frequency	Area of Interest/Concern
Shareholders /Investors	i. Annually - Annual General Meetings - Annual Report ii. Quarterly - Financial performance in the Quarterly Report - Announcements to Bursa Malaysia iii. As Needed - Company's website - Media Releases - Circulars	• Financial performance • Corporate governance • Business strategies • Dividend payout • Reliable company with quality products and processes
Employees	i. Annually - Annual performance review ii. As Needed - Employee briefings - Management meetings - Open communication via internal channels such as emails and memo iii. Regularly - Training	• Fair remuneration, benefits and welfare • Safe and conducive working environment • Learning and development for career development
Directors	i. Quarterly - Board Meetings and Board Committee Meetings ii. As needed - Virtual informal discussion meeting	• Compliance with regulatory requirement • Business strategies and future plan • Financial stability • Environmental, Social and Governance matters
Customers	i. Frequently - Virtual discussion or prospect meeting - Customer's feedback ii. As needed - Company's website through sales inquiry - Face to face meetings - Audit by Customers	• Pricing • Product quality and service • Updates on product information • Delivery lead time
Suppliers/ Vendors	i. As Needed - Supplier visits - Supplier meetings - Supplier feedbacks	• Business continuity • Payment term • Fair Procurement practice

Sustainability Statement

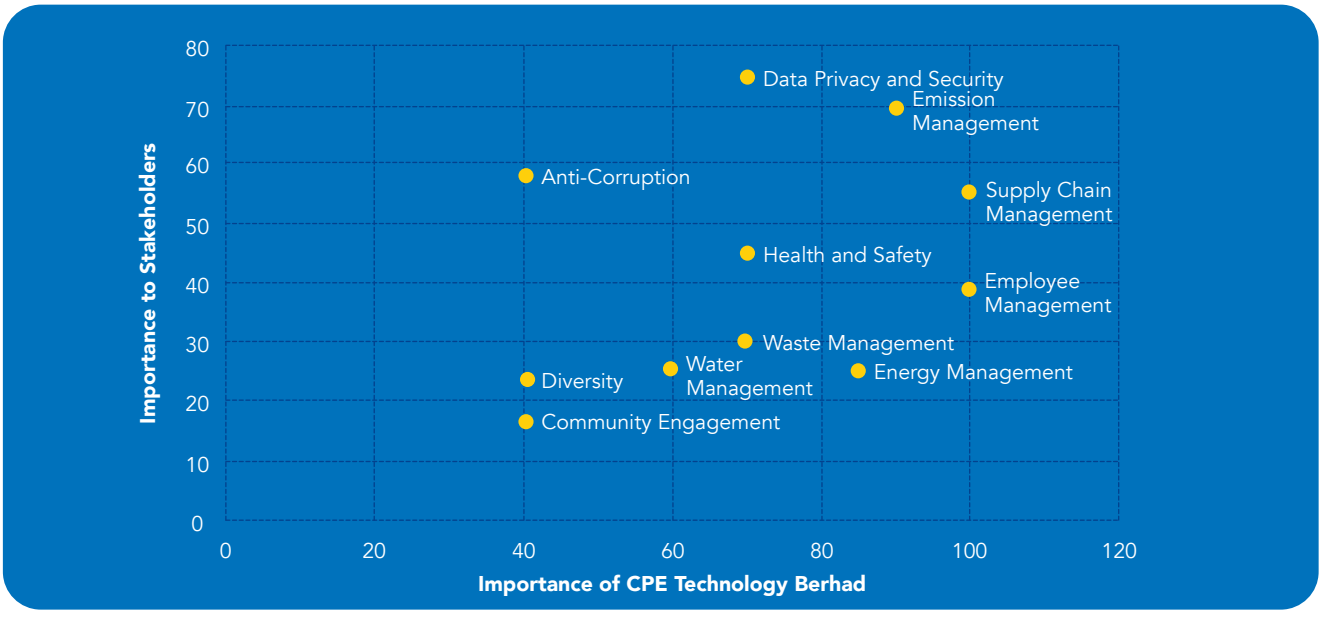
Stakeholders	Engagement Methods/Frequency	Area of Interest/Concern
Authorities /Regulators	i. Regularly - Government website - Circulars/Statements ii. As Needed - Telephone/Email iii. Periodically - Participating in seminars/workshops/briefings sessions organised by regulatory authorities	• Compliance with regulations and applicable requirements in Malaysia and Singapore
Media	i. As Needed - Feedback from events and training programmes, social media - Donation contribution - Community Support Programmes	• Market presence • Reputation • Corporate responsibility
Financial Banks	i. Regularly - Dialogue on existing facilities ii. Periodically - Review on creditability - Corporate Dinner and Forums	• Financial stability • Payment records • Reputation • Business strategies and plans
Industry Peers	Periodically - Federation of Malaysian Manufacturers group chat, website and consultations	• Achievement of industries objectives and goals • Policies governing industry-related issues

3. Review and Validation of Process and Outcome

- Validation and review of material matters and the overall assessment process to ensure robustness and transparency
- Periodic review of the frequency and relevance of the assessment to reflect changes in the operating environment and stakeholder expectations

Through this structured Materiality Assessment Process, we ensure that our sustainability strategy remains aligned with both business imperatives and stakeholder expectations. By integrating industry standards and best practices, we reinforce our role as a responsible corporate entity, committed to advancing sustainable development while fostering value creation for all stakeholders.

Materiality Matrix



Sustainability Statement

No.	Material Matters	Description
1	Anti-Corruption	Promoting ethical business and transparency by avoiding all forms of corruption
2	Supply Chain Management	Promoting responsible and sustainable procurement practices, including assessing suppliers and their environmental and social impacts in accordance with the established criteria
3	Community Engagement	Supporting communities that are economically disadvantaged through engagement programmes that create a positive social impact
4	Data Privacy and Security	Protecting customers' sensitive information and preventing data breaches
5	Employee Management	Efforts in recruiting and retaining talent as well as enhancing the overall productivity of our workforce
6	Diversity	Ensuring fair treatment to all employees, with dignity and without any form of discrimination based on gender, race, religion, age, nationality, disability, etc.
7	Health and Safety	Creating a healthy, safe and conducive working environment for employees and contractors particularly by minimising any occupational health and safety related risks that could arise
8	Energy Management	Efficient use of energy through technology and better management of processes
9	Water Management	Efficient use of water and conservation of water resources
10	Waste Management	Efforts to reduce, reuse, recycle and responsible disposal of waste
11	Emissions Management	Reduction of environmental footprints and lowering our emissions across our operations

RISK MANAGEMENT

Each material matter carries inherent risks as well as potential opportunities for the Group. By mitigating risks and capitalising on opportunities, we are able to transform challenges into measurable progress. This approach not only deepens our understanding of the issues most relevant to our business and stakeholders but also enables us to formulate proactive strategies that strengthen our competitive position within the industry.

Material Matters	Risks	Opportunities	Management Action Plan
Anti-Corruption	Risk of malpractice that may negatively impact company image, affecting sales and business profitability.	Incorporating ethics and good business conduct into processes. Building trust amongst business partners.	Management has put in place the Anti Bribery and Anti-Corruption Policy and Guidelines indicating the commitment to transparency in business practices. Training will also be provided to our staff for awareness on anti-bribery and anti-corruption practices.
Supply Chain Management	Supply chain disruptions may cause inability to fulfil market demands.	Exploration of alternate sources of materials and suppliers.	Management is actively exploring local suppliers to supply materials, including those in business support activities.
Community Engagement	Lack of engagement and alignment of community investment initiatives with relevant communities and their actual needs may lead to miscommunication and dissatisfaction.	Activities to implement better environmental controls and educate employees on the importance of protecting the environment.	Management is committed to promoting sustainable practices within the organisation. To reduce the Group's carbon footprint and encourage a healthier lifestyle among employees, the Group continues to provide bicycles for staff commuting as an environmentally friendly alternative to motorbike transportation. The Group also plans to strengthen its environmental initiatives through community-focused programmes, including beach-cleaning activities in collaboration with local authorities.

Sustainability Statement

Material Matters	Risks	Opportunities	Management Action Plan
Data Privacy and Security	Cyber threats including breach of customers data may lead to loss of customer trust and reputational harm.	Robust cybersecurity and improved data management protects customer data and maintains trust.	Management shall invest in strengthening our cybersecurity practices to ensure the optimum standards of data security. This initiative aims to protect sensitive information and reinforce our commitment to safeguarding data management across the Group.
Employee Management	Risk of non-compliance with Malaysian labour laws and legal actions against the company may result in loss of business. Non-compliance with international labour practices or policies to prevent forced labour may hinder access to export markets and impact the company's reputation.	Constant review and monitoring of employee benefits and compliance to labour laws. Social and recreational activities for employees for their wellbeing.	Management is committed to ensuring that all employee benefits are fully compliant with local labour laws. To stay informed of regulatory updates and ensure proper implementation, our Human Resources Officer will attend relevant training sessions. This proactive approach reflects our dedication to maintaining a fair and lawful workplace for all employees. Management is exploring opportunities to support social and recreational activities by sponsoring sports events proposed by our staff. We believe that encouraging participation in these activities fosters a sense of camaraderie and enhances overall well-being, creating a more vibrant and engaged workplace.
Diversity	Reports of discriminative practices and non-compliance to basic human rights regulations can cause reputational risk.	Inclusive, diverse and empowering workforce.	Management is committed to fostering a workplace free from discrimination, where all employees are respected and human rights are upheld. We will enforce a non-discrimination practice, provide regular awareness on diversity and inclusion, to ensure that our practices reflect our dedication to fair treatment and equal opportunities for all.
Health and Safety	Major accidents due to non-compliance with health and safety policies and procedures may lead to potential fatalities and serious injuries.	Taking care of overall well-being of employees.	Management is actively conducting training sessions to raise awareness about environmental, occupational health and safety, while also promoting a safe and healthy working environment for all employees. In line with this commitment, the Group has successfully obtained International Organization for Standardization ("ISO") 45001 certification, reinforcing our systematic approach to occupational health and safety. This certification ensures continuous monitoring, risk assessment and improvement of workplace safety practices across all plants.
Energy Management	Rising energy prices can inflate operational costs and as regulations tighten, there's a looming threat of non-compliance penalties. Additionally, any inefficiency in energy management can negatively impact our reputation among environmentally-conscious stakeholders.	Efficient energy management can lead to significant cost savings. By embracing renewable energy sources and innovative technologies, we can introduce new products and services. This commitment to sustainability can also bolster our standing with stakeholders, giving us a competitive edge in markets that value eco-friendly practices.	Management continues to pursue renewable energy solutions, including the use of solar power as an alternative source of electricity to support the Group's manufacturing activities. During FYE 2026, the solar PV system installed at one of the Group's plants was fully commissioned and operational, supporting the plant's day-to-day electricity requirements. Management also committed to two additional solar power projects during FYE 2026, to be installed at two other plants. Subsequent to the financial year end, one of these projects commenced installation in July 2026 and another one commenced installation in September 2026.

Sustainability Statement

Material Matters	Risks	Opportunities	Management Action Plan
Water Management	Poor water management leads to higher costs and potential scarcity of water resources.	Cost saving through reduced water consumption.	Management has implemented a rainwater harvesting system to collect rainwater for general cleaning purposes. This initiative could help reduce dependency on the direct water supply from the local utilities company.
Waste Management	Non-compliance with regulatory requirements.	Selling recyclable waste generates small revenues.	Our general waste and scheduled waste disposal are disposed through licensed waste collectors. The general waste collectors and scheduled waste collectors must be the licensee of National Solid Waste Management Department ("JPSPN") and Department of Environment ("DOE") respectively. Where technically suitable, selected scheduled waste is channelled for recovery or co-processing by licensed contractors. In December 2024, the Group achieved ISO 14001 certification, further strengthening our environmental management system. This certification provides a structured framework to monitor, manage and continuously improve our waste handling practices, ensuring compliance while driving greater efficiency and accountability in environmental stewardship.
Emissions Management	Non-compliance with regulatory emission standards may result in fines, reputational damage and potential disruption of operations. Uncontrolled emissions also contribute to climate change, which may increase scrutiny from stakeholders.	Improved emissions management can enhance environmental performance, reduce carbon footprint and strengthen stakeholder trust. It also positions the Group competitively as customers and investors increasingly favour companies with lower emissions.	Management monitors emissions closely and ensures compliance with DOE regulations. Initiatives such as the solar PV project and rainwater harvesting system contribute indirectly to lowering environmental impact. We continue to evaluate and adopt cleaner technologies while raising awareness among employees to minimise emissions from operations.

MANAGEMENT APPROACH FOR MATERIAL MATTERS



Sustainability Statement

Our Approach

Our Group is committed to conducting business in an ethical, transparent and responsible manner. We have established an Anti-Bribery and Anti-Corruption Policy and Guidelines, aligned with the Malaysian Anti-Corruption Commission Act 2009 and its equivalent regulations in Singapore. This policy clearly communicates our zero-tolerance stance towards bribery and corruption across all levels of the organisation, as well as to our external stakeholders, including customers, suppliers and business partners.

To reinforce this commitment, we have adopted Codes of Ethics and Conduct that guides employee behaviour and sets clear expectations on integrity. The codes support fraud prevention by assigning responsibilities, establishing controls and outlining procedures for investigations. Particular emphasis is placed on the conduct of the Board, senior management and employees to ensure accountability in areas such as client and supplier engagements and investment decisions.

Additionally, our Whistleblower Policy and Procedure, aligned with the Whistleblower Protection Act 2010, provides a confidential and secure channel for employees, customers, suppliers, subcontractors and local communities to report genuine concerns regarding fraud, unethical behaviour, or improper business conduct. This policy is publicly available on our Company's website, underscoring our commitment to transparency and stakeholder trust.

Our Performance

Indicator	FYE 2024	FYE 2025	FYE 2026
Confirmed Incidents of Corruption and Action Taken	NIL	NIL	**NIL**
Percentage of Operations Assessed for Corruption-Related Risks	100%	100%	**100%**

Percentage of employees who have received training on anti-corruption by employee category during FYE 2026:

Employee Category	FYE 2024	FYE 2025	FYE 2026
Directors	0.00%	25.00%	**0.00%**
Management	20.83%	75.86%	**3.57%**
Executive	18.18%	27.78%	**16.00%**
Assistant and Operations	0.95%	18.73%	**82.30%**

Percentage of employees who have received training on anti-corruption by employee category as at 30 June 2026:

Employee Category	FYE 2024	FYE 2025	FYE 2026
Directors	87.50%	100.00%	**100.00%**
Management	37.50%	100.00%	**100.00%**
Executive	31.82%	66.67%	**100.00%**
Assistant and Operations	3.23%	21.73%	**75.16%**

Sustainability Statement



Supply Chain Management

Supply chain management is a critical aspect of CPE's operations as it directly influences our efficiency, cost-effectiveness and ability to deliver products on time. Effective supply chain practices help mitigate risks related to quality, compliance and sustainability, while also strengthening business resilience. By prioritising ethical sourcing and adherence to sustainability standards, we not only reduce the risk of regulatory non-compliance but also enhance our reputation and credibility among stakeholders. A responsible supply chain also reinforces trust, ensuring that our growth is aligned with long-term value creation for customers, partners and the wider community.

Our Approach

CPE has established a Procurement Policy to guide the selection and management of vendors and suppliers. This policy ensures that all procurement activities are transparent, fair and aligned with international standards. Vendor evaluations are conducted based on criteria outlined in ISO 9001:2015, which include product quality, delivery timeliness, supplier cooperation and the extent of any customer disruptions arising from vendor performance.

As part of the CPE's effort towards to strengthen social compliance awareness across its supply chains, CPE implemented the Supplier's Code of Conduct ("SCOC") Policy in April 2026. The SCOC sets out the minimum standards that CPE expects its suppliers to adhere to. It has been established with reference to applicable international standards while also incorporating additional requirements specific to CPE. Suppliers are expected to ensure that the requirements of the SCOC are observed by their respective employees, agents, sub-agents, subcontractors and suppliers.

We continue to place a strong emphasis on engaging local suppliers, as this not only supports the local economy but also contributes to reducing our overall carbon footprint by shortening supply chains. In view of our commitment to building strategic partnerships with local vendors and enhancing their capabilities to meet our sustainability and quality standards, there is an increase in expenditure in local suppliers compared to the previous year.

Through continuous monitoring, regular evaluations and collaboration with suppliers, we aim to strengthen our supply chain, uphold ethical standards and ensure operational excellence across all facets of our business.

Our Performance

In the FYE 2026, a total of RM14.68 million was spent on procurement from local suppliers.

Indicator	FYE 2024	FYE 2025	FYE 2026
Proportion of Spending on Local Suppliers	27.15%	25.66%	**40.30%**

Sustainability Statement



Community Engagement

Community engagement plays a vital role in shaping long-term, sustainable relationships with the people and environments where we operate. By investing in communities, we strengthen trust, foster goodwill and create a positive impact that extends beyond business performance. At the same time, it reinforces our responsibility as a corporate citizen to contribute meaningfully to social and environmental development.

Our Approach

Our approach to community engagement is guided by collaboration, inclusivity and sustainability. We believe that the most impactful initiatives are those built on shared aspirations with local communities and we therefore prioritise partnerships with local organisations, authorities and leaders. By working closely with stakeholders, we ensure that our initiatives address the real needs of our stakeholders while remaining aligned with our broader sustainability objectives.

In FYE 2026, our programmes spanned employee volunteerism, sustainable living and road safety campaign. In December 2025, CPE hosted a road safety awareness seminar in collaboration with PERKESO Johor, reinforcing the commitment to corporate social responsibility and a strong safety workplace culture complement with sharing of insights on preventive measures, responsible commuting, and safety best practices on the road.

As part of its ongoing commitment to corporate social responsibility, CPE conducted its Annual CSR Visit 2026 on 26 February 2026 at Calvary Victory Centre, a special education centre for individuals with autism in Johor. The visit reflects CPE's continued emphasis on creating meaningful social impact, particularly in the area of education. Such visit also provided a valuable opportunity for CPE's staff to better understand the needs and strengths of individuals with autism, while also nurturing greater awareness and empathy among its staff towards communities that require extra care and support.

We also encourage sustainable mobility and healthier lifestyles among our employees by promoting the use of bicycles as a greener alternative to motorbike transportation. This initiative reflects our commitment to reduce our carbon footprint while embedding sustainability into daily routines. Beyond environmental action, we focus on cultivating a positive workplace culture that extends into the community.

At the same time, we continued to support local institutions such as education-related organisation i.e. Persatuan Bekas Penuntut Sekolah Foon Yew JB and Jemaah Pengurus Sekolah-Sekolah Rendah Foon Yew in supporting the fundraising for education purpose which benefits the local community in District of Johor Bahru.

By intertwining environmental, social and employee-driven initiatives, we ensure our engagement creates shared value for both the Group and the communities we serve. Each activity, whether large-scale or small, reflects our belief that sustainable growth is best achieved when business success goes hand in hand with community development.

Sustainability Statement

Our Performance

Indicator	FYE 2024	FYE 2025	FYE 2026
Total Community Investments (MYR)	6,000	6,000	**8,000**
Total Number of Beneficiaries of the Investment in Communities	3	3	**3**
Total Number of Bicycles Issued to Our Staff	339	339	**387**
Total of Greenhouse Gases ("GHG") Emission Saved Annually as the Alternative to Motorbike (kg CO_2e)	42,980.97	42,980.97	**49,066.77**

Data Privacy & Security

In today's digital landscape, data privacy and cybersecurity are critical to maintaining business continuity, protecting stakeholder interests and preserving trust. Cyberattacks and data breaches can cause significant financial losses, regulatory penalties and reputational harm. Beyond legal compliance, robust data protection practices serve as a competitive advantage, reassuring customers and stakeholders that their personal and sensitive information is handled responsibly. CPE's commitment to safeguard data underscores our dedication to operational resilience, stakeholder confidence and long-term business sustainability.

Our Approach

CPE has established an Information Technology ("IT") Management Policy to guide the protection and responsible handling of data across the organisation. Recognising the growing complexity of cyber threats, we place strong emphasis on IT security and cybersecurity to safeguard sensitive information and ensure the integrity of our digital infrastructure.

Our approach combines advanced security measures, continuous monitoring and proactive threat detection to minimise risks of breaches and vulnerabilities. We invest in technology upgrades and adopt industry best practices to strengthen our cybersecurity framework. In addition, regular training is provided to employees to raise awareness of potential threats and equip them with the knowledge to handle data responsibly.

By embedding security practices into our operations, we ensure that data management processes remain robust, transparent and reliable. This commitment extends to protecting the interests of employees, customers and stakeholders, reinforcing trust in our ability to operate securely in an increasingly digital world.



Our Performance

Indicator	FYE 2024	FYE 2025	FYE 2026
Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	NIL	NIL	**NIL**

Sustainability Statement

Employee Management

Employees are at the heart of CPE's success and strong labour practices are central to sustaining business growth and organisational resilience. By ensuring that our workforce is treated fairly, ethically and in compliance with local labour regulations, we foster a positive workplace culture that supports well-being, productivity and long-term employee retention. Responsible employee management not only enhances morale but also strengthens our ability to attract and retain talent, which in turn contributes to operational excellence and our reputation as a fair and ethical employer.

Our Approach

The Group recognises its responsibility to safeguard employees' rights and welfare while creating a respectful, engaging and collaborative work environment. We are committed to promoting equal opportunities, protecting the welfare of our workers and upholding employees' rights to freedom of association and collective bargaining. To nurture a healthy workplace, we conduct regular employee engagement activities that strengthen teamwork, support work-life balance and build a culture of mutual respect.

Training and development remain an integral part of our employee management strategy. We provide a broad range of programmes tailored to employee needs, covering technical skills, regulatory compliance, health and safety, leadership and professional development. Among the key training programmes offered in FYE 2026 were Eight Discipline (8D) Innovative Approach in Problem Solving, SMI Asia Total Productive Maintenance, APQP & PPAP Awareness & Understanding Training, Safe Handling of Forklift Trucks Training and specialised regulatory courses such as Authorised Entrant and Standby Person for Confined Space (AESP) and Managing on Sales Tax Exemption & Scrap/Waste Disposal Procedure. For our leadership and professional staff, training also included governance-focused modules such as Share Buy Back - Beyond Regulatory Perspective and Training on Management Frameworks: Three-Lines Defense, COSO, ISO 31000 Awareness and Crisis Management.

Beyond training, we actively support employee's pursuit of academic and professional qualifications through sponsorships. In FYE 2026, we sponsored one of our employees undertaking his Professional Diploma in Manufacturing Management and Administration at School of Professional and Continuing Education, Universiti Teknologi Malaysia ("UTM SPACE"), as well as professional memberships with the Malaysian Institute of Accountants ("MIA"), Institute of Singapore Chartered Accountants ("ISCA") and the Company Secretary Practising Certificate of Companies Commission of Malaysia ("CCM"). These sponsorships demonstrate our commitment to continuous learning and professional growth, while ensuring our workforce remains equipped with relevant industry knowledge and expertise.

In addition to employee development, we continue to invest in nurturing local youths through our internship programme, which is recognised as part of our community investment initiatives. In FYE 2026, a total of 73 interns were employed under the same scheme as ordinary staff, with the Minimum Wages Order 2025 fully observed to ensure fair treatment and compensation. To further strengthen our talent pipeline, 12 of these interns were successfully converted into permanent staff, reflecting our commitment to providing sustainable career opportunities for young talents.

We also celebrate employee loyalty through our Long Service Award programme, which recognises staff who have dedicated 5, 10, 15, 20, 25 and 30 years of service. In 2026, we proudly acknowledged 16 employees with 5 years of service, 4 employees with 10 years, 4 employees with 15 years, 3 employees with 20 years and 3 employees with 25/30 years of contribution. This recognition reflects our appreciation for their commitment and contribution to the Group's journey.

To encourage our employees' well-being and team bonding beyond the workplace, we continue to support sports and recreational activities. In FYE 2026, the Group sponsored a Corporate Sports Programme in badminton with an investment of approximately RM5,000. Employee feedback highlighted that these sessions helped relieve stress, promoted healthy lifestyles and strengthened friendships across various departments and plants, further enhancing unity within the Champion family.

Through these efforts, we remain committed to nurturing a high-performing workforce, ensuring fair labour practices and fostering an inclusive and supportive work environment. By continuously investing in training, recognising loyalty and promoting well-being, CPE strives to strengthen both organisational resilience and employee satisfaction.

Sustainability Statement

Our Performance

Indicator	FYE 2024	FYE 2025	FYE 2026
Overall Employee Turnover Rate	33.82%	44.09%	**42.68%**
Employee Turnover by Category:			
Directors	0	0	**1**
Management	0	0	**0**
Executive	1	2	**1**
Assistant and Operations	208	263	**281**
Proportion of Contract/Temporary Staff	0%	0%	**0%**
Average Training Hours per Employee	5.34 hours	3.78 hours	**1.90 hours**
Training Hours by Employee Category:			
Directors	0 hours	112 hours	**28 hours**
Management	440 hours	652 hours	**264 hours**
Executive	712 hours	248 hours	**152 hours**
Assistant and Operations	1,952 hours	1,336 hours	**892 hours**
Number of Substantiated Complaints Concerning Human Rights Violations	NIL	NIL	**NIL**

Diversity

Diversity, equal opportunity and non-discrimination are fundamental principles that strengthen innovation, workplace culture and organisational resilience. By embracing these values, the Group benefits from a broader range of perspectives, enhanced creativity and improved employee morale. A diverse workforce also reflects our commitment to social responsibility, helping us attract and retain a wide pool of talent while resonating with an equally diverse customer base. Ultimately, inclusivity positions the Group as a progressive, forward-thinking employer and partner of choice.

Our Approach

Our approach to diversity, equal opportunity and non-discrimination is both strategic and value-driven. We strive to build a workforce that mirrors the communities in which we operate by ensuring fair and unbiased recruitment practices, grounded in merit, skills and potential rather than background or identity.

To reinforce inclusivity, we implement training programmes that highlight the importance of diversity, address unconscious biases and cultivate respect across all levels of the organisation. Clear policies are in place to prohibit any form of discrimination, ensuring a safe, equitable and empowering environment for employees. Regular reviews and feedback channels allow us to monitor progress and address concerns effectively.

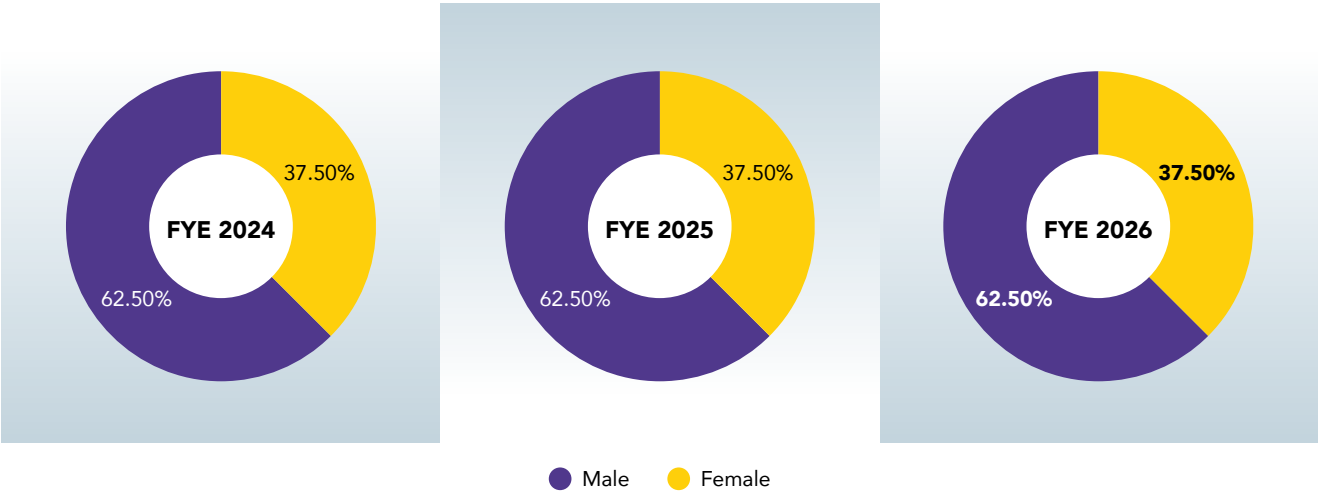
We pledge to uphold diversity across gender, age and ethnicity, creating equal opportunities for every employee to thrive. By doing so, we not only sustain a rich pool of talents, skills and experience but also nurture a culture where every individual feels valued, respected and empowered to contribute to our shared success.

Sustainability Statement

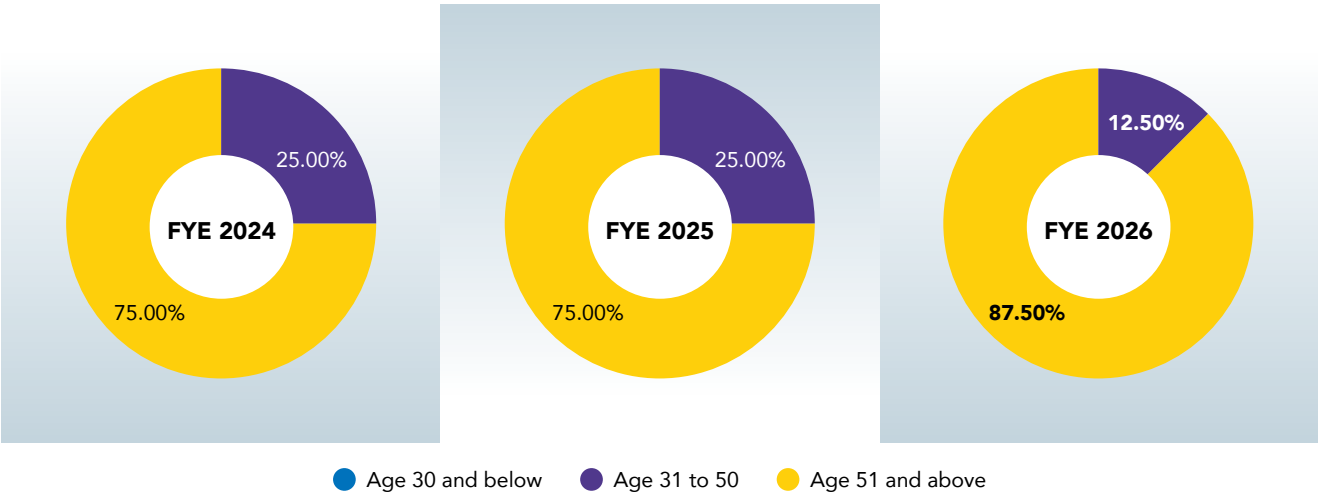
Our Performance

Board Diversity

By Gender



By Age Group



Employee Composition

Management by Gender

Indicator	FYE 2024	FYE 2025	FYE 2026
Male	70.83%	75.86%	**75%**
Female	29.17%	24.14%	**25%**
Total	100.0	100.0	**100.0**

Sustainability Statement

Management by Age Group

Indicator	FYE 2024	FYE 2025	FYE 2026
Age 30 and below	4.17%	3.45%	**0%**
Age 31 to 50	37.50%	44.83%	**50%**
Age 51 and above	58.33%	51.72%	**50%**
Total	100.0	100.0	**100.0**

Executive by Gender

	FYE 2024	FYE 2025	FYE 2026
Male	59.09%	44.44%	**52%**
Female	40.91%	55.56%	**48%**
Total	100.0	100.0	**100.0**

Executive by Age Group

Indicator	FYE 2024	FYE 2025	FYE 2026
Age 30 and below	4.55%	11.11%	**4%**
Age 31 to 50	81.81%	77.78%	**80%**
Age 51 and above	13.64%	11.11%	**16%**
Total	100.0	100.0	**100.0**

Assistant & Operations by Gender

Indicator	FYE 2024	FYE 2025	FYE 2026
Male	80.65%	78.98%	**78.88%**
Female	19.35%	21.02%	**21.12%**
Total	100.0	100.0	**100.0**

Assistant & Operations by Age Group

Indicator	FYE 2024	FYE 2025	FYE 2026
Age 30 and below	64.89%	66.08%	**66.46%**
Age 31 to 50	33.78%	32.33%	**32.30%**
Age 51 and above	1.33%	1.59%	**1.24%**
Total	100.0	100.0	**100.0**

In FYE 2026, there were no discrimination incidents reported and recorded within CPE, indicating that our initiatives and practices are effective in the working environment.

Sustainability Statement

Health & Safety

Health and safety are paramount in our industry, directly influencing the well-being of our workforce, the efficiency of our operations and our standing in the market. In an environment where precision and attention to details are crucial, ensuring a safe and conducive workplace minimises disruptions, fosters innovation and upholds our commitment to employees and stakeholders. The Group's Occupational Health and Safety Policy is formulated to provide a safe and healthy environment for all employees, visitors, customers and business partners.

Our Approach

The Group is committed to maintaining the highest standards of health and safety across all operations. We actively engage with an Independent Department of Occupational Safety and Health ("DOSH") consultant to ensure compliance with national safety regulations while identifying opportunities for continuous improvement.

In line with our commitment, the Group successfully obtained ISO 45001 certification, reinforcing our occupational health and safety framework and enhancing accountability in safety management.

During the year, employees participated in a wide range of environmental, safety and health trainings that enhanced both compliance and practical capability in risk management. These included modules on ISO 14001 and ISO 45001 internal auditing, awareness of working at height and safe entry into confined spaces. Employees also received hands-on instruction in forklift and stacker safety, as well as coordinator-level training in occupational safety and health practices. In addition, targeted programmes such as scheduled waste management, scrubber operations and wastewater treatment trainings were conducted to address risks specific to our industry.

In addition to regulatory and technical safety training, the Group regularly conducts emergency-preparedness drills across all plants to strengthen employees' readiness in the event of an incident. In FYE 2026, six drills were carried out, one at each plant, to ensure preparedness across the Group's operations. These exercises help employees familiarise themselves with evacuation routes, emergency procedures and coordination with response teams, reinforcing our commitment to workplace safety.

In FYE 2026, the Group recorded four work-related incidents, compared with six incidents in FYE 2025. Of the four incidents recorded during the year, three involved injuries, while one was a work-related incident in which no injury was sustained. The Group's reported Lost Time Incident Rate ("LTIR") improved from 0.97 in FYE 2025 to 0.57 in FYE 2026. This improvement was achieved even as total working hours increased in line with the Group's expanding manufacturing operations, underscoring the effectiveness of our strengthened safety practices and training interventions. These initiatives demonstrate the Group's proactive commitment to preventing accidents, fostering a culture of safety and protecting the well-being of all employees.

Our Performance

Indicator	FYE 2024	FYE 2025	FYE 2026
Total Hours Worked	1,180,712 hours	1,242,000 hours	**1,294,880 hours**
Number of work-related fatalities	0	0	**0**
Number of Lost Time Injuries/Accidents	12	6	**4**
Lost time incident rate ("LTIR")	2.07	0.97	**0.57**

Sustainability Statement



Energy Management

The Group acknowledges that our energy consumption and GHG emissions contribute to climate change. As a responsible corporate citizen, we recognise our duty to reduce our carbon footprint while embracing opportunities in the transition to a low-carbon economy. Energy management is crucial in today's business landscape, not only for cost-saving purposes but also for environmental stewardship and long-term sustainability. Efficient energy use reduces our carbon footprint, aligns with global sustainability goals and strengthens our reputation among stakeholders. Furthermore, with energy costs rising and regulatory requirements becoming stricter, effective energy management offers both environmental and competitive advantages.

Our energy consumption encompasses electricity used across our manufacturing operations as well as diesel fuel consumed by industrial vehicles, including forklifts and lorries. By monitoring these energy sources and progressively adopting more energy-efficient and lower-carbon alternatives, we seek to reduce our reliance on non-renewable energy while maintaining operational efficiency.

Our Approach

In line with our commitment to sustainability, the Group continues to implement initiatives aimed at improving energy efficiency and reducing reliance on non-renewable sources.

During FYE 2026, the solar photovoltaic ("PV") system at Plant 3 was fully commissioned and operational, supporting the plant's day-to-day electricity requirements. The system, valued at approximately RM470,000, has a capacity of 229.08 kWp and is projected to generate approximately 292.65 MWh annually. During FYE 2026, the system generated 265.62 MWh of renewable energy.

Building on this initiative, Management committed to two additional solar power projects during FYE 2026 for installation at two other plants. Subsequent to the financial year end, one of these solar projects commenced installation in July 2026 and another one commenced installation in September 2026. These initiatives form part of the Group's ongoing efforts to progressively increase the use of renewable energy across its manufacturing operations, subject to regulatory requirements and operational considerations.

The Group is also taking steps to reduce its reliance on diesel-powered industrial vehicles. During FYE 2026, we introduced a new electric forklift for use within our factory operations, representing another step towards replacing conventional diesel-powered equipment with lower-emission alternatives where practicable. At the same time, we continue to monitor diesel consumption from our existing industrial forklifts and lorries to better understand and manage energy use associated with our operations.

Complementing these initiatives, the Group has introduced LED lighting systems at Plant 2 and Plant 3, with plans to extend usage to future facilities. LED lights consume less electricity, emit less heat and are longer-lasting than fluorescent alternatives, helping reduce both energy demand and replacement costs while supporting climate control efficiency.

Beyond internal initiatives, we also contribute to the Renewable Energy ("RE") Fund through our electricity consumption, reinforcing national efforts to promote renewable energy development.

Sustainability Statement

Our Performance

Indicator	FYE 2024	FYE 2025	FYE 2026
Total Energy Consumption (Megawatt)	8,811.61	10,615.21	**12,334.32**
Total Renewable Energy Yield via PV Solar System (Megawatt)	-	22.17	**265.62**
Total Contribution to RE Fund (RM)	-	71,346.84	**90,337.85**
Total Diesel Fuel Consumption for Industrial Vehicles (litre)	-	3,710.14	**3,405.03**

Water Management

Water resources play a vital role in sustaining ecosystems, preserving biodiversity and supporting regional economic and social stability. Effective water management and quality control are essential to minimise environmental pollution, safeguard clean water availability and reduce the risk of ecological imbalance. Aquatic ecosystems are particularly sensitive to water levels and quality, where pollution or scarcity can harm species, disrupt nutrient cycles and threaten habitat stability. For industries such as ours, where manufacturing processes require water-intensive operations, responsible management of this resource is not only an environmental necessity but also a social and economic responsibility.



Our Approach

Our Group recognises water as an invaluable and finite resource. Given that our operations include water-intensive secondary processes such as electroplating and anodising, we have proactively invested in sustainable water management solutions to reduce risks of pollution and overconsumption.

To ensure proper treatment and compliance, we installed a Wastewater Treatment Plant ("WWTP") at Plant 4. This initiative, undertaken voluntarily, enables us to treat wastewater generated from manufacturing processes before discharging it into the public drainage system. We are among the few peers in the precision engineering industry to have invested in such a facility, underscoring our commitment to environmental stewardship.

In addition, the Group introduced a rainwater harvesting system in January 2025 across our facilities. This system allows us to capture and repurpose rainwater for general cleaning purposes, reducing dependency on direct water supply from local utilities. On average, the system harvests an estimated 0.002 ML of rainwater monthly, further enhancing efficiency in water use and demonstrating our proactive approach toward conservation.

Our Performance

Indicator	FYE 2024	FYE 2025	FYE 2026
Total Water Consumption (ML)	35.29	41.78	**39.61**
Discharge Waste Water (ML)	3.75	3.80	**4.16**

Sustainability Statement

Waste Management

Effective waste management is essential in the manufacturing industry as it minimises environmental impact, safeguards employee health and enhances operational efficiency. By responsibly managing waste, we not only comply with regulatory requirements but also reduce our carbon footprint, optimise resource use and promote a culture of sustainability within the organisation. Proper waste management practices also strengthen stakeholder confidence, demonstrating our role as a responsible corporate citizen committed to environmental stewardship.

Our Approach

CPE is ISO 14001:2015 certified. Our Group recognises that responsible waste management is key to mitigating the impact of our business activities on both the environment and the surrounding communities. To ensure compliance and minimise risks, we have put in place structured waste disposal systems, reinforced by employee education and training on proper procedures. Separate bins are provided for recyclable waste, such as paper, plastic and glass, as well as for general waste, encouraging employees to practise responsible disposal.

We also promote the principles of "reduce, reuse, recycle" in our daily operations. This includes reusing old packaging for storage, recycling cardboard and paper products and reducing paper usage through digital communication tools. Our push towards digitalisation has further advanced this commitment, with the introduction of paperless practices such as e-payslips, e-leave applications and other internal digital processes.

In addition, the Group has established and adopted an Environmental and Scheduled Waste Management Policy since April 2022, which also forms part of the ISO 14001 requirements. This policy provides clear procedures for the handling, storage and disposal of scheduled wastes.

To address specific operational needs, our Group has also invested in a WWTP at Plant 4 to ensure that wastewater generated from processes such as electro-polishing and anodising is properly treated before being discharged. This proactive measure underscores our commitment to minimising pollution and maintaining regulatory compliance. In FYE 2026, Our wastewater treatment process generated 32,618kg of sludge, all of it were disposed through licensed contractors approved by DOE.

Beyond ensuring that scheduled waste is managed by licensed waste contractors in accordance with applicable regulatory requirements, the Group also supports circular economy principles through the recovery and beneficial use of selected scheduled waste streams.

During FYE 2026, selected scheduled waste collected from our operations was channelled by our appointed licensed scheduled waste contractor for treatment and recovery, where suitable waste materials are utilised as alternative raw materials in cement production rather than being disposed of through conventional landfill or incineration routes. In particular, certain waste streams, including SW204 and SW307, may contain material or energy value that can be recovered through the treatment process and used in cement manufacturing.

This treatment approach supports greater resource circularity by reducing reliance on virgin raw materials and, where applicable, displacing a portion of lime stones and clay used in cement production. Through the responsible management of scheduled waste and collaboration with licensed waste contractors, the Group seeks to minimise waste sent for final disposal while supporting more resource-efficient treatment solutions.

Our Performance

Indicator	FYE 2025	FYE 2026
Total waste generated (MT)	542.89	**515.43**

Emissions Management

Climate change is one of the most pressing global challenges and Greenhouse Gases ("GHG") emissions are a key driver of this issue. For the manufacturing industry, managing emissions is not only about regulatory compliance but also about taking responsibility for the environmental impact of our operations. By monitoring and reducing emissions, we contribute to climate change mitigation, reduce our environmental footprint and align our practices with global sustainability standards. Effective emissions management also demonstrates our commitment to building resilience for the future while safeguarding the health and well-being of our communities.

Sustainability Statement

Our Approach

Our Group actively measures and monitors GHG emissions from both direct and indirect sources in line with internationally recognised methodologies. Scope 1 emissions represent direct emissions from our operations, specifically fuel usage in company lorries and forklifts, calculated using the United Kingdom ("UK") GHG Emission Factor ("EF") in 2026. Scope 2 emissions represent indirect emissions arising from the purchase of electricity from the Malaysia and Singapore grids, calculated using Grid Emission Factors ("GEF") provided by Suruhanjaya Tenaga Malaysia and its equivalent in Singapore.

To reduce our carbon footprint, the Group has invested in a solar PV system which became fully operational in July 2025 after the completion of testing and approval processes. This reflects our proactive step towards reducing reliance on grid electricity, with greater reductions expected in subsequent reporting years. Carbon footprint avoidance performance data is being recorded in the table presented.

During FYE 2026, CPE commenced the collection and assessment of selected Scope 3 GHG emissions as part of our efforts to progressively enhance carbon transparency. Based on the data currently available, the Group recorded 36.65 tCO_2e of Scope 3 emissions, with the majority arising from employee and staff transportation undertaken in the ordinary course of business.

As the Group is still in the early stages of developing its Scope 3 emissions inventory, the reported figure does not represent all indirect emissions arising across our value chain. Moving forward, CPE will continue to strengthen its data collection processes and progressively expand the scope of emissions captured, where relevant and practicable, to improve the completeness and quality of our Scope 3 reporting.

Our Performance

Indicator	FYE 2025	FYE 2026
Scope 1 Emission (tCO_2e)	9.54	**8.80**
Scope 2 Emission (tCO_2e)	8,185.36	**8,917.38**
Scope 2 Avoidance (tCO_2e) – Solar PV System	10.2	**196.56**

OUR WAY FORWARD

In FYE 2026, CPE Technology Berhad continued to strengthen its sustainability practices through measurable progress across environmental, social and governance matters. The continued operation of our solar PV system, commitment to additional solar projects, introduction of an electric forklift, rainwater harvesting initiatives and ongoing management of waste and emissions reflect our efforts to improve resource efficiency and progressively reduce our environmental footprint.

We also took further steps to enhance the quality and breadth of our sustainability reporting by commencing the collection and assessment of selected Scope 3 GHG emissions. While our Scope 3 data collection remains at an early stage, this represents an important step towards improving carbon transparency and strengthening our understanding of emissions across our wider value chain.

On the social and governance fronts, we continued to invest in employee training, workplace safety, employee well-being and community initiatives, while strengthening engagement with our stakeholders. The introduction of the Supplier's Code of Conduct further reinforces our expectations for responsible and ethical practices across our supply chain, while continued engagement with investors and other stakeholders supports greater transparency and accountability.

Moving forward, we remain committed to progressively enhancing our sustainability practices, data collection and reporting capabilities. By integrating environmental stewardship, responsible business practices and social considerations into our operations, we aim to strengthen business resilience and create sustainable long-term value for our stakeholders.

CPE TECHNOLOGY BERHAD

BMLR Transition Period

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Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-corruption	Employees who have received training on anti-corruption by employee category - Directors	Percentage	100.00	100.00	—	No assurance
Anti-corruption	Employees who have received training on anti-corruption by employee category - Management	Percentage	100.00	100.00	—	No assurance
Anti-corruption	Employees who have received training on anti-corruption by employee category - Executive	Percentage	66.67	100.00	—	No assurance
Anti-corruption	Employees who have received training on anti-corruption by employee category - Assistant and Operation	Percentage	21.73	75.16	—	No assurance
Anti-corruption	Operations assessed for corruption-related risks	Percentage	100.00	100.00	—	No assurance
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	0	—	No assurance
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	6,000.00	8,000	—	No assurance
Community/Society	Total number of beneficiaries of the investment in communities	Number of Organizations	3	3	—	No assurance
Diversity	Age Group by Employee Category - Directors (30 and below)	Percentage	0.00	0.00	—	No assurance
Diversity	Age Group by Employee Category - Directors (31 to 50)	Percentage	25.00	12.50	—	No assurance

CPE TECHNOLOGY BERHAD

BMLR Transition Period

Date & Time: 2026-10-21_20:56:20

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Age Group by Employee Category - Directors (51 and above)	Percentage	75.00	87.50	—	No assurance
Diversity	Age Group by Employee Category - Management (30 and below)	Percentage	3.45	0.00	—	No assurance
Diversity	Age Group by Employee Category - Management (31 to 50)	Percentage	44.83	50.00	—	No assurance
Diversity	Age Group by Employee Category - Management (51 and above)	Percentage	51.72	50.00	—	No assurance
Diversity	Age Group by Employee Category - Executive (30 and below)	Percentage	11.11	4.00	—	No assurance
Diversity	Age Group by Employee Category - Executive (31 to 50)	Percentage	77.78	80.00	—	No assurance
Diversity	Age Group by Employee Category - Executive (51 and above)	Percentage	11.11	16.00	—	No assurance
Diversity	Age Group by Employee Category - Assistant and Operation (30 and below)	Percentage	66.08	66.46	—	No assurance
Diversity	Age Group by Employee Category - Assistant and Operation (31 to 50)	Percentage	32.33	32.30	—	No assurance
Diversity	Age Group by Employee Category - Assistant and Operation (51 and above)	Percentage	1.59	1.24	—	No assurance
Diversity	Gender Group by Employee Category - Directors Male	Percentage	62.50	62.50	—	No assurance

CPE TECHNOLOGY BERHAD

BMLR Transition Period

Date & Time: 2026-10-21_20:56:20

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Gender Group by Employee Category - Directors Female	Percentage	37.50	37.50	—	No assurance
Diversity	Gender Group by Employee Category - Management Male	Percentage	75.86	75.00	—	No assurance
Diversity	Gender Group by Employee Category - Management Female	Percentage	24.14	25.00	—	No assurance
Diversity	Gender Group by Employee Category - Executive Male	Percentage	44.44	52.00	—	No assurance
Diversity	Gender Group by Employee Category - Executive Female	Percentage	55.56	48.00	—	No assurance
Diversity	Gender Group by Employee Category - Assistant and Operation Male	Percentage	78.98	78.88	—	No assurance
Diversity	Gender Group by Employee Category - Assistant and Operation Female	Percentage	21.02	21.12	—	No assurance
Diversity	Directors by gender - Male	Percentage	62.50	62.50	—	No assurance
Diversity	Directors by gender - Female	Percentage	37.50	37.50	—	No assurance
Diversity	Director by Age - (30 and below)	Percentage	0.00	0.00	—	No assurance
Diversity	Director by Age - (31 to 50)	Percentage	25.00	12.50	—	No assurance
Diversity	Director by Age - (51 and above)	Percentage	75.00	87.50	—	No assurance
Energy management	Total energy consumption	Megawatt	10,615.21	12,334.32	—	No assurance
Energy management	Total Renewable Energy Yield via PV Solar System	Megawatt	22.17	265.62	—	No assurance

CPE TECHNOLOGY BERHAD

BMLR Transition Period

Date & Time: 2026-10-21_20:56:20

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Energy management	Total Contribution to Renewable Energy (RE) Fund via Tenaga Nasional Berhad	MYR	71,346.84	90,337.85	—	No assurance
Energy management	Total Diesel Fuel Consumption for Industrial Vehicles	Litre	3,710.14	3,405.03	—	No assurance
Health and safety	Number of work-related-fatalities	Number	0	0	—	No assurance
Health and safety	Lost time incident rate ("LTIR")	Rate	0.97	0.57	—	No assurance
Health and safety	Number of employees trained on health and safety standards	Number	94	65	—	No assurance
Labour practices and standards	Total hours of training by employee category - Director	Hours	112	28	—	No assurance
Labour practices and standards	Total hours of training by employee category - Management	Hours	652	264	—	No assurance
Labour practices and standards	Total hours of training by employee category - Executive	Hours	248	152	—	No assurance
Labour practices and standards	Total hours of training by employee category - Assistant and Operation	Hours	1,336	892	—	No assurance
Labour practices and standards	Employees that are contractors or temporary staff	Percentage	0.00	0.00	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Director	Number	0	1	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Management	Number	0	0	—	No assurance

CPE TECHNOLOGY BERHAD

BMLR Transition Period

Date & Time: 2026-10-21_20:56:20

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	Total number of employee turnover by employee category - Executive	Number	2	1	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Assistant and Operation	Number	263	281	—	No assurance
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	0	—	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	25.66	40.30	—	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	—	No assurance
Water	Total volume of water used	Megalitres	41.78	39.61	—	No assurance
Waste management	Total waste generated	Metric tonnes	542.89	515.43	—	No assurance
Waste management	Total waste diverted from disposal	Metric tonnes	542.89	515.43	—	No assurance
Waste management	Total waste directed to disposal	Metric tonnes	0.00	0.00	—	No assurance
Emissions management	Scope 1 emissions in tonnes of CO2e	Metric tonnes	9.54	8.80	—	No assurance
Emissions management	Scope 2 emissions in tonnes of CO2e	Metric tonnes	8,185.36	8,917.38	—	No assurance
Emissions management	Scope 2 Avoidance (tCO2e) – Solar PV System	Metric tonnes	10.20	196.56	—	No assurance

CPE TECHNOLOGY BERHAD

BMLR Transition Period

Date & Time: 2026-10-21_20:56:20

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Emissions management	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	36.65	—	No assurance

Corporate Governance Overview Statement

The Board of Directors ("the Board") of CPE Technology Berhad ("CPE" or "the Company") and its subsidiaries ("the Group") is dedicated to upholding a high standard of corporate governance across the Group. This commitment to good corporate governance is essential to the effective performance of the Directors' duties and responsibilities, as it enhances shareholders' value and safeguards the interests of the Group's stakeholders. The corporate governance practices adopted by the Group are aligned with the principles and recommendation for best practices outlined in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

During the financial year ended 30 June 2026 ("FYE 2026"), the Board is pleased to present the Corporate Governance ("CG") Overview Statement ("CG Overview Statement") which provides shareholders and stakeholders with an overview of the CG practices adopted by the Group in achieving the intended outcomes as set out in the MCCG 2021. This CG Overview Statement is centred around the following three (3) key principles:

a) Principle A: Board Leadership and Effectiveness;
b) Principle B: Effective Audit and Risk Management; and
c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The detailed application of each corporate governance practice by CPE Group during FYE 2026 is comprehensively reported in the CG Report, which is available on the Company's website at https://www.cpetbhd.com/investor-relations/ as well as on the website of Bursa Malaysia Securities Berhad ("Bursa Securities") at www.bursamalaysia.com. The CG Report is prepared in accordance with the prescribed format outlined in Paragraph 15.25(2) of the Main Market Listing Requirements ("MMLR") of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

BOARD ROLE AND RESPONSIBILITIES

The Board members exercise due diligence and care in discharging their duties and responsibilities to ensure that high ethical standards are applied, through compliance with the relevant rules and regulations, directives and guidelines in addition to adopting the practices in the Code and act in the best interest of the Group and shareholders. The Board has adopted a Board Charter that clearly identifies the respective roles and responsibilities of the Board, Board Committees, individual directors and management; and issues and decisions reserved for the Board.

To assist the Board in discharging its oversight function, the Board has delegated specific responsibilities to the following Board Committees:

- Audit and Risk Management Committee ("ARMC")
- Nomination and Remuneration Committee ("NRC")

Each Board Committee operates its functions within its respective Terms of Reference ("TORs") approved by the Board. The Chairman of the respective Board Committees reports to the Board on matters deliberated and recommendations made by the respective Board Committees.

STRATEGIC DIRECTION AND OBJECTIVES

The Board plays a critical role in setting out its strategic direction, development and control of the Group including setting and reviewing of goals and strategic directions, overseeing the process and effectiveness of risk management and control environment.

The responsibilities of the Board are inclusive of but not limited to:

- Promote good corporate governance culture within the Group;
- Reviewing and setting a strategic plan for the Group;
- Reviewing Management proposals for the Group;
- Overseeing the conduct of the Group's business to ensure it is properly managed;
- Identifying principal risks and ensuring implementation of appropriate internal controls and mitigation measures;
- Reviewing the information and risk management and internal control system and the effectiveness of the management;
- Reviewing the responsibilities of each Board Committee as and when required;
- Ensuring the integrity of the Company's financial and non-financial reporting; and
- Develops and implements an investor relations programme and of shareholders' communication policy for the Group.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

STRATEGIC DIRECTION AND OBJECTIVES (CONT'D)

The Board has an established formal schedule of matters exclusively reserved for its decision-making authority, ensuring that the Group's direction and control are overseen and managed by the Board. This schedule encompasses the authorisation of major capital expenditure projects, the evaluation of asset acquisition and divestment strategies, and the review of key financial issues, including the Group's financial and operational performance. The delegation of authority to Board Committees is stipulated in their respective TOR which are reviewed periodically to ensure effective and efficient decision-making across the Group.

SEPARATION OF POSITIONS OF CHAIRMAN AND THE GROUP CHIEF EXECUTIVE OFFICER

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and Group Chief Executive Officer ("GCEO") are separately held and each has a clear division of responsibilities between them to ensure a balance of control, power and authority.

CHAIRMAN OF THE BOARD

The Chairman of the Board holds an Independent Non-Executive position and the Chairman acts as facilitator between the Board and the Management by coordinating smooth communication flow between both parties. Additionally, the Chairman is responsible for providing leadership to the Board, enabling it to perform its responsibilities effectively.

Pursuant to the MCCG 2021, the Chairman of the Board does not sit on any Board Committees ensuring the maintenance of checks and balances as well as the preservation of objectivity.

The Non-Executive Directors are independent of Management and free from any business relationship and decision-making that could interfere with the exercise of their independent judgement to the Company and the Group.

ANG SENG WONG • Independent Non-Executive Chairman • Appointed on 1 April 2022	**LEE CHEN YEONG** • Executive Director cum Group Chief Executive Officer • Appointed on 26 April 2021	**MU WOON CHAI** • Executive Director • Appointed on 26 April 2021
HUN JIANG YANN • Executive Director cum Group Chief Financial Officer • Appointed on 1 July 2025	**FOO MING** • Non-Independent Non-Executive Director • Appointed on 26 April 2021	**LAI HOOI YIM** • Independent Non-Executive Director • Appointed on 1 April 2022
LIEW CHEE KAR • Independent Non-Executive Director • Appointed on 16 June 2022	**WILLHAM SIAU*** • Independent Non-Executive Director • Appointed on 16 June 2022	**THAM WEI MEI** • Independent Non-Executive Director • Appointed on 18 July 2023

**Mr Willham Siau retired as Independent Non-Executive Director, member of ARMC and member of NRC on 21 November 2025.*

BOARD MEETINGS

The Board convenes meeting at least four (4) times annually, with additional meetings held as needed. Adequate notice of the matters to be discussed is given to the Board within a reasonable timeframe. The proceedings, deliberations and decisions made by the Board are documented in the minutes of the meetings, which are maintained by the Company Secretary. These minutes are circulated to the Board and Board Committees for confirmation before the subsequent meetings and are signed by the Chairman of the meeting.

The Chairman ensures that each Director receives timely notice of every Board Meeting along with the relevant board papers for each agenda item. This approach allows Directors ample time to prepare for discussions, seek further explanations or clarifications, and effectively participate in the decision-making process while fulfilling their responsibilities. Board Committee meetings are held separately from Board meetings to facilitate objective and independent discussions.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD MEETINGS (CONT'D)

Directors may participate in Board Meetings or any Board Committee meetings through conference calls, video calls, electronic means, or other communication facilities that enable all participants to communicate simultaneously. Occasionally, Board Resolutions are circulated via email or other electronic methods. Additional or special Board meetings are convened as needed to consider and deliberate on urgent proposals or matters requiring the Board's review or consideration.

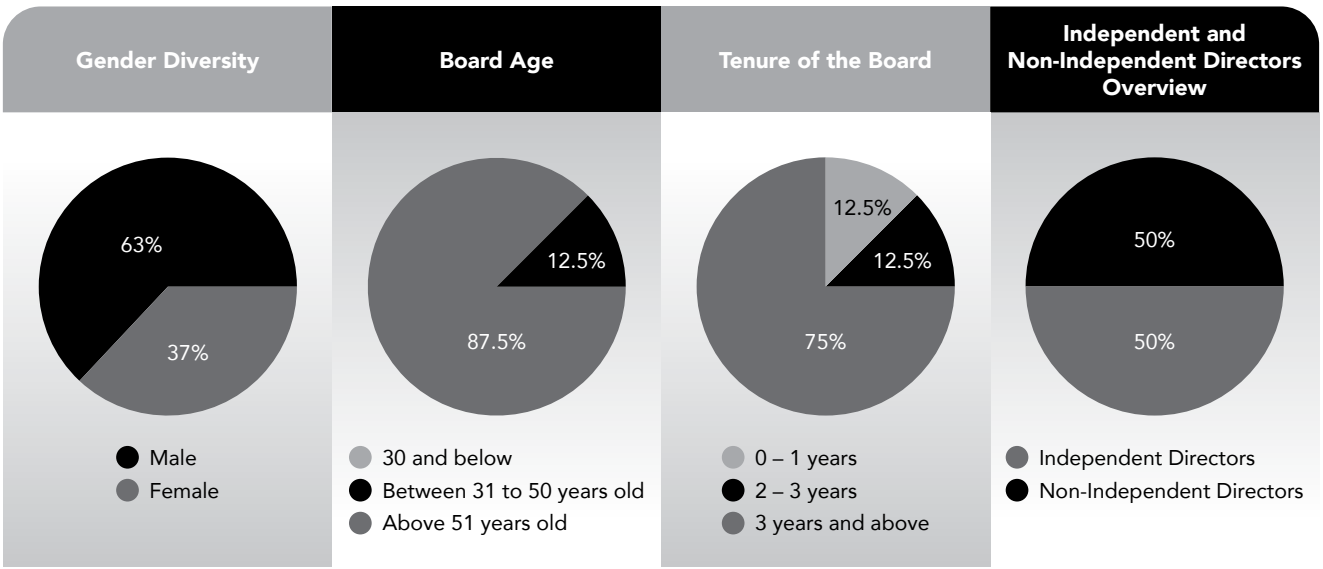
The Directors' commitment in carrying out their duties and responsibilities are affirmed by their attendance at the Board and Board Committees Meeting held during FYE 2026. Details of the attendance of the Directors at the Board and Board Committee Meetings were as follow:

Directors	BOD Attendance (Attend/Held)	ARMC Attendance (Attend/Held)	NRC Attendance (Attend/Held)
Ang Seng Wong	5/5	-	-
Lee Chen Yeong	5/5	-	-
Foo Ming	5/5	-	2/2
Mu Woon Chai	5/5	-	-
Hun Jiang Yann	5/5	-	-
Lai Hooi Yim	5/5	5/5	-
Liew Chee Kar	5/5	5/5	2/2
Willham Siau*	3/5	3/5	1/2
Tham Wei Mei	5/5	5/5	2/2

**Mr Willham Siau retired as Independent Non-Executive Director, member of ARMC and member of NRC on 21 November 2025.*

BOARD DIVERSITY

The following presented data is dated as of 30 June 2026.



Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

COMPANY SECRETARY

Qualified and Competent Company Secretary

The Company complies with Practice 1.5 of the MCCG 2021 where the Board is supported by a Company Secretary who is qualified, competent and capable of carrying out the duties required. The Board has direct access to the advice and service of the Company Secretary especially relating to procedural and regulatory requirements. Such advisory roles by the Company Secretary include:

- Managing all Board and Committees' meeting logistics. Attending all Board meetings and ensuring that the minutes of all Board and Committees' meetings are properly documented, and subsequently communicated to the relevant party for further appropriate actions.
- Advising the Board on fulfilling the fiduciary roles and responsibilities in shaping the corporate direction of the Company.
- Assisting the Company to ensure that the processes and proceedings of the Board Meetings and Annual General Meeting ("AGM") are properly managed.
- Monitoring the development in CG practices and assisting the Board to apply governance practices to meet the Board's needs and stakeholders' expectations.
- Advising the Board on issues relating to compliance with the provisions of the MMLR of Bursa Securities, the Companies Act 2016 ("CA 2016") and other relevant laws, rules, procedures and regulations affecting the Board and the Group.

ACCESS TO INFORMATION AND ADVICE

All members of the Board have full and unrestricted access to the professional advice and services of the Company Secretaries and Key Senior Management in the course of discharging their duties and responsibilities on matters relating to the procedures governing the Company. The Board may seek independent professional advice, whenever necessary and in appropriate circumstances, either individually or collectively on any matter concerning with the discharge of their responsibilities at the expense of the Company.

BOARD CHARTER

The Board Charter, which clearly sets out the roles and responsibilities of the Board and the Board Committees is available on the corporate website of CPE at https://www.cpetbhd.com/investor-relations/ for easy access by the stakeholders and the public alike. The objective of this Board Charter is to ensure that all Board members of the Company are aware of their roles and responsibilities.

CODE OF CONDUCT AND BUSINESS ETHICS

The Company's Codes of Ethics and Conduct for Directors and Employees outline the fundamental principles and standards of business ethics and conduct of the Group. The Company's Codes of Ethics and Conduct is available on website at www.cpetbhd.com/investor-relations/.

ANTI-BRIBERY AND ANTI–CORRUPTION POLICY

The Company is committed to operate its business in an ethical and responsible manner, accompanied by the highest standards of integrity. The Board shall be incorporating such policies and procedures on anti-corruption to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act (Amendment) 2018 on corporate liability for corruption.

WHISTLEBLOWER POLICY AND PROCEDURE

The Whistleblower Policy and Procedure ("Whistleblower Policy") encourages its employees, contractors, suppliers, customers and other stakeholders to report any suspected and/or known improper activities within the control of the Company.

The Company's Whistleblower Policy is available on website at www.cpetbhd.com/investor-relations/.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ETHICAL TRADING POLICY - INSIDER TRADING

In line with the MMLR of Bursa Securities and the relevant provisions of the Capital Markets and Services Act 2007, the company has adopted an insider trading policy which is stringently enforced within the Group effective 18 April 2022 and revised on 7 March 2025.

All directors, key management personnel and principal officers of the company are strictly prohibited from trading in securities based on any price-sensitive information and knowledge that have not been publicly announced.

CONFLICT OF INTEREST

Members of the Board are required to make a declaration during the Board meeting if they have interests in the proposals being considered by the Board, including interests arising through family members, in accordance with various statutory disclosure requirements. Any Director with an interest in a proposed proposal shall abstain themselves from deliberations. The Conflict of Interest Policy was adopted and is effective 31 January 2024.

DIRECTOR FIT AND PROPER POLICY

In line with Paragraph 15.01A of the MMLR of Bursa Securities, the Board had adopted the Directors' Fit and Proper Policy on 23 June 2022 and revised on 19 May 2025 which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the AGM. The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is available on the Company's website at https://www.cpetbhd.com/investor-relations/.

SUSTAINABILITY GOVERNANCE

The Board is primarily responsible for ensuring that sustainability practices are implemented throughout the Company's operations.

In order to develop and implement the Group's Environmental, Social and Governance ("ESG") strategies, the Group has established an ESG Working Group led by an Executive Director.

The ESG Working Group is responsible for:

- Implementing the Group's ESG strategies and projects with the primary aim in achieving the Group's Corporate social responsibility initiatives; and
- Identifying additional opportunities for the Group to improve the Group's ESG practices.

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT

Continued Education Programmes

All appointed Directors have attended the Mandatory Accreditation Programme I as required under the MMLR of Bursa Securities, as well as external training courses and programmes during the FYE 2026. The Directors are encouraged to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes to enable them to sustain their active participation in board deliberations.

The Board is also updated by the Company Secretary on the latest update/amendments on MMLR, MCCG 2021 and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities periodically.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT (CONT'D)

Continued Education Programmes (Cont'd)

During the FYE 2026, the Directors have attended the following training, webinars, industrial conferences and virtual conferences:

ANG SENG WONG

Date Attended	Seminars/ Conference/ Trainings Attended
25/7/2025	Governance in an Era of Trade Uncertainty
21/8/2025	Reverse Governance: What if the Algorithm Assesses the Board
23/10/2025	Raising the Bar: Strengthening Board Audit Committee Oversight
6/11/2025	ICDM Post-Budget 2026 Dialogue
16/1/2026	Effects of US Tariffs
27/2/2026	Board Intelligence in the age of AI
29/4/2026	Rising Geopolitical Tension
21/5/2026	Risk Management Frameworks: Three Lines of Defence and Crisis Management
8/6/2026	From Governance to Value Creation
9/6/2026	Future-Proofing the Enterprise

LEE CHEN YEONG

Date Attended	Seminars/ Conference/ Trainings Attended
08/9/2025	Asia School of Business: Climate First…Or Last?
10/9/2025 - 12/9/2025	SEMICON Taiwan 2025
5/5/2026 - 7/5/2026	SEMICON Southeast Asia
21/5/2026	Risk Management Frameworks: Three Lines of Defence and Crisis Management

MU WOON CHAI

Date Attended	Seminars/ Conference/ Trainings Attended
08/9/2025	Asia School of Business: Climate First…Or Last?
21/5/2026	Risk Management Frameworks: Three Lines of Defence and Crisis Management

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT (CONT'D)

Continued Education Programmes (Cont'd)

HUN JIANG YANN

Date Attended	Seminars/ Conference/ Trainings Attended
08/9/2025	Asia School of Business: Climate First…Or Last?
10/9/2025 - 12/9/2025	SEMICON Taiwan 2025
5/11/2025	ICDM Workshop: The People Lab - A Taste of High Performance Teams / Unlock the Hidden Science of Teamwork (And Dutch Flavors)
6/11/2025	ICDM Dialogue: " ICDM Post Budget 2026 Dialogue: Key Highlights & Conversation with Datuk Johan Mahmood Merican
5/5/2026 - 7/5/2026	SEMICON Southeast Asia
21/5/2026	Training on Management Frameworks: Three-Lines Defense, COSO, ISO 31000 Awareness and Crisis Management
3/6/2026 - 5/6/2026	Shanghai International Semiconductor Technology Conference & Exhibition

FOO MING

Date Attended	Seminars/ Conference/ Trainings Attended
08/9/2025	Asia School of Business: Climate First…Or Last?
21/5/2026	Risk Management Frameworks: Three Lines of Defence and Crisis Management

LAI HOOI YIM

Date Attended	Seminars/ Conference/ Trainings Attended
8/7/2025	ICDM: BNRC Dialogue & ADIP @ Graduation Ceremony : Future-ready Boards : Implementing Strategies with Skills Matrix
22/7/2025	MIA: Connecting Financial & Sustainability Reporting
28/10/2025	Inside The Boardroom | Malaysia
31/10/2025	RDS Partnership : Independent Directors & Tax Exposure : Clearing the Air
4/11/2025	ACCA Virtual Seminar - Post Budget 2026
6/11/2025	ICDM : Post-Budget 2026 2026 Dialogue : Key Highlights & Conversation with Datul Johan Mahmood Merican
25/11/2025	AOB Conversation with Audit Committee webinar
21/5/2026	Risk Management Frameworks: Three Lines of Defence and Crisis Management
3/6/2026	MIA: Webinar Companies (Amendment) Act 2024 New and Amended Sections of the Act
8/7/2026	ICDM: CGM Climate Litigation Risk Governance
21/7/2026	CGM: Veteran Physical sustainability reporting journey – Pitfalls & Challenges
28/7/2026	ICDM: Dialogue with AOB Are We Asking the Right Questions? Strengthening Audit Committee Risk Oversight for 2026
15/9/2026	MIA: Greening the Tax Code Incentive and Governance for a Sustainable Future

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

DIRECTORS' INDUCTION, TRAINING AND DEVELOPMENT (CONT'D)

Continued Education Programmes (Cont'd)

LIEW CHEE KAR

Date Attended	Seminars/ Conference/ Trainings Attended
15/7/2025	ICDM Public Programme: Harmony or Power Play? Decoding Board-Management Relationships
25/7/2025	Mental Health in Law – A Dialogue Between Health and Practice
10/9/2025	BICTOK #31: Delay and Damages Claims in Construction Contracts: Effective Resolution of Disputes
23/9/2025	Tax Implications on Business Agreements
23/9/2025	BICTOK #32: The BICAM Expert Determination Rules: Detailed Commentary for Use in Practice
21/5/2026	Risk Management Frameworks: Three Lines of Defence and Crisis Management
23/6/2026	BICTOK #46: "Without Prejudice" Communications: Legal Principles and Practical Considerations
22/7/2026	SLAM Sports Law Series with Sabah Law Society – Session 1 Sports Law in Malaysia : An Introduction to the Legal Framework and Governance of Sport
14/8/2026	Navigating Complex Investigations and Disputes
28/8/2026	Shipping Claims from the Strait of Hormuz Conflict

THAM WEI MEI

Date Attended	Seminars/ Conference/ Trainings Attended
17/10/2025	National Sustainability Reporting Framework Data to Disclosures Forum
21/5/2026	Risk Management Frameworks: Three Lines of Defence and Crisis Management
26/6/2026	ICDM Power Talk: Critical Thinking & Decision Making – A Future Ready Driver Of Competitive Advantage
02/7/2026	Spot Financial Red Flags Early – Protect Your Business Before It's Too Late

BOARD COMPOSITION

During the FYE 2026, the composition of the current Board is set out in the table below:

This composition fulfils the requirements as set out under MMLR of Bursa Securities, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent.

The Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion in the selection of Board members. In addition, the Group believes it is of utmost importance that the Board is composed of the best-qualified individuals who possess the requisite knowledge, experience, competency, professionalism, independence, foresight and good judgement to ensure that the Board and management team function effectively and is able to discharge its duties in the best interests of the Group and shareholders.

The Board consists qualified individuals with diverse experiences, backgrounds and perspectives. Their combined expertise and business experience provide insights and diversity of perspective to lead and guide the Group in an increasing complex and competitive environment. The profile of each Director is set out on page 06 to 13 in this Annual Report.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD COMPOSITION (CONT'D)

The presence of the Independent Non-Executive Directors promotes objectivity and they have the necessary competence to advise the Board on its decisions. They provide an effective check and balance to the Board's decision-making process. The Board's composition brings together an extensive group of experienced Directors from various backgrounds and they bring with them a wide range of skills and experience in areas relevant to managing and directing the Group's operations.

The Board deems that its composition is appropriate in terms of its membership and size as there is a good mix of skills and experience in the Board membership and no imbalance in power and authority. The Directors, with their differing backgrounds and specialisation, collectively bring with them a wide range of business, commercial and financial knowledge, expertise and skills essential in the management and direction of a corporation with regional presence.

TENURE OF INDEPENDENT DIRECTORS

The Board acknowledges the recommendation by the MCCG that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. Furthermore, the Board recognises that as per MMLR of Bursa Securities, the tenure of an Independent Director should not exceed a cumulative term of twelve (12) years.

The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice. Notwithstanding that, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment or the ability to act in the best interests of the Company.

The NRC reviews the tenure of each director, and annual re-election of a director is contingent upon satisfactory evaluation of the director's performance and contribution to the Board.

Considering the recommendations outlined in the MCCG 2021 regarding the tenure of an Independent Director not exceeding a cumulative term of nine years and given that the Company was listed on the Main Market of Bursa Malaysia on 7 December 2023, none of the Independent Directors' tenure has exceeded a cumulative term of nine (9) years.

In order to uphold the independence of Independent Directors, the Board has adopted the following policies in the Board Charter:

- subject to the Board's justification and shareholders' approval, the tenure of Independent Directors should not exceed a cumulative nine (9) years;
- an annual assessment of the independence of its Independent Directors focusing on events that would affect the ability of Independent Directors to continue bringing independent and objective judgment in deliberations by the Board; and
- the Independent Directors must declare themselves to be independent from management and free of any business or other relationship that could interfere with the exercise of their independent judgment and objective participation in the decision-making process of the Board.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NEW CANDIDATES FOR BOARD APPOINTMENT

The principal function of making recommendations for new appointments or re-election of retiring Directors has been delegated to the Nomination and Remuneration Committee ("NRC").

The evaluation of suitable candidate is not only based on academic but also corporate experience to ensure valuable contribution to the Company. In making a recommendation to the Board on the candidates for directorship, the NRC will consider and nominate the candidates based on the objective criteria, including:

- skills, knowledge, expertise and experience;
- professionalism;
- integrity;
- time commitment to the Company based on the number of directorships held.

In the case of candidates for the position of Independent Non-Executive Directors, the NRC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

All Directors shall not hold more than five (5) directorships in other listed issuers as required under Paragraph 15.06 of the MMLR of Bursa Securities.

BOARDROOM DIVERSITY

The Company has adopted a board diversity policy on 23 June 2022 and is available at www.cpetbhd.com/investor-relations/. In seeking potential candidate for new appointments, the Board shall take into account the various diversity factors including ethnicity, gender and age distribution of the Directors to maintain a balanced Board Composition.

During the FYE 2026, women directors comprised approximately 37% of the Board members. The age of the Directors ranges from 30 years old and above, as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

The Board through its NRC conducted an annual review of the Board's size, composition and balance and concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Group forward. The NRC is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively.

NOMINATION AND REMUNERATION COMMITTEE ("NRC") REPORT

The composition of the NRC are as follows:

Name of Members	Designation	Role in NRC
Liew Chee Kar	Independent Non-Executive Director	Chairman
Willham Siau*	Independent Non-Executive Director	Member
Foo Ming	Non-Independent Non-Executive Director	Member
Tham Wei Mei	Independent Non-Executive Director	Member

**Mr Willham Siau retired as Independent Non-Executive Director, member of ARMC and member of NRC on 21 November 2025.*

The roles and responsibilities of the NRC are incorporated in its ToR, which are available at https://www.cpetbhd.com/investor-relations/.

The NRC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of the candidates, the NRC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nomination for appointment to the Board. In the case of a nomination for the position of Independent Non-Executive Director, NRC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Director.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

NOMINATION AND REMUNERATION COMMITTEE ("NRC") REPORT (CONT'D)

Board Appointment and Re-Appointment Process

In accordance with the MMLR of Bursa Securities and the Company's Constitution, one-third of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election. In assessing the candidates' eligibility for re-election, the NRC considers their competencies, commitment, contribution, performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company. The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the AGM.

The Group's nomination process of Directors are as follows:



BOARD EFFECTIVENESS EVALUATION

Evaluation for Board, Board Committees and Individual Directors

The NRC is responsible for evaluating performance and effectiveness of the entire Board, the Board Committees, individual Director and key senior management on a yearly basis. The evaluation process is led by the NRC Chairman and supported by the Company Secretary via questionnaires.

The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities and composition, attendance record, the intensity of participation at meetings, quality of interventions and special contributions. In addition, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility, as well as the effectiveness of the Chairman of the respective Board Committees.

The NRC and the Board carried out the annual assessment of the Board and Board Committees for FYE 2025 as a whole as well as the individual Director's performance on 22 August 2025. For FYE 2026, the annual assessment was performed and reviewed by the NRC on 21 August 2026.

Based on the annual assessment conducted for the financial year, the NRC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NRC while in the stage of discharging their functions have been properly documented.

Activities of the NRC

During the FYE 2026, the NRC had met two (2) times, and the following activities were carried out by the Committee:

- Reviewed the composition of the Board of Directors;
- Assessed the effectiveness of the Board and Board Committees;
- Assessed and evaluated the performance and contribution of each Director;
- Reviewed the profile of each Director; and
- Reviewed the training needs of the Directors to ensure that they are acquainted with the latest development

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD EFFECTIVENESS EVALUATION (CONT'D)

Remuneration of Directors and Key Senior Management ("KSM")

The NRC is also responsible for reviewing and recommending the remuneration packages of the Executive Directors and Key Senior Management to the Board. The determination of remuneration packages for Non-Executive Directors is considered by the Board as a whole. The individuals involved must abstain from discussions related to their own remuneration packages. The total Directors' fees will be presented at the AGM by the Company.

The Board has established guidelines and principles governing the remuneration of Directors and Key Senior Management ("KSM"), as recommended by the NRC. The remuneration framework provides that the Group Chief Executive Officer ("GCEO") is authorised to determine salary increments and bonus entitlements of employees within the limits and parameters approved by the Board.

The appointment or promotion of employees to KSM positions is subject to the recommendation of the NRC and the final approval of the Board. This framework ensures that remuneration and senior management appointments are considered in accordance with the Group's remuneration principles and governance framework.

Remuneration Procedures

The Board recognises that the level and composition of remuneration of Directors and Senior Management should take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives.

The remuneration of each Director reflects the responsibility and commitment, which goes with the Board membership. In the case of Executive Directors, the component parts of remuneration are structured to link rewards to individual and corporate performances while ensuring that the level of remuneration commensurate with the market, the experience and the level of responsibilities undertaken. For Non-Executive Directors, the level of fees is linked to the contribution and level of responsibilities undertaken by the individual director, including the time spent on the group's matters, as well as the size of the Group's business.

The NRC recommends to the Board the remuneration packages for the Executive Directors. None of the Executive Directors participated in any way in determining their own individual remuneration. The Board as a whole determines the remuneration of Non-Executive Directors, with individual Directors abstaining from making decisions in respect of their individual remuneration. The Directors' fees are approved by the shareholders during the AGM.

During the financial year under review, the NRC has undertaken the following activities in discharging its duties:

- Reviewed the performance of the Executive Directors and submitted recommendations to the Board on specific adjustments in remuneration and/or reward payments; and
- Reviewed and recommended Directors' fees and benefits payable to the Directors of the Group for Board's approval.

The detailed breakdown of the Directors' fees and benefits paid (include both Company and Group level) for the FYE 2026 are as follows:

Category	ED's RM	Non-ED's RM	Total RM
Fees	182,928.00	246,783.00	**429,711.00**
Salaries	1,708,756.00	418,915.00	**2,127,671.00**
EPF and SOCSO	187,357.00	22,421.00	**209,779.00**
Total	**2,079,041.00**	**688,119.00**	**2,767,160.00**

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD EFFECTIVENESS EVALUATION (CONT'D)

Remuneration Procedures (Cont'd)

The detailed breakdown of the Directors' fees and benefits paid (both Company and Group level) for the FYE 2026 are as follows:

	By Group					Company			
Name of Director	Fees	Salaries and Bonuses	Other Emolument	Benefit-in-kind	Total	Fees	Salaries and Bonus	Other Emolument	Total
Ang Seng Wong	60,900	-	-	-	60,900	60,900	-	-	60,900
Lee Chen Yeong	73,257	720,000	87,793	-	881,050	36,000	-	-	36,000
Mu Woon Chai	73,670	584,256	48,935	-	706,862	36,000	-	-	36,000
Hun Jiang Yann	36,000	404,500	50,629	-	491,129	36,000	24,000	3,577	63,577
Foo Ming	74,083	418,915	22,421	-	515,419	36,000	-	-	36,000
Lai Hooi Yim	36,900	-	-	-	36,900	36,900	-	-	36,900
Liew Chee Kar	31,500	-	-	-	31,500	31,500	-	-	31,500
Willham Siau*	12,500	-	-	-	12,500	12,500	-	-	12,500
Tham Wei Mei	30,900	-	-	-	30,900	30,900	-	-	30,900

**Mr Willham Siau retired as Independent Non-Executive Director, member of ARMC and member of NRC on 21 November 2025.*

Remuneration of Senior Management

The remuneration paid to the top 5 Senior Management including salaries, benefits in-kind and other emoluments in bands of RM50,000 during the financial year under review are as follows:

Range of Remuneration	Number of Senior Management
RM50,000 to RM100,000	-
RM100,001 to RM150,000	-
RM150,001 to RM200,000	-
RM200,001 and above	5

Corporate Governance Overview Statement

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit and Risk Management Committee ("ARMC") of the Company comprises three (3) Independent Non-Executive Directors. The Chairman of the ARMC is not the Chairman of the Board. The ARMC is fully informed about significant matters related to the Company's audit and its financial statements. The ARMC also reviewed the internal audit programme and invited the internal auditors to the meeting for discussion on the internal audit findings. Besides, such discussion also served as an avenue for the ARMC to appropriately communicate its insights, views and concerns about relevant transactions and events to the Internal and External Auditors.

The ARMC comprises of the following Directors:

Name of Members	Designation	Role in ARMC
Lai Hooi Yim	Independent Non-Executive Director	Chairman
Liew Chee Kar	Independent Non-Executive Director	Member
Tham Wei Mei	Independent Non-Executive Director	Member

The ARMC met five (5) times during the FYE 2026. The activities of the ARMC during the year are described in the ARMC Report in this 2026 Annual Report on pages 68 to 70.

The Board has taken note of Practice 9.2 of the MCCG 2021, which requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the ARMC. Thus, the ARMC shall observe the said application in the event that a former key audit partner is appointed to the Board.

The Company does not have any precedent or intention to appoint a former auditor as a member of the ARMC. Therefore, no such policy has been implemented at this time.

Further details on the work performed by ARMC in furtherance of its oversight role are set out in the ARMC Report on pages 68 to 70 of this 2026 Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines.

Management assists the Board in the implementation of the Board's policies and procedures on risk management and internal control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board performs review on an annual basis covering not only financial, but operational and compliance controls and risk management systems, in all material aspects. Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out. The ARMC has been entrusted by the Board to ensure the effectiveness of the Group's internal control.

The internal audit function currently conducts independent audits within the Group to identify, evaluate and monitor significant risks affecting the business of the Group and ensure that adequate and effective controls are in place.

The Statement on Risk Management and Internal Control as set out on pages 64 to 67 of this 2026 Annual Report, provides an overview of the Group's approach to ensure the effectiveness of the risk management and internal processes within the Group.

Corporate Governance Overview Statement

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board is committed to ensure that the shareholders and other stakeholders are well informed of the Group's strategy performance and major developments of the Company and the information is communicated to them through the following:

- the Annual Report;
- the various disclosures and announcements made to Bursa Securities including the quarterly results and annual results; and
- the website at https://www.cpetbhd.com/ which shareholders as well as members of the public are invited to access for the latest information on the Group.

The Minutes of the EGM/AGM of the Company will be available to the shareholders within 30 business days from the conclusion of the EGM/AGM.

CONDUCT OF GENERAL MEETINGS

The Board will ensure that the Notice of the forthcoming 5th AGM to be sent out at least 28 days prior to the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements. In line with Practice 13.1 of MCCG 2021, the notice convening the 5th AGM of the Company will be issued to shareholders at least twenty-eight (28) days before the date of the AGM, which gives shareholders sufficient time to prepare themselves to attend the 5th AGM or to appoint a proxy to attend and vote on their behalf. The Chairman of the Board, along with the Chairman of respective Board Committees and Board members, will attend the 5th AGM of the Company to address shareholders' inquiries. Additionally, the Board will be supported by External Auditors, Company Secretaries, and relevant senior management personnel, all of whom will also be present at the 5th AGM to interact with shareholders and to address any queries raised.

The forthcoming 5th AGM of the Company will be held physically. Shareholders are able to attend, speak (including posing questions to the Company/Board of Directors) and vote at the forthcoming 5th AGM. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company's share registrar in hard copy or by electronic means. The Company will conduct poll voting on all resolutions for all general meetings in compliance with the Listing Requirements of Bursa Securities and the outcome of all resolutions proposed at the forthcoming 5th AGM will be announced to Bursa Securities accordingly.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Company's key focus during the year was to comprehend the Principles and Practices introduced in the MCCG 2021, for the subsequent application and disclosure in the annual report for the FYE 2026. Consequently, the Group's existing Board Charter, ToR of the Board Committees and Code of Conduct have been reviewed in line with MCCG 2021.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this CG Statement, and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the MCCG 2021 has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG 2021, MMLR of Bursa Securities and all applicable laws and regulations throughout the financial year under review.

This CG Statement was approved by the Board of Directors of the Company on 21 October 2026.

Statement of Risk Management and Internal Control

The Board of Directors ("Board") acknowledges its responsibility in maintaining a sound system of internal control covering financial and operational controls, compliance and risk management to safeguard shareholders' investments and the Group's assets.

The responsibilities of the Board are inclusive of but not limited to:

- Promoting good corporate governance culture within the Group;
- Reviewing and setting a strategic plan for the Group;
- Reviewing Management proposals for the Group;
- Overseeing the conduct of the Group's business to ensure it is properly managed;
- Identifying principal risks and ensuring implementation of appropriate internal controls and mitigation measures;
- Reviewing the information and risk management and internal control system and the effectiveness of the management;
- Reviewing the responsibilities of each Board Committee as and when required;
- Ensuring the integrity of the Company's financial and non-financial reporting; and
- Developing and implementing an investor relation programmes of shareholders' communication policy for the Group.

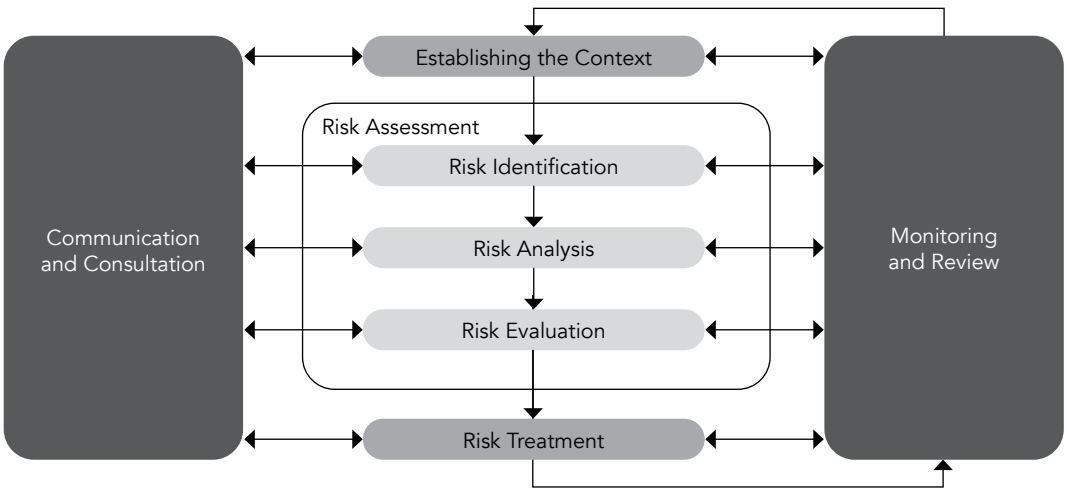
There is an on-going review process by the Board to ensure the adequacy and integrity of the risk management and internal control system in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. However, the Board recognises the review of the Group's system of risk management and internal controls is a concerted and continuous process, designed to manage rather than eliminate the risk of failure to achieve business objectives. As such, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group Chief Executive Officer and Group Chief Financial Officer have provided assurance to the Board that the Group's risk management and internal control systems, in all material aspects, have operated adequately and effectively. There were no major weaknesses in internal controls which resulted in material losses during the financial year under review until the date of approval of this Statement.

RISK MANAGEMENT FRAMEWORK

The Board has put in place an Enterprise Risk Management ("ERM") framework, in accordance with the Malaysian Code on Corporate Governance 2021, to ensure that there is an on-going process of identifying, evaluating, and managing significant business risk exposure. The Group's ERM framework aims to facilitate the execution of strategic business action to achieve the Group's vision of being a leading manufacturer as a one-stop solution provider for quality precision machining and mechanical assembly, by implementing relevant controls or translating the principal risks of the business into upside opportunities.

The Group's ERM is based on the internationally recognised Committee of Sponsoring Organizations ("COSO") framework. Risk factors are incorporated into the risk register and individually rated as Significant, High, Moderate or Low risk. The rating process is guided by a matrix of "Threat Likelihood" and the associated "Consequence Level or Impact", of which both financial and non-financial consequences are duly considered. Thereafter, owners of these risk factors will drive the implementation of risk mitigation measures towards achieving a residual risk that is within the acceptable tolerance.



Statement of Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK (CONT'D)

Management is accountable to the Board for risk management and internal control and has implemented processes to identify, evaluate, monitor and report risks and to design and implement relevant controls in response to the risks. For this, a Risk Management Unit ("RMU") have been established by the Group and RMU reports to the Audit and Risk Management Committee ("ARMC").

Board of Directors
Audit and Risk Management Committee (consist of only Independent Non-Executive Directors)
Risk Management Unit (Spearheaded by Group CFO and participated by General Managers)
Group Support Functions

Risk Reporting Structure at CPE Technology

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee ("ARMC") comprises only the Independent Non-Executive Directors appointed by the Board of Directors. The ARMC assists the Board in overseeing the adequacy and effectiveness of the Group's risk management framework through, amongst others, the following activities:

- Advise on the high level risk strategy and policy aligned with the Group's strategic business objectives;
- Communicate Board vision, strategy, policy, responsibilities, and reporting lines to all employees across the Group;
- Identify and communicate to the Board the critical risks (present or potential) the Group faces, their changes, and the management action plans to manage the risk;
- Perform risk oversight and review risk profiles (Company and the Group) and organisational performance;
- Set performance measures for the Company and the Group (e.g. subsidiaries or business unit); and
- Provide guidance to the business units on the Group's and business unit's risk appetite and capacity, and other capacity, and other criteria which, when exceeded, trigger an obligation to report upward to the Board.

Risk Management Unit

The Risk Management Unit ("RMU") comprises the Group Chief Financial Officer (Malaysia) and General Managers (Malaysia and Singapore). The RMU undertakes the following responsibilities:

- Identify and communicate to the ARMC the critical risks (present or potential) of the subsidiary's business unit and its operation faces, their changes, and the management action plans to manage those risks;
- Communicate risk management requirements in the subsidiaries, business units and departments;
- Review risk profiles and performance for the business units; and
- Review and update the business unit's risk management methodologies applied, specifically those related to risk identification, measuring, controlling, monitoring and reporting
- Ensure the quality, adequacy and timeliness of the information that goes to the ARMC

Membership	Designation	Risk Management Category
Head	Group Chief Financial Officer	Spearhead the RMU, compile, communicate and report all risk exposures within the Group to ARMC Financial Risk for Overall Group Operations
Member	General Manager (Malaysia)	Strategic, Operational and Compliance risks for Malaysia Operations
Member	General Manager (Singapore)	Strategic, Operational and Compliance risks for Singapore Operations

Statement of Risk Management and Internal Control

Group Support Function

The role of the Head of Department ("HOD") or Managers and employees of the Group Support Functions is to manage risks within their spheres of control in accordance with the Group's policies and procedures and follow the Group's Codes of Ethics and Conduct.

The Group Support Function facilitates and supervises the implementation of the ERM framework and processes by the respective business units. Such function reports to the RMU, and RMU reports to ARMC.

The Board remains committed to continuously reviewing and strengthening the Group's risk management framework to address emerging risks such as environmental, social and governance (ESG) factors, cybersecurity threats, and supply chain vulnerabilities.

RISK MANAGEMENT OPERATION

The Risk Assessment Review of the Group was carried out by an independent professional consulting firm, namely Kloo Point Risk Management Services Sdn. Bhd.. Scheduled reviews are carried out based on the review plan approved by the Group. The assessment review reports were presented to the ARMC during the quarterly Committee meetings.

During the financial year under review, the Group's activities were exposed to the following principal risks:

- **Operational Risk**

  The Group's policy is to assume operational risks that are manageable within its core business competencies. The operational risk management ranges from strategic business planning, human resource, material procurement, inventory management, quality, production planning, occupational safety, health and environmental risks. The management of the Group's day-to-day operational risks are mainly decentralised at the respective business unit level and guided by standard operating procedures (SOPs).

- **Financial Risk**

  The Group is exposed to various financial risks relating to foreign currency exchanges, commodity price, credit risks and interest rate risk. These financial risks are mitigated through internal control processes and constant monitoring.

- **Liquidity Risk**

  The Group is not expose to liquidity risk as it is the company's policy to maintain a healthy and positive cash flow, along with sufficient reserves, ensuring the availability of funds to meet all financial obligations as they arise.

- **Environmental, Social and Governance ("ESG") Risk**

  The Group is expose to increasing pressure from various stakeholders and financial institution to demonstrate strong ESG perform. These risks are being managed through internal established ESG working group and performing of sustainable practices, which overseen by the Board.

The key aspects of the risk management process are as follows:

- The Group undertake to update the risk register on an annual basis.
- Documented standard operating policies and procedures to ensure compliance with internal controls, laws and regulations, will be subjected to regular reviews and improvement.
- Taking into cognisance Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group had put in place relevant policies on anti-bribery and anti-corruption, in particular to ensure adequate procedures are in place to mitigate risks of bribery and corruption.

Going forward, the ARMC and RMU will continuously deliberate the following to further strengthen the existing risk management controls within the Group:

- Enhance Crisis Management to handle disruptive incidents and effectively ensure a structural recovery that safeguards the interests of its stakeholders, as well as to protect the credibility and reputation of the Group.
- Committed to identifying and developing future potential successors for key positions by proactively investing in succession planning, aim to build a robust talent pipeline that will secure our business's long-term stability and success.

Statement of Risk Management and Internal Control

INTERNAL CONTROL PROCESS

The key elements of the Group's internal control processes are summarised as follows:

- The Board, ARMC and Management meet on a quarterly basis to discuss strategic, operational, risk and control matters raised by the Management, Internal Auditors and External Auditors.
- The Board has delegated its responsibility to Board Committees and the Management of the Group to implement and monitor designated tasks.
- The authority limits delineate authorisation limits for various levels of management and matters reserved for collective decision by the Board to ensure proper identification of accountability and segregation of duties.
- Policies, guidelines and procedures are revised to meet the operational requirement, the business and statutory reporting needs when necessary.
- Whistleblower Policy and Procedure is in place and anyone who has a genuine concern on detrimental actions or improper conduct may raise it using the confidential channels laid out in the policy which is available on our corporate website at www.cpetbhd.com.

INTERNAL AUDIT

Internal audit ("IA") function was carried out by an independent professional consulting firm, namely SocialGreen Governance Sdn. Bhd.. Scheduled internal audits are carried out based on audit plan approved by the ARMC. The internal audit reports, summarising the observations of control weaknesses, recommendations for improvement and Management responses were presented to the ARMC on a quarterly basis. These findings were deliberated together with Management at the ARMC's Meetings. ARMC assessed the overall adequacy and effectiveness of the system of internal controls of the Group and reports to the Board of Directors, in particular, the matters relating to significant risks and the necessary recommendations for changes.

The IA work carried out with reference to two primary frameworks:

- Committee of Sponsoring Organizations ("COSO")
- International Professional Practices Framework ("IPPF")

For the financial year under review, the internal audit's scope covered the following based on the approved audit plan:

- Overall internal audit on Champion Precision Engineering Pte. Ltd., our wholly-owned subsidiary in Singapore which involved corporate function, sales and marketing, inventory and warehouse management, finance and accounts, procurement, human resource and administration as the audit area.
- Internal Audit on Inventory and Sustainability Risk (Environment, Operation and Supplier) and Special Audit on Malaysia Anti-Corruption Act 2009, Section 17A Adequate Procedures Compliance Assessment covering our business operation and entities in Malaysia.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirement, the external auditors have reviewed this Statement of Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board is of the view that the risk management and internal control systems that are in place for the year under review and up to the date of approval of this statement, are adequate and effective to safeguard shareholders' investment and the Group's assets.

There has been no significant breakdowns or weaknesses in the system of internal control of the Group for the financial year under review. The Group continues to take the necessary measures to ensure that the system of internal control is in place and functioning effectively.

This Statement on Risk Management and Internal Control was approved by the Board on 21 October 2026.

Audit Committee and Risk Management Committee Report

The Audit Committee and Risk Management Committee of CPE Technology Berhad ('the Company") were established on 1 April 2022 and 16 June 2022 respectively and these committees were subsequently merged to form Audit and Risk Management Committee ("ARMC") on 8 February 2023.

COMPOSITION

As of 30 June 2026, the ARMC comprises three (3) members. This is in compliance with Paragraph 15.09(1)(a) & (b) of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") which stipulates that the composition of the audit committee must be composed of not fewer than three members and all the audit committee members must be non-executive director with a majority of them being independent directors.

The ARMC comprises of the following members:

Name of Member	Designation	Directorship	Date of Appointment as Director	Qualifications/Memberships
Lai Hooi Yim	Chairman	Independent Non-Executive Director	1 April 2022	• Diploma in Commerce (Financial Accounting) • Member of Malaysian Institute of Accountants ("MIA") • Fellow Member of the Association of Chartered Certified Accountants ("ACCA") • Member of the Institute of Corporate Directors ("ICDM")
Liew Chee Kar	Member	Independent Non-Executive Director	16 June 2022	• Bachelor of Laws (Hons) • Certificate of Legal Practice • Member of ICDM • Member of Sabah Law Society
Tham Wei Mei	Member	Independent Non-Executive Director	18 July 2023	• Member of ICDM • Bachelor of Communication (Hons) • Qualified Nutritional Therapist • Member of Association of Nutritional and Functional Medicine Practitioners, Malaysia • Professional Certificate in Nutritional Medicine, School of Complementary and Traditional Medicine, University College Yayasan Pahang

The ARMC Chairman is a member of MIA which complies with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Malaysia, which stipulates that at least one member of the audit committee must be a member of MIA. Further, in compliance with Paragraph 15.09(2) of the MMLR, there are no alternate directors appointed as a member of the audit committee. Additionally, in line with Practice 9.1 of the MCCG 2021, the Chairman of the ARMC is not the Chairman of the Board.

ARMC MEETINGS AND ATTENDANCE

During the Financial Year Ended ("FYE") 2026, the ARMC held five meetings, and the attendance details for each member are as follows:

Member's Name	Designation	Number of Meetings Attendances/Held	% of Attendance
Lai Hooi Yim	Chairman	5/5	100
Liew Chee Kar	Member	5/5	100
Willham Siau*	Member	3/3	100
Tham Wei Mei	Member	5/5	100

**Mr Willham Siau retired as Independent Non-Executive Director and member of ARMC on 21 November 2025.*

Audit Committee and Risk Management Committee Report

SUMMARY ACTIVITIES OF THE ARMC

During the FYE 2026, the ARMC, in discharging its functions and duties, carried out the following activities:

Financial Reporting

(a) Reviewed the Audited Financial Statements of the Group for the FYE 2026 prior to tabling to the Board for approval; and

(b) Reviewed the Group's quarterly financial results before recommending them for approval by the Board and the announcement to Bursa Malaysia;

External Auditor ("EA")

(a) During the FYE 2026, the ARMC reviewed the EA's, Messrs. Moore Stephens Associates PLT's presentation as follows:

- Audit Planning Memorandum which outlined its engagement team, audit approach, audit timeline, areas of audit emphasis, and their focus on Key Audit Matters with reference to the applicable Auditing Standards; and
- Audit Progress Report for the FYE 2026 which summarises the significant accounting and auditing matters, potential key audit matters and internal control matters and recommendations identified during the statutory audit of the Group.

(b) Reviewed on the Key Audit Matter raised by the EA, including the audit procedures performed, significant findings and conclusions reached, and considered the resulting impact on the Group's financial statements.

The ARMC reviewed the Key Audit Matters relating to the valuation of inventories including inventory costing and the adequacy of the allowance for slow-moving inventories, taking into consideration Management's assessment, the underlying assumptions and judgements applied, as well as the observations and findings of the EA.

(c) Discussed with the EA on updates in relation to the new proposed changes in accounting standards, regulatory requirements and considered the implications to the financial statements of the new Financial Reporting System.

(d) Evaluated the EA's suitability, objectivity and independence, taking into consideration their technical competencies, audit quality, manpower resource sufficiency, to perform the audit of the Group, and made recommendation to the Board on their re-appointment.

(e) Reviewed the statutory audit fees for FYE 2026.

Private Session – External Auditor ("EA")

On 21 October 2026, the ARMC conducted private session meeting with the EA without the presence of the executive board members and management personnel of the Company. The ARMC had the opportunity to assess the co-operation extended by the Management to the EA, their competency and readiness to provide documentation and explanations, as well as the adequacy of resources of the Group's finance department.

Internal Audit ("IA") Function

The IA function is outsourced to an independent professional firm, SocialGreen Governance Sdn. Bhd. ("SocialGreen") to perform an independent risk-based internal audit review on the key operations of the Group. Its main role is to undertake an independent and systematic review of the internal controls system so as to provide independent assurance on the adequacy and effectiveness of risk management, internal controls and governance processes of the Group.

The internal audit report is prepared in accordance with the Institute of Internal Auditors ("IIA") International Standard for the Professional Practice of Internal Auditing ("IPPF") and applicable guidelines.

Reported Date	Report
August 2025	Internal Audit Report on Champion Precision Engineering Pte. Ltd. (Singapore)
May 2026	Internal Audit Report on Inventory and Sustainability Risk Audit (Environment, Operation and Supplier), Special Audit on Malaysia Anti-Corruption Act 2009, Section 17 Adequate Procedures Compliance Assessment

Audit Committee and Risk Management Committee Report

SUMMARY ACTIVITIES OF THE ARMC (CONT'D)

Internal Audit ("IA") Function (Cont'd)

The internal audit reports arising from the audit assignments carried out in FYE 2026 were issued to the Management of the respective business units. The Management were made responsible to ensure that the agreed recommended actions were undertaken promptly within the required time frames to address the reported risks and weaknesses. Follow-up audit engagements were carried out by SocialGreen to ensure that the key recommended actions were implemented appropriately. The internal audit reports were subsequently tabled to the ARMC for its review.

SocialGreen has unrestricted access to the ARMC and reports directly to the ARMC Chairman. In its current structure, SocialGreen has been able to provide Directors and Senior Management with pertinent information about weaknesses in the system of internal control allowing Management to take prompt remedial actions.

The professional fees incurred for the IA function in respect of the FYE 2026 for the Group amounted to RM25,920.00.

Related party transaction ("RPT") and conflict of interest ("COI")

(a) The implementation of COI Policy ensures that Management enforces relevant declarations for the Board of Directors and employees holding Managerial positions;

(b) Reviewed any RPT and COI situations that may arise within the Group during FYE 2026; and

(c) The Management has also been given the responsibility by the Board to monitor the implementation of the Whistleblower Policy and Procedures. Any cases are to be reported directly to the ARMC members. During FYE 2026, no cases were reported through the Whistleblowing channel.

Corporate Reporting

Reviewed the ARMC Report, Corporate Governance Overview Statement, Corporate Governance Report 2026 and Statement on Risk Management and Internal Control to ensure compliance with the MMLR of Bursa Malaysia and recommend to the Board for inclusion in the Annual Report 2026.

Others

(a) Reviewed the processes and its relevant assessments on Enterprise Risk Management ("ERM");

(b) Reviewed any arising reports from the whistleblowing mechanism established by the Group;

(c) Reviewed the progress of the Corporate Governance implementation i.e. Business Continuity Plan and Succession Plan;

(d) Reviewed the proposed dividend distribution to ensure it is lawfully conducted and complies with the statutory requirements under the Companies Act 2016;

(e) Conferred with Management on any non-compliance with statutory contributions, late payments caused by Management, and ensured the completeness and accuracy of accounting records, including no omission of transactions such as revenue recognition and expenditures;

(f) Enquired with Management's compliance on Transfer Pricing (TP) regulations and necessary documents are in place;

(g) Enquired with Management whether the announcement papers have been reviewed for compliance with all necessary requirements under the MMLR and other relevant regulatory obligations;

(h) Reviewed the updates on the utilization of proceeds from the Public Issue of the Initial Public Offering; and

(i) Enquired with Management about the implementation status of the e-invoicing practice.

(j) Enquired with the Management whether the Company and the subsidiaries in Malaysia are in compliance with Section 17A of Malaysian Anti-Corruption Commission ("MACC") Act 2009; and

(k) Enquired with the Management whether the subsidiary in Singapore is in compliance with the relevant laws regulating corruption/bribery in Singapore;

(l) Enquired with the Management on the observation of National Sustainability Reporting Framework ("NSRF") issued by the authorities.

This statement was approved by ARMC on 21 October 2026.

Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 ("Act") to prepare the financial statements for each financial year which have been made in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS") and the requirements of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Group are responsible for the preparation of the Group and of the Company's financial statements to ensure a true and fair view is presented in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

i. Overseeing the overall conduct of the Company's business and that of the Group;
ii. Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
iii. Reviewing the adequacy and integrity of Internal Control System and Management Information System in the Company and within the Group;
iv. Adopting suitable accounting policies and apply them consistently;
v. Making judgments and estimates that are reasonable and prudent; and
vi. Ensuring compliance with application of Approved Accounting Standards in Malaysia.

The Directors are responsible for ensuring that proper accounting and other records which are closed with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements comply with the Main Market Listing Requirements ("MMLR"), the provisions of the Companies Act 2016 and applicable Approved Accounting Standards in Malaysia.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 30 June 2026, the Group has used the appropriate accounting policies and applied them consistently, supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

Additional Compliance Information

1. Utilisation of Proceeds Raised from Corporate Proposals

The Group was successfully listed on Main Market of Bursa Securities Malaysia Berhad on 7 December 2023, through an Initial Public Offering ("IPO") and raised gross proceeds of approximately RM179.58 million.

As of FYE 30 June 2026, our utilisation of proceeds is tabled below:

No.	Purpose	Proposed Utilisation (RM'000)	Reallocation (RM'000)	Reallocated Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Brief Explanation
1	Acquisition of other manufacturing facilities within the vicinity or in nearby existing industrial areas including its related expenses, renovation and installation costs, fixture and fittings costs, furniture and equipment.	54,497	(54,497)	-	-	-	These proceeds have been re-allocated.
2	Proposed Acquisition and related expenses of Plant 6.	15,098	(1,299)	13,799	13,799	-	These proceeds have been fully utilised and An amount of RM1.30 million has been reallocated from proposed acquisition and related expenses of Plant 6 into enhancement of operational facilities.
3	Purchase of new machinery and equipment and relocation of existing machinery and equipment	32,882	-	32,882	15,493	17,389	Management is actively utilising these proceeds as per proposed.
4	Repayment of bank borrowings	17,454	-	17,454	17,454	-	These proceeds have been fully utilised.
5	Part-financing working capital expenditure requirements	46,909	30,205	77,114	60,707	16,407	Management is actively utilising these proceeds as per proposed.
6	Part-financing other capital expenditure requirements	1,422	-	1,422	1,422	-	These proceeds have been fully utilised.
7	Estimated listing expenses	11,315	-	11,315	11,315	-	These proceeds have been fully utilised.
8	Enhancement of operational facilities	-	25,591	25,591	-	25,591	Management is actively utilising these proceeds as per proposed.
Total		**179,577**	**-**	**179,577**	**120,190**	**59,387**	

Additional Compliance Information

2. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid/payable to the External Auditors for the services rendered to the Group and the Company for the financial year ended 30 June 2026 are as follow:

	Group RM'000	Company RM'000
Audit Fee	358	59
Non-Audit Fee	40	8
Total	**398**	**67**

3. Shares Buy-Back

The Company did not carry out any share-back exercises in the financial year just ended.

As of 30 June 2026, the Company's total number of issued share capital (after net of treasury shares) remain as 671,314,791 shares.

4. Share Issuance Scheme ("SIS")

The Company has established a SIS of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) to the eligible Directors and eligible employees of the Group for a period of 5 years from 5 May 2026.

During FYE 2026, there was no SIS option granted to any eligible Directors and eligible employees of the Group.

5. Material Contracts

There was no material contracts entered into by the Company and/or its subsidiaries involving directors' and major shareholders' interests either still subsisting at the end of FY2026 or entered into since the end of the previous financial year.

Directors' Report

For The Financial Year Ended 30 June 2026

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2026.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are as follows:

Mr. Lee Chen Yeong*
Mr. Foo Ming*
Mr. Mu Woon Chai*
Mr. Hun Jiang Yann
Mr. Ang Seng Wong
Ms. Lai Hooi Yim
Ms. Liew Chee Kar
Ms. Tham Wei Mei
Mr. Willham Siau (Retired on 21.11.2025)

* The directors are also the directors of all the Company's wholly-owned subsidiaries as disclosed in Note 15 to the financial statements during the financial year and during the period from the end of the financial year to the date of this report.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are the manufacturing of precision-machined parts and components using computer numerical control ("CNC") turning and milling technology, sales/trading of such precision-machined parts and components, and provision of CNC turning and milling services (please refer to Note 15 to the financial statements for details). There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	GROUP RM'000	COMPANY RM'000
Net profit for the financial year	17,792	18,884

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are shown in the financial statements.

ISSUANCE OF SHARES OR DEBENTURES

The Company has not issued any shares or debentures during the financial year.

Directors' Report

For The Financial Year Ended 30 June 2026

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company or any of its subsidiaries is a party, being arrangements with the objects of enabling the directors of the Company or any of its subsidiaries to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those benefits as shown under the Directors' Remuneration section below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except that certain directors received remuneration from the subsidiaries of the Company in their capacity as executive/director of these subsidiaries.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, none of the directors who held office at the end of the financial year held any interest in shares in, or debentures of, the Company and every other body corporate, being the Company's subsidiaries during the financial year except as follows:

	Number of ordinary shares with no par value			
	At 01.07.2025	Acquired	Disposed	At 30.06.2026
Interest in the Company				
Mr. Lee Chen Yeong	188,606,846	4,634,000	-	193,240,846
Mr. Foo Ming	113,062,328	475,000	-	113,537,328
Mr. Mu Woon Chai	75,374,917	-	-	75,374,917
Mr. Hun Jiang Yann	170,000	30,000	-	200,000

DIVIDENDS

Dividends declared and paid since the end of the Company's previous financial year are as follows:

	RM'000
In respect of financial year ended 30 June 2025 on 671,314,791 ordinary shares:	
- Final single-tier dividend of 1.5 sen per ordinary share declared on 10 December 2025 and paid on 23 December 2025	10,070

The directors recommend the payment of a final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 June 2026 amounting to approximately RM10,070,000, to be approved at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as equity as an appropriation of retained profits in the financial year ending 30 June 2027.

Directors' Report

For The Financial Year Ended 30 June 2026

DIRECTORS' REMUNERATION

Details of directors' remuneration received/receivable from the Group and the Company for the financial year ended 30 June 2026 are as follows:

	GROUP RM'000	COMPANY RM'000
Present directors:		
Directors' fees	417	304
Salaries and bonus	2,128	24
Defined contribution plans	210	3
	2,755	331
Past director:		
Director's fees	13	13
	2,768	344

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

The Group maintains a liability insurance which provides appropriate insurance cover for the directors and key management personnel of the Company and its subsidiaries. The amount of indemnity coverage and insurance premium paid by the Group for the financial year ended 30 June 2026 amounted to RM5,000,000 and RM24,850, respectively.

No other indemnity given to or insurance effected for the directors, officers or auditors of the Company during the financial year and during the period from the end of the financial year to the date of this report.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and

(b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

Directors' Report

For The Financial Year Ended 30 June 2026

OTHER STATUTORY INFORMATION (CONTINUED)

At the date of this report, the directors are not aware of any circumstances:

(a) which would necessitate the writing off of bad debts or the provision for doubtful debts; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in their financial statements misleading.

In the opinion of the directors:

(a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration in respect of the statutory audit of the financial statements of the Group and of the Company and other assurance services for the financial year ended 30 June 2026 are as follows:

	GROUP RM'000	COMPANY RM'000
Statutory audit	358	59
Other assurance services	5	5
	363	64

Directors' Report

For The Financial Year Ended 30 June 2026

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of the significant event during the financial year are disclosed in Note 36 to the financial statements.

EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

Details of the events subsequent to the financial year are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

This report was approved by the Board of directors on 21 October 2026. Signed on behalf of the Board of directors:

MU WOON CHAI
DIRECTOR

HUN JIANG YANN
DIRECTOR

Statement by Directors

Pursuant to Section 251(2) of The Companies Act 2016

We, Mu Woon Chai and Hun Jiang Yann, being two of the directors of CPE Technology Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 and the financial performance of the Group and of the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of directors in accordance with a resolution of the directors dated 21 October 2026.

MU WOON CHAI
DIRECTOR

HUN JIANG YANN
DIRECTOR

Statutory Declaration

Pursuant to Section 251(1) of The Companies Act 2016

I, Lee Liang Kai, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the accompanying financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960, in Malaysia.

LEE LIANG KAI

Subscribed and solemnly declared by the abovenamed, Lee Liang Kai (NRIC No.: 910927-08-5867 and MIA Membership No.: CA 47233) before me at Johor Bahru, in the state of Johor Darul Takzim, Malaysia on 21 October 2026.

COMMISSIONER FOR OATHS

Independent Auditors' Report

To The Members of CPE Technology Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CPE Technology Berhad, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 86 to 149.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matter that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To The Members of CPE Technology Berhad

Key Audit Matters (continued)

Key audit matter	Our audit procedures performed and responses thereon
Valuation of inventories (*Notes 3.11, 5.1 and 19 to the financial statements*) As at 30 June 2026, the Group's inventories, net of allowance for slow-moving, amounted to RM45.8 million, representing approximately 12.9% of the Group's total assets. The Group's inventories comprise mainly of raw materials, work-in-progress, finished goods as well as consumables and tools relating to the manufacturing of precision-machined parts and components products. We considered the valuation of inventories to be a key audit matter because of the significance of the inventory balance and the audit effort involved in assessing the following areas: (a) **Inventory costing** The costs of inventories are determined using the weighted average method for raw materials and the standard costing method for work-in-progress and finished goods. The determination of standard costs involves the use of bills of materials ("BOM"), production routings and related cycle time, labour and production overhead absorption rates under the normal production capacity. Judgement is required in determining whether these inputs are reasonably reflecting the actual cost of production and whether significant variances between standard and actual costs have been appropriately accounted for in accordance with the Group's policy and MFRS 102 Inventories.	We have performed the following audit procedures: **Inventory costing** - We obtained an understanding of the Group's inventory costing process, including the relevant controls over the recording and determination of inventory costs; - We tested those key controls surrounding the inventory costing process on sampling basis; - We evaluated the appropriateness and consistency of the Group's inventory costing methodology against the Group's policy and the requirements of MFRS 102; - On sampling basis, we tested the costs of raw materials against related supporting evidence i.e. including suppliers' invoices; - For selected work-in-progress and finished goods, we assessed the key components of standard costs, including BOM, production routings and related cycle hours and the basis used in allocating labour rates and production overheads; - We assessed whether the production overhead absorption rates were based on normal production capacity and tested the underlying data used in the costing process; - We compared standard costs against actual production costs, investigated significant variances and assessed whether such variances had been appropriately accounted for; and - On sampling basis, we tested the mathematical accuracy of the inventory cost calculations.

Independent Auditors' Report

To The Members of CPE Technology Berhad

Key Audit Matters (continued)

Key audit matter	Our audit procedures performed and responses thereon
We considered the valuation of inventories to be a key audit matter because of the significance of the inventory balance and the audit effort involved in assessing the following areas (cont'd): (b) **Allowance for slow-moving inventories** The semiconductor industry is subject to rapid technological changes, evolving customer requirements and fluctuations in market demand. These factors may result in inventories becoming slow-moving, obsolete or being carried above their net realisable value. The determination of the allowance for slow-moving inventories requires management to exercise judgement and make estimates based on, among other factors, the ageing and condition of the inventories, historical sales trend, confirmed orders as at the end of the reporting period, estimated future orders (the probability of making the sales), product life cycles and the net realisable value (i.e. estimated selling price after considering the necessary discount, less estimated costs of completion, and estimated costs necessary to make the sales). Accordingly, changes in these assumptions may result in a material adjustment to the carrying amount of inventories.	We have performed the following audit procedures (cont'd): **Allowance for slow-moving inventories** - We obtained an understanding of the Group's policy in arriving at the adequacy of the allowance for slow-moving inventories; - We evaluated the appropriateness and consistency of the Group's allowance policy with respect to slow-moving inventories, taking into consideration the estimated future orders and net realisable value of the affected inventories; - On sampling basis, we tested the accuracy and reliability of the aging report against the underlying inventory records; - We assessed the reasonableness of management's key assumptions by considering historical and subsequent inventory consumption or sales and expected future demand; - We made enquiries of management regarding inventories with low or no recent movement and considered whether there were indicators of technological or commercial obsolescence; - We tested the mathematical accuracy of the computations in arriving at the allowance for slow-moving inventories in accordance with the Group's policy; - We recomputed the allowance for slow-moving inventories and compared management's estimates and assessed whether any additional allowance was required for specific inventory categories; and - Assessed the adequacy of the disclosures in the financial statements.

We have determined that there are no key audit matters for the Company to be communicated in our report.

Independent Auditors' Report

To The Members of CPE Technology Berhad

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Annual Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Annual Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Annual Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report

To The Members of CPE Technology Berhad

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and is therefore the key audit matter. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 15 to the financial statements.

Independent Auditors' Report

To The Members of CPE Technology Berhad

Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

2. The financial statements of the Group and of the Company for the preceding year were audited by another firm of auditors whose report dated 21 October 2025, expressed an unmodified opinion on those statements.

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

THAM SHIEN HONG
03266/04/2027 J
Chartered Accountant

Johor Bahru, Malaysia
Date: 21 October 2026

Statements of Comprehensive Income

For The Financial Year Ended 30 June 2026

	Note	GROUP 2026 RM'000	GROUP 2025 RM'000	COMPANY 2026 RM'000	COMPANY 2025 RM'000
REVENUE	6	117,266	129,141	14,333	6,694
COST OF SALES		(89,120)	(89,200)	-	-
GROSS PROFIT		28,146	39,941	14,333	6,694
Other income		1,676	2,586	400	1,545
Other (losses)/gains - net	7	1,514	(3,312)	1,500	855
Selling and marketing expenses		(2,099)	(2,204)	(22)	(10)
General and administrative expenses		(10,332)	(10,140)	(1,001)	(1,012)
OPERATING PROFIT	8	18,905	26,871	15,210	8,072
Finance income		4,118	4,039	4,954	4,093
Finance costs		(101)	(375)	-	-
Finance income - net	10	4,017	3,664	4,954	4,093
PROFIT BEFORE TAX		22,922	30,535	20,164	12,165
Tax expense	11	(5,130)	(6,945)	(1,280)	(1,368)
NET PROFIT FOR THE FINANCIAL YEAR		17,792	23,590	18,884	10,797
OTHER COMPREHENSIVE LOSS, NET OF TAX:					
Item that may be reclassified subsequently to profit or loss					
- Currency translation differences for foreign operation		(1,634)	(2,521)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		16,158	21,069	18,884	10,797
EARNINGS PER SHARE (SEN)					
- Basic/diluted	12	2.65	3.51		

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 30 June 2026

	Note	GROUP 2026 RM'000	GROUP 2025 RM'000	COMPANY 2026 RM'000	COMPANY 2025 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	72,896	68,367	-	-
Right-of-use assets	14	1,532	1,863	-	-
Investments in subsidiaries	15	-	-	91,397	91,397
Deferred tax assets	16	342	417	-	-
Amounts due from subsidiaries	17	-	-	15,900	27,553
Deposits with licensed banks	18	930	913	-	-
		75,700	71,560	107,297	118,950
CURRENT ASSETS					
Inventories	19	45,838	47,295	-	-
Receivables, deposits and prepayments	20	29,797	23,905	6	20
Contract assets	21	264	79	-	-
Amounts due from subsidiaries	17	-	-	16,300	6,916
Current tax assets		1,633	367	-	-
Short-term investments	22	30,792	50,610	30,792	50,610
Deposits, cash and bank balances	18	171,482	157,556	125,760	95,106
		279,806	279,812	172,858	152,652
CURRENT LIABILITIES					
Payables and accrued liabilities	23	14,676	15,367	152	164
Current tax liabilities		1,891	2,528	323	282
Borrowings	24	157	389	-	-
Lease liabilities	25	1,177	1,095	-	-
		17,901	19,379	475	446
NET CURRENT ASSETS		261,905	260,433	172,383	152,206
		337,605	331,993	279,680	271,156
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	26	263,757	263,757	263,757	263,757
Capital reorganisation reserve	27	(86,215)	(86,215)	-	-
Currency translation reserve	28	1,576	3,210	-	-
Retained profits	29	155,245	147,523	15,923	7,109
TOTAL EQUITY - CAPITAL		334,363	328,275	279,680	270,866
NON-CURRENT LIABILITIES					
Borrowings	24	323	301	-	-
Lease liabilities	25	379	764	-	-
Deferred tax liabilities	16	2,540	2,653	-	290
		3,242	3,718	-	290
		337,605	331,993	279,680	271,156

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 30 June 2026

GROUP	<--------- Non-distributable ---------> Share capital RM'000	Capital reorganisation reserve RM'000	Currency translation reserve RM'000	Distributable Retained profits RM'000	Total RM'000
2026					
As at 1 July 2025	263,757	(86,215)	3,210	147,523	328,275
TOTAL COMPREHENSIVE INCOME					
Net profit for the financial year	-	-	-	17,792	17,792
Other comprehensive loss for the financial year, net of tax	-	-	(1,634)	-	(1,634)
	-	-	(1,634)	17,792	16,158
Transaction with owners					
Dividend (Note 31)	-	-	-	(10,070)	(10,070)
As at 30 June 2026	263,757	(86,215)	1,576	155,245	334,363
2025					
As at 1 July 2024	263,757	(86,215)	5,731	130,646	313,919
TOTAL COMPREHENSIVE INCOME:					
Net profit for the financial year	-	-	-	23,590	23,590
Other comprehensive loss for the financial year, net of tax	-	-	(2,521)	-	(2,521)
	-	-	(2,521)	23,590	21,069
Transaction with owners					
Dividend (Note 31)	-	-	-	(6,713)	(6,713)
As at 30 June 2025	263,757	(86,215)	3,210	147,523	328,275

Statements of Changes in Equity

For The Financial Year Ended 30 June 2026

COMPANY	Non-distributable Share capital RM'000	Distributable Retained profits RM'000	Total RM'000
2026			
As at 1 July 2025	263,757	7,109	270,866
TOTAL COMPREHENSIVE INCOME:			
- Net profit, representing total comprehensive income for the financial year	-	18,884	18,884
Transaction with owners			
Dividend (Note 31)	-	(10,070)	(10,070)
As at 30 June 2026	263,757	15,923	279,680
2025			
As at 1 July 2024	263,757	3,025	266,782
TOTAL COMPREHENSIVE INCOME:			
- Net profit, representing total comprehensive income for the financial year	-	10,797	10,797
Transaction with owners			
Dividend (Note 31)	-	(6,713)	(6,713)
As at 30 June 2025	263,757	7,109	270,866

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 30 June 2026

	Note	GROUP 2026 RM'000	GROUP 2025 RM'000	COMPANY 2026 RM'000	COMPANY 2025 RM'000
OPERATING CASH FLOWS					
Net profit for the financial year		17,792	23,590	18,884	10,797
Adjustments for:					
Property, plant and equipment:					
- depreciation	8	9,618	7,937	-	-
- gain on disposal	7	(84)	(1)	-	-
- written off	8	9	22	-	-
Amortisation of right-of-use assets	8	1,303	1,208	-	-
Allowance for slow-moving inventories	8	1,157	1,312	-	-
Dividend income	6	-	-	(13,934)	(6,328)
Finance costs	10	101	375	-	-
Finance income	10	(4,118)	(4,039)	(4,954)	(4,093)
Net unrealised foreign currency exchange (gain)/loss	7	(2,507)	4,393	-	-
Gain on lease termination		(6)	(15)	-	-
Gain on disposal of short-term investments	7	(754)	-	(754)	-
Fair value gain on short-term investments	7	(749)	(878)	(749)	(878)
Profit from short-term investments	8	(400)	(1,545)	(400)	(1,545)
Tax expenses	11	5,130	6,945	1,280	1,368
		26,492	39,304	(627)	(679)
Changes in working capital:					
Inventories		368	(3,984)	-	-
Receivables		(5,689)	(4,001)	(18)	29
Payables		(742)	4,538	(12)	71
		20,429	35,857	(657)	(579)
Dividend received		-	-	13,934	6,328
Tax paid		(6,969)	(4,753)	(1,529)	(1,057)
Tax refunded		82	-	-	-
Net operating cash flow		13,542	31,104	11,748	4,692
INVESTING CASH FLOWS					
Property, plant and equipment					
- purchases	13	(14,305)	(19,526)	-	-
- proceeds from disposal	13	227	1	-	-
Interest income/profit received		4,855	4,429	4,212	3,661
Short-term investments					
- purchase	22	(65,000)	(94,000)	(65,000)	(94,000)
- proceeds from disposal	22	85,767	45,813	85,767	45,813
Withdrawal/(additional placement) of fixed deposits with banks which have maturity period of more than 3 months	18	(25,000)	16,500	(25,000)	16,500
Loans granted to subsidiaries	17.3	-	-	(46,482)	(47,711)
Repayment of principal portion on loans granted to subsidiaries	17.3	-	-	48,783	21,067
Interest received on loans granted to subsidiaries	17.3	-	-	1,482	842
Net investing cash flow		(13,456)	(46,783)	3,762	(53,828)

Statements of Cash Flows

For The Financial Year Ended 30 June 2026

	Note	GROUP 2026 RM'000	GROUP 2025 RM'000	COMPANY 2026 RM'000	COMPANY 2025 RM'000
FINANCING CASH FLOWS					
Term loans	30				
- repayment of principal portion		(210)	(4,680)	-	-
- repayment of interest		(23)	(115)	-	-
Hire-purchase liabilities	30				
- repayment of principal portion		-	(5,146)	-	-
- repayment of interest		-	(178)	-	-
Lease liabilities	30				
- repayment of principal portion		(1,268)	(1,170)	-	-
- repayment of interest		(78)	(82)	-	-
Dividend paid	31	(10,070)	(6,713)	(10,070)	(6,713)
Net financing cash flow		(11,649)	(18,084)	(10,070)	(6,713)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(11,563)	(33,763)	5,440	(55,849)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		101,956	141,438	39,506	95,355
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		275	(5,719)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	18	90,668	101,956	44,946	39,506

The accompanying notes form an integral part of these financial statements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

1 GENERAL INFORMATION

The Company is an investment holding company. The principal activities of the subsidiaries are the manufacturing of precision-machined parts and components using computer numerical control ("CNC") turning and milling technology, sales/trading of such precision-machined parts and components, and provision of CNC turning and milling services (please refer to Note 15 to the financial statements for details). There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability Company, incorporated and domiciled in Malaysia.

The address of the registered office of the Company is as follows:

L2-02, 1 Medini Hub, Persiaran Medini Utara 3
Medini Iskandar
79000 Nusajaya
Johor, Malaysia

The address of the principal place of business of the Company is as follows:

No. 6, Jalan Indah Gemilang 5
Taman Perindustrian Gemilang
81800 Ulu Tiram
Johor, Malaysia

2 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, except for the short-term investments which are measured at 'fair value through profit or loss' ("FVTPL").

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the financial statements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

2 BASIS OF PREPARATION (CONTINUED)

2.1 New standards, amendments to published standards and Issues Committee ("IC") interpretations to existing standards that are applicable to the Group and the Company and are effective

The new accounting standards, amendments and improvements to published standards and IC interpretations to existing standards that are effective for the Group's and the Company's financial year beginning on 1 July 2025 are as follows:

- Amendments to MFRS 121 'The Effects of Changes in Foreign Exchange Rates' on 'Lack of Exchangeability' (effective 1 January 2025)

The adoption of the amendments to published standards listed above did not have any impact on the amounts recognised in prior and current financial periods.

2.2 New standards, amendments to published standards and IC interpretations to existing standards early adopted by the Group and the Company

There are no new standards, amendments to published standards and IC interpretations to existing standards early adopted by the Group and the Company.

2.3 New standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group and the Company but not yet effective and not early adopted

The Group and the Company will apply the new standards, amendments to published standards and IC interpretations to existing standards in the following financial periods:

(a) Financial year beginning on or after 1 July 2026

- Amendments to MFRS 9 'Financial Instruments' and MFRS 7 'Financial Instruments Disclosures' on 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)
- Amendments to MFRS 9 and MFRS 7 'Contract Referencing Nature-dependent Electricity' (effective 1 January 2026)
- Annual improvements to MFRS Accounting Standards – Volume II for enhanced consistency (effective 1 January 2026)
  - Amendments to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standards' on 'Hedge Accounting by a First-Time Adopter' is to improve their consistency with the requirements in MFRS 9 'Financial Instruments' and add cross-references to improve understandability of MFRS 1.
  - Amendments to MFRS 7 'Financial Instruments Disclosures' on 'Gain or Loss on De-recognition' – obsolete cross-referencing to paragraph 27A of IFRS 7 is removed and replaced with a reference to paragraphs 72 – 73 of IFRS 13 'Fair value Measurement'.
  - Amendments to Guidance on Implementing MFRS 7 'Financial Instruments: Disclosures' to address the inconsistency within MFRS 7 on 'the Introduction' that the Guidance does not necessarily illustrate all the requirements of MFRS 7, nor does it create additional requirements and 'Disclosure of Deferred, Difference between Fair Value and Transaction Price'. The amendments also clarify that the 'Credit Risk Disclosures' guidance excluded those financial assets that are purchased or originated credit-impaired.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

2 BASIS OF PREPARATION (CONTINUED)

2.3 New standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group and the Company but not yet effective and not early adopted (continued)

The Group and the Company will apply the new standards, amendments to published standards and IC interpretations to existing standards in the following financial periods: (continued)

(a) Financial year beginning on or after 1 July 2026 (continued)

- Amendments to MFRS 9 'Financial Instruments' on 'De-recognition of Lease Liabilities' clarify that the de-recognition principle of MFRS 9 'Financial Instruments' should be applied by lessees to account for extinguished lease liabilities. In addition, the term 'Transaction Price' as defined in MFRS 15 'Revenue from Contracts with Customers' has also been removed from MFRS 9 'Financial Instruments' and replaced with 'the amount determined by applying MFRS 15'.
- Amendments to MFRS 10 'Consolidated Financial Statements' on 'Determination of a De Facto Agent' resolved an inconsistency in determining whether a party is acting as a de facto agent.
- Amendments to MFRS 107 'Statement of Cash Flows' on 'Cost Method' replaced the term 'cost method' which is not defined term in MFRS with 'at cost'.

(b) Financial year beginning on or after 1 July 2027

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027)
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027)

The Group and the Company plan to adopt the above new standards, amendments to published standards and IC interpretations to existing standards when they become effective. A brief discussion on the above significant new standards, amendments to published standards and IC interpretations to existing standards that may be applicable to the Group and to the Company are summarised below:

- MFRS 18 'Presentation and Disclosure in Financial Statements' replaces MFRS 101 'Presentation of Financial Statements' (effective 1 January 2027).

  - This new MFRS introduces a new structure of profit or loss statement.
    (a) Income and expenses are classified into 3 new main categories:
      (i) Operating category which typically includes results from the main business activities;
      (ii) Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
      (iii) Financing category that presents income and expenses from financing liabilities (such as bank borrowings and lease liabilities).
    (b) Entities are required to present two new specified sub-totals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

2 BASIS OF PREPARATION (CONTINUED)

2.3 New standards, amendments to published standards and IC interpretations to existing standards that are applicable to the Group and the Company but not yet effective and not early adopted (continued)

The Group and the Company will apply the new standards, amendments to published standards and IC interpretations to existing standards in the following financial periods: (continued)

(b) Financial year beginning on or after 1 July 2027 (continued)

- MFRS 18 'Presentation and Disclosure in Financial Statements' replaces MFRS 101 'Presentation of Financial Statements' (effective 1 January 2027). (continued)

  - Management-defined Performance Measures ("MPMs") are disclosed in a single note and reconciled to the most similar specified sub-total in MFRS Accounting Standards.
  - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

  In addition, all the entities are required to use the operating profit subtotal as the starting point for the statements of cash flows when presenting operating cash flows under the indirect method.

  The Group and the Company are currently assessing the impact of adopting MFRS 18.

- MFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027). MFRS 19 is a voluntary MFRS Accounting Standard that provides reduced disclosure requirements for eligible subsidiaries. An eligible entity may voluntarily elect to apply MFRS 19 in its consolidated, separate or individual financial statements if and only if, at the end of the reporting date, the entity meets all the following criterias:
  - it is a subsidiary as defined in MFRS 10 'Consolidated Financial Statements';
  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that prepares consolidated financial statements available for public use that comply with IFRS Accounting Standards.

  If an eligible entity elects to apply MFRS 19, it continues to apply the recognition, measurement and presentation requirements in other MFRS Accounting Standards, except for the disclosure requirement, where the 'reduced disclosure requirements' of MFRS 19 should be applied.

  Eligible subsidiaries that elect to apply MFRS 19 in one reporting period may revoke the election at a subsequent reporting period, and may elect to apply MFRS 19 more than once. When there is a change in the application of MFRS 19, the comparative information is provided for all amounts reported in the current financial period's financial statements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of the financial statements are set out below. Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

3.1 Basis of consolidation

Basis of presentation - Internal Reorganisation

The Company's acquisition of the entire issued and paid-up share capital of Champion Precision Technology Sdn. Bhd., Champion Component Sdn. Bhd., Champion Oil Tool Sdn. Bhd. and Champion Precision Engineering Pte. Ltd. (collectively referred to as the "Reorganised Subsidiaries") under an internal reorganisation was accounted for as a capital reorganisation arising from transactions under common control, as the ultimate controlling shareholder remained the same before and after the internal reorganisation.

In the consolidated financial statements of the Company and its subsidiaries ("the Group"), the Company incorporated the assets and liabilities of the Reorganised Subsidiaries at their pre-internal reorganisation carrying amounts without fair value uplift on the basis that there was no substantive economic change arising from the internal reorganisation. No new goodwill was recorded. The difference between the consideration paid by the Company to acquire the Reorganised Subsidiaries and the issued share capital of the Reorganised Subsidiaries, together with the legal share capital of the acquirees prior to the incorporation of the Company, was recorded in the capital reorganisation reserve in equity.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Investments in subsidiaries in separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

Where an indication of impairment exists, an analysis is performed to assess whether the carrying amount of the investment is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. See Note 3.4 to the financial statements on accounting policy for impairment of non-financial assets.

3.3 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. See Note 3.15 to the financial statements for the accounting policy on borrowings and borrowing costs.

After initial recognition, property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if applicable.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. The subsequent costs that are included in an asset's carrying amount are depreciated over the revised useful life of the related asset. All other repair and maintenance cost are recognised as expenses in the profit or loss during the financial period in which they are incurred.

Freehold land is not depreciated as it has an infinite life. All other property, plant and equipment are depreciated on the straight-line method to allocate the costs of assets to their residual values over their estimated useful lives. The estimated useful lives are as follows:

Buildings	33 years
Renovations	5 years
Plant and machinery	5 - 10 years
Furniture, fittings and office equipment	3 - 10 years
Motor vehicles	5 years

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Property, plant and equipment (continued)

Depreciation continues through idle periods and ceases at earlier of when asset is disposed or classified as non-current assets (or disposal groups) held-for-sale.

Residual values and useful life of assets are reviewed and adjusted if appropriate, at the end of each reporting date.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. See Note 3.4 to the financial statements on accounting policy for impairment of non-financial assets.

3.4 Impairment of non-financial assets

Non-current and non-financial assets that have an indefinite useful life, for example freehold land are not subject to amortisation and are tested annually for impairment. Non-current and non-financial assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-current and non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss. In respect of other non-current and non-financial assets that are subject to depreciation or amortisation, any subsequent increase in recoverable amount is recognised in profit or loss. The reversal is recognised to the extent of the carrying amount of the affected asset that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised.

3.5 Financial assets

(a) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortised cost.

The classification of debt instruments depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Financial assets (continued)

(b) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group or the Company has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flows characteristics of the affected asset. The Group and the Company reclassify debt instruments when and only when its business model for managing those assets changes. There are two measurement categories into which the Group and the Company classify their debt instruments.

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains/(losses) – net together with foreign currency exchange gains and losses. Impairment losses are presented as a separate line item in profit or loss.

(ii) FVTPL

Assets that do not meet the criteria for amortised cost are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss and presented net under other gains/(losses) - net in the period in which it arises.

(d) Subsequent measurement – Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Financial assets (continued)

(d) Subsequent measurement – Impairment of financial assets (continued)

(i) Impairment for debt instruments

The Group and the Company assess on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have two types of financial instruments that are subject to the ECL model:

- Trade receivables and contract assets; and
- Other receivables (including non-trade amounts due from subsidiaries) and deposits.

While deposits, cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and the present value of cash flows the Group or the Company expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

Simplified approach for trade receivables and contract assets

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. Note 4.1(b)(i) to the financial statements sets out the measurement details of ECL.

General 3-stage approach for other receivables (including non-trade amounts due from subsidiaries) and deposits

At each reporting date, the Group and the Company measure ECL through loss allowance for impairment at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance for impairment at an amount equal to lifetime ECL is required. Note 4.1(b)(i) to the financial statements sets out the measurement details of ECL.

(ii) Significant increase in credit risk of financial assets

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. They consider available reasonable and supportable forward-looking information.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Financial assets (continued)

(d) Subsequent measurement – Impairment of financial assets (continued)

(ii) Significant increase in credit risk of financial assets (continued)

The following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor; or
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information such as the expected Gross Domestic Product ("GDP") growth rates is incorporated when assessing whether there is a significant increase in credit risk.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

(iii) Definition of default and credit-impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The Group and the Company consider a financial instrument as default, when the counterparty fails to make contractual payment within 90 days when they fall due based on historical collection trend.

Qualitative criteria

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

(iv) Groupings of instruments for ECL measured on collective basis

Collective assessment

To measure ECL, trade receivables and contract assets have been grouped together based on their shared credit risk characteristics (i.e. customers' geographical location and/or industry segment) and the days past due, with expected credit loss rates assessed based on the Group's historical credit loss experience for various ageing bands.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Financial assets (continued)

(d) Subsequent measurement – Impairment of financial assets (continued)

(iv) Groupings of instruments for ECL measured on collective basis (continued)

Collective assessment (continued)

The contract assets relate to unbilled work-in-progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the ECL rates for trade receivables are a reasonable approximation of the credit loss rates for the contract assets.

Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually. Other receivables (including non-trade amounts due from subsidiaries) and deposits are assessed on an individual basis for ECL measurement as credit risk information is obtained and monitored separately.

(v) Write-off

Trade receivables and contract assets

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group or the Company, the debtor is insolvent, or the Group or the Company has exhausted all reasonable recovery action (including legal action).

Loss allowance for impairment of trade receivables and contract assets are presented as a separate line item in profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables (including non-trade amounts due from subsidiaries) and deposits

The Group and the Company write-off financial assets, in whole or in part, when they have exhausted all practical recovery efforts and have concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

3.6 Financial liabilities

(a) Classification

The Group and the Company classify their non-derivative financial liabilities measured at amortised cost under other financial liabilities measurement category. Management determines the classification of its financial liabilities at initial recognition.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Financial liabilities (continued)

(a) Classification (continued)

Other financial liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Other financial liabilities are recognised as current liabilities unless the Group or the Company has an unconditional right to defer repayment of the liabilities for at least 12 months after the reporting date. The Group's and the Company's other financial liabilities comprise payables and accrued liabilities, and borrowings in the statements of financial position.

(b) Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are initially recognised at fair value, minus, in the case of non-derivative financial liabilities not at FVTPL, directly attributable transactions costs.

(c) Subsequent measurement

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method.

(d) De-recognition

A financial liability is de-recognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another one from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

3.8 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.8 Financial guarantee contracts (continued)

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the ECL model under MFRS 9 'Financial instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

3.9 Leases - Accounting by lessee

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices in accordance with the principles in MFRS 15 'Revenue from Contracts with Customers'. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 'Leases' not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(a) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and
- decommissioning or restoration costs, if any.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 Leases - Accounting by lessee (continued)

(b) ROU assets (continued)

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses (if any). The ROU assets are generally depreciated over the shorter of assets' useful lives or the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying assets' useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities. The ROU assets are depreciated over the underlying assets' useful life ranging from 2 to 9 years with an extension option included.

ROU assets are presented as a separate line item in the statements of financial position.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU assets in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group presents the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the finance costs in profit or loss.

3.10 Current and deferred taxes

Tax expense for the financial year comprises current and deferred taxes. The income tax expense or credit for the financial year is the tax payable on the current financial year's taxable income based on the applicable income tax rate for each jurisdiction where the entities within the Group operate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.10 Current and deferred taxes (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the group entities operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes (i.e. tax bases) and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date and are expected to apply in the financial year when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the parent and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductible temporary difference can be utilised.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same tax authority where there is an intention to settle the balances on a net basis.

3.11 Inventories

Inventories are stated at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, slow-moving or obsolete inventories. Cost of raw materials is determined on the weighted average basis. Cost of raw materials includes purchase price and any other costs that are directly attributable to bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates, discounts, import duties and non-refundable taxes.

The cost of work-in-progress and finished goods are determined using standard cost basis which involves the use of bills of materials (“BOM”), production routings and related cycle time, labour and production overhead absorption rates under the normal production capacity. It excludes borrowing costs (if any).

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.11 Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

3.12 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services rendered in the ordinary course of business. Other receivables generally arise from transactions outside the ordinary course of business of the Group and of the Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include non-refundable taxes and duties.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance for impairment. See Notes 3.5(d) to the financial statements on the accounting policy for impairment of financial assets.

3.13 Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts (if any) which are repayable on demand and form an integral part of the Group's and the Company's cash management are included as a component of cash and cash equivalents in the statements of cash flows. In the statements of financial position, bank overdrafts (if any) are shown within borrowings in current liabilities.

3.14 Trade and other payables

Trade payables represent liabilities for goods or services provided to the Group or the Company prior to the end of the financial year which are unpaid. Other payables generally arise from transactions outside the ordinary course of business of the Group and of the Company. Trade and other payables are classified as current liabilities unless the Group or the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs incurred, which include non-refundable taxes and duties.

Trade and other payables are subsequently measured at amortised cost using the effective interest method.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.15 Borrowings and borrowing costs

(a) Borrowings

Borrowings are recognised initially at fair values, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss within ‘finance costs’.

Where the terms of a financial liability are renegotiated and the Group or the Company issue equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group or the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

When borrowings measured at amortised cost are modified without this resulting in de-recognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, shall be recognised immediately in the profit or loss within finance costs.

(b) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the financial year in which they are incurred.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.16 Provisions

Provisions are recognised when the Group or the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group or the Company expects a provision to be reimbursed by another party (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs in profit or loss.

3.17 Contingent assets and contingent liabilities

The Group and the Company do not recognise contingent assets and contingent liabilities other than those arising from business combinations, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Company, or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Company. The Group and the Company do not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

3.18 Share capital

(a) Classification

Ordinary shares are classified as equity.

(b) Share issue costs

Incremental costs directly attributable to the issue of new shares are deducted against equity. Incremental costs directly attributable to the issue of new shares that were incurred prior to the completion of the issuance of the new ordinary shares are recognised as a prepayment in statements of financial position. Costs that relate to the stock market listing (if any), or are otherwise not incremental and directly attributable to issuing new shares, are charged to profit or loss.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.18 Share capital (continued)

(c) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group or the Company, on or before the end of the reporting date but not distributed at the end of the reporting date.

Distributions to holders of an equity instrument are recognised directly in equity.

(d) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.19 Revenue

Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities.

If contracts involve the sale of multiple elements, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group's performance:
- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.19 Revenue (continued)

Revenue from contracts with customers (continued)

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services. Specific criteria where revenue is recognised are described below.

(a) Sales of precision machined parts and components

The Group's revenue is generated from sale of goods, i.e. precision-machined parts and components that are enhanced with computer numerical control ("CNC") turning and milling process.

Revenue from sale of goods is recognised when the Group has transferred the control over the products to the customer, the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Although there are arrangements to deliver the products to the customers, they are not considered as a separate performance obligation but a fulfilment activity as the control of goods does not transfer to the customers before delivery.

No element of financing is deemed present as the sales are made with a credit term of 30 to 120 days, which is consistent with market practice.

(b) Rendering of service

Revenue from providing CNC turning and milling services is recognised over the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the financial year as a proportion of the total services to be provided.

This is determined based on the actual machining hours spent relative to the total budgeted machining hours. The revenue for the CNC turning and milling services is recognised over time using the input method. Revenue is recognised over the period of the contract with reference to the progress towards complete satisfaction of that performance obligation. The Group produces or enhances an asset that the customer controls as the asset is produced or enhanced.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in the estimated revenue or cost is reflected in profit or loss in the financial year in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceeds the payment made by the customer, a contract asset is recognised. If the payments made by the customer exceed the services rendered, a contract liability is recognised.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.19 Revenue (continued)

Revenue from contracts with customers (continued)

(b) Rendering of service (continued)

A liquidated and ascertained damages will be recognised for any expected non-conformity within and/or arising from the Group's products and parts and the services.

Revenue from other sources

Dividend income from investments in subsidiaries is recognised when the Company's right to receive payment is established and is recognised in profit or loss as part of revenue from other sources. Dividend income from investment in a subsidiary that clearly represents a recovery of part of the cost of an investment is recognised as a reduction of the Company's costs of investment in subsidiaries. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

3.20 Other income

The following items are included under other income or finance income in profit or loss; where appropriate:

(a) Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as part of finance income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance for impairment).

(b) Other income

Any other income is recognised on an accrual basis unless collectability is uncertain.

3.21 Employee benefits

(a) Short-term employee benefits

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, other employee benefits and non-monetary benefits that are expected to be settled wholly within 12 months after the reporting date in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as part of payables and accrued liabilities in the statements of financial position.

The Group and the Company recognise a liability and an expense for bonuses based on the performance of the employees and a formula that takes into consideration the profit attributable to the shareholder(s) of the entities within the Group after certain adjustments. The entities within the Group recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.21 Employee benefits (continued)

(b) Post-employment benefits – Defined contribution plan

The Group's and the Company's post-employment benefit scheme comprises only the defined contribution plan. A defined contribution plan is a pension plan under which the entities within the Group pay fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis and the entities within the Group have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior financial periods.

Certain active entities within the Group in Malaysia contribute to the Employee Provident Fund, the national defined contribution plan in Malaysia. The contributions to the said defined contribution plan by the entities within the Group are charged to profit or loss in the period to which they relate. Once the contributions have been paid to the said defined contribution plan, the entities within the Group have no further payment obligations.

Subsidiary in Singapore

A subsidiary in Singapore contributes to Central Provident Fund, the national defined contribution plan in Singapore. The contributions by the said subsidiary range from 7.5% to 17% (2025: 7.5% to 17%) of the employees' monthly basic salary, which are determinable by reference to the subsidiary's Human Resource Policy. Once the contributions have been paid, the subsidiary has no further payment obligations.

3.22 Foreign currency

(a) Functional and Presentation Currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia, which is the Company's functional currency and have been rounded to the nearest thousand, unless otherwise stated.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the foreign currency exchange rates approximating those prevailing at the dates of the transactions or valuation where items are re-measured. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the end of the financial year using the foreign currency exchange rates approximating those prevailing at the reporting date, are recognised in profit or loss. All foreign currency exchange gains and losses are presented on net basis in profit or loss under other gains/(losses) – net.

(c) Group entities

The financial results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the Company are translated from their functional currency into the presentation currency of the Company as follows:

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.22 Foreign currency (continued)

(c) Group entities (continued)

- assets and liabilities for each statement of financial position presented are translated at the closing foreign currency exchange rates approximating those prevailing at the reporting date;
- income and expenses for each profit or loss are translated at monthly average foreign currency exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the foreign currency exchange rates prevailing on the transaction dates, in which case income and expenses are translated at the foreign currency exchange rates on the dates of the transactions) computed based on the foreign currency exchange rates approximating those prevailing during the month; and
- all resulting foreign currency exchange differences are recognised as a separate component in other comprehensive income.

On consolidation, foreign currency exchange differences arising from the translation of any net investment in foreign entities and borrowings are recognised in other comprehensive income.

3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group only has one operating segment qualified as reporting segment under MFRS 8, because the operating results of the Group are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources allocation and assessment of performance as a single segment. The Group's CODM has been identified as the Group's Chief Executive Officer, who makes strategic decisions and also holds the position as the executive director of the Company.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's and the Company's activities expose them to a variety of financial risks: market risk (including foreign currency exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

Risk management is carried out by the finance department headed by the chief financial officer of the Group (the ''Finance Department''). The Finance Department identifies and evaluates financial risks in close co-operation with the entities within the Group for the overall risk management, as well as specific areas, such as foreign currency exchange risk, interest rate risk, price risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, interest rates and other rates/prices will affect the fair value or future cash flows of financial instruments of the Group. The Group and the Company are not subject to significant exposure to other price risks apart from those described below:

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Price risk

Price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate as a result of changes in market prices (other than foreign currency exchange rates and interest rates).

The Group's exposure to price risk arises mainly from fluctuation in the prices of key raw materials and investments in money market funds and Islamic fixed return investments. The Group manages its price risk for raw materials by monitoring the prices quoted by various vendors closely and may source from alternate vendors if the price is not competitive. As at 30 June 2026 and 30 June 2025, the Group is not exposed to price risk relating to raw material as there is no outstanding purchase contract with variable purchase price. To manage its price risk arising from investments in money market funds and Islamic fixed return investments, the Group and the Company diversify their funds portfolio in accordance with the limits set by the Group. These short-term investments are classified as fair value through profit or loss.

Sensitivity analysis

As at 30 June 2025, if the profit rate of the Islamic fixed return investments had been 1% higher/lower, with all other variables held constant, the Group's and the Company's net profit would have been approximately RM77,000 respectively higher/lower, as a result of an increase/decrease in the fair value of the short-term investments.

Any reasonably possible change in the prices of money market funds at the end of the reporting date does not have a material impact on the profit after tax and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

(ii) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Group operates internationally and is exposed to foreign currency exchange risk arising from fluctuations in the foreign currency exchange rates of various currencies, primarily with respect to US Dollar ("USD"), Euro ("EUR") and Japanese Yen ("JPY"). Foreign currency exchange risks arise from future commercial transactions, and recognised assets and liabilities which are denominated in a currency that is not the functional currency of the entities within the Group. The Group uses natural hedge to the extent possible that payments for foreign currency denominated payables are matched against receivables denominated in the same foreign currency.

The Group's exposures to foreign currency exchange risk, based on the carrying amounts as at reporting date were as follows:

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Foreign currency exchange risk (continued)

GROUP	Functional currencies of group entities		Currencies other than functional currencies of the group entities				
	RM	SGD	USD	EUR	SGD	JPY	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30.06.2026							
FINANCIAL ASSETS							
Receivables and refundable deposits ^	1,706	1,684	22,392	167	-	621	26,570
Contract assets	264	-	-	-	-	-	264
Short-term investments	30,792	-	-	-	-	-	30,792
Deposits, cash and bank balances	141,639	4,626	23,290	1,729	-	1,128	172,412
	174,401	6,310	45,682	1,896	-	1,749	230,038
FINANCIAL LIABILITIES							
Payables and accrued liabilities #	(6,115)	(3,085)	(1,133)	(89)	-	-	(10,422)
Borrowings	(480)	-	-	-	-	-	(480)
Lease liabilities	(1,235)	(321)	-	-	-	-	(1,556)
	(7,830)	(3,406)	(1,133)	(89)	-	-	(12,458)
Net exposure in the statements of financial position ("SOFP")	N/A	N/A	44,549	1,807	-	1,749	N/A
As at 30.06.2025							
FINANCIAL ASSETS							
Receivables and refundable deposits ^	2,364	235	17,893	612	-	359	21,463
Contract assets	79	-	-	-	-	-	79
Short-term investments	50,610	-	-	-	-	-	50,610
Deposits, cash and bank balances	107,356	3,103	43,674	3,528	685	123	158,469
	160,409	3,338	61,567	4,140	685	482	230,621
FINANCIAL LIABILITIES							
Payables and accrued liabilities #	(5,147)	(4,023)	(522)	-	(691)	-	(10,383)
Borrowings	(690)	-	-	-	-	-	(690)
Lease liabilities	(1,096)	(763)	-	-	-	-	(1,859)
	(6,933)	(4,786)	(522)	-	(691)	-	(12,932)
Net exposure in the SOFP	N/A	N/A	61,045	4,140	(6)	482	N/A

Excluded payroll liabilities.
^ Excluded VAT receivables.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Foreign currency exchange risk (continued)

The Company is only exposed to foreign currency exchange risk arising from the amount due from a subsidiary denominated in Singapore Dollar ("SGD"), based on the carrying amounts as at 30 June 2026 and 30 June 2025. All other financial asset and liabilities balances of the Company are denominated in Ringgit Malaysia

A strengthening/weakening of MYR against SGD by 5% (2025: 5%) would not have material impact on the profit after tax and equity of the Company.

Sensitivity analysis

The following table details the sensitivity analysis when USD, EUR and JPY strengthens/weakens by 5% (2025: 5%) against the respective functional currencies of the entities within the Group. With all other variables held constant, profit after tax for the financial year, and equity of the Group would have been higher/(lower) by approximately:

	GROUP	
	2026	2025
	RM'000	RM'000
USD/MYR		
- strengthened 5% (2025: 5%)	342	300
- weakened 5% (2025: 5%)	(342)	(300)
EUR/MYR		
- strengthened 5% (2025: 5%)	9	11
- weakened 5% (2025: 5%)	(9)	(11)
JPY/MYR		
- strengthened 5% (2025: 5%)	9	-
- weakened 5% (2025: 5%)	(9)	-
USD/SGD		
- strengthened 5% (2025: 5%)	1,475	2,206
- weakened 5% (2025: 5%)	(1,475)	(2,206)
EUR/SGD		
- strengthened 5% (2025: 5%)	66	160
- weakened 5% (2025: 5%)	(66)	(160)
JPY/SGD		
- strengthened 5% (2025: 5%)	62	9
- weakened 5% (2025: 5%)	(62)	(9)

(iii) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rate.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The Group's and the Company's exposure to interest rate risk is mainly arising from interest earning/bearing financial assets and financial liabilities such as investments in money market funds, Islamic fixed return investments, bank balances and fixed deposits with licensed banks, term loans, loans to subsidiaries and lease liabilities. The Group's fixed interest rate assets (Islamic fixed return investments and fixed deposits with licensed banks) and fixed interest rate financial liabilities (lease liabilities) are exposed to the risk of changes in fair value due to changes in interest rates. The Company's floating interest rate assets (loans to subsidiaries) and the Group's floating interest rate liabilities (term loans) are exposed to cash flows interest rate risks due to changes in interest rates.

As the Group's and the Company's fixed interest rate financial assets and financial liabilities are carried at amortised cost, the fair value interest rate risk has no financial impact on profit or loss of the Group and the Company. The Group and the Company monitor interest rates at inception to ensure that they are established at favourable rates.

The interest rate profile of the Group's interest-bearing financial instruments based on their carrying amounts as at reporting date were as follows:

	GROUP		COMPANY	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Floating interest rate				
- Short-term investments	30,792	-	30,792	-
- Loans to subsidiaries	-	-	32,071	34,372
- Borrowings	(480)	(690)	-	-
	30,312	(690)	62,863	34,372
Fixed interest rate				
- Fixed deposits	136,083	70,732	120,872	55,600
- Short-term investments	-	50,610	-	50,610
- Lease liabilities	(1,556)	(1,859)	-	-
	134,527	119,483	120,872	106,210

Sensitivity analysis

As at reporting date, the Group's and the Company's exposure to cash flows interest rate risk in respect of the Group's borrowings and the Company's loans to subsidiaries which are at the floating interest rate is minimal even if the market interest rates had been changed by 1% or 100 basis points, with all other variables held constant.

The Group and the Company are not exposed to fair value interest rate risk as the fixed interest rate assets and borrowings are not subject to any contractual repricing.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations, as and when they fall due.

The credit risk of the Group and of the Company mainly arises outstanding receivables from receivables and deposits, contract assets, amounts due from subsidiaries, short-term investments and deposits, cash and bank balances, where applicable. Short-term investments, fixed deposits and bank balances are only maintained with licensed and established banks in Malaysia and Singapore. The directors are of the view that the possibility of non-performance by these banks is remote.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit quality evaluation procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant and there was no bad debt incurred throughout the financial year.

(i) Measurement of expected credit losses ("ECL")

The Group's financial assets that are subject to the ECL model are trade receivables, contract assets, other receivables and deposits, short-term investments, fixed deposits and bank balances. Whereas, the Company's financial assets that are subject to the ECL model are other receivables and deposits, short-term investments, fixed deposits and bank balances. While short-term investments, fixed deposits and bank balances placed with banks are also subject to the impairment requirements of MFRS 9, the loss allowance for impairment (if any) is expected to be immaterial as the short-term investments and fixed deposits and bank balances are placed with credit-worthy licensed banks in Malaysia and Singapore.

Trade receivables and contract assets using simplified approach

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

The Group applies a provision matrix (i.e. net flow rate method) to derive the ECL rates for each ageing band to be applied to trade receivables and contract assets as at 30 June 2026 and 30 June 2025. The ECL rates are based on the payment profiles of sales over a period of 60 (2025: 60) months before each reporting date and the corresponding historical credit losses experienced within these periods. The historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables if they are expected to have a material impact. The Group has identified the expected GDP growth rate of the countries where its customers operate in, to be the most relevant factor, and accordingly adjust the historical credit loss rates based on expected changes in the GDP growth rates. No significant changes to estimation techniques or assumptions were made during the reporting period.

Based on management assessment, the loss allowance for impairment of trade receivables and contract assets as at 30 June 2026 and 30 June 2025 was immaterial and no recognition of the loss allowance for impairment of trade receivables for the financial year ended 30 June 2026. The ECL rates based on the ageing bucket have been disclosed in the Note 4.1(b)(ii) to the financial statements.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Measurement of expected credit losses ("ECL") (continued)

Other receivables (including non-trade amounts due from subsidiaries) and refundable deposits using general 3-stage approach

The Group and the Company use three (3) categories for other receivables (including non-trade amounts due from subsidiaries) and refundable deposits which reflect the credit risk and how the loss allowance for impairment is determined for each of these categories. A summary of the assumptions underpinning the Group's and the Company's 3-stage ECL model is as follows:

CATEGORY	GROUP'S DEFINITION OF CATEGORY	BASIS FOR RECOGNISING ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Under-performing	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due. See Note 3.5(d)(ii) to the financial statements.	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit-impaired. See Note 3.5(d)(iii) to the financial statements.	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of the debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. See Note 3.5(d)(v) to the financial statements.	Asset is written off

Based on the above, loss allowance for impairment is measured on either 12-month ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ('probability of default') - the likelihood that the debtor would not be able to repay during the contractual period (12-month or lifetime depending on category);
- LGD ('loss given default') - the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') - the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have identified the expected GDP growth rates in the countries where the debtors operate in to be the most relevant factor, and accordingly adjusts the historical credit loss rates based on expected changes in GDP growth rates. Loss allowance for impairment is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Measurement of expected credit losses ("ECL") (continued)

Based on the assessment performed above, all other receivables (including non-trade amounts due from subsidiaries) and deposits of the Group and of the Company are classified under the 'performing' category and are evaluated for ECL based on 12-month ECL.

Based on management assessment of ECL, the identified loss allowance for impairment of other receivables (including non-trade amounts due from subsidiaries) and deposits of the Group and of the Company as at 30 June 2026 and 30 June 2025 was immaterial.

(ii) Information on the Group's credit risk exposure and significant credit risk concentrations

Trade receivables and contract assets using simplified approach

The following table contains an analysis of the credit risk exposure of financial instruments for which no ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

		GROUP	
	Expected loss rates	2026 RM'000	2025 RM'000
Gross carrying amount:			
- Trade receivables:			
- current	0.0%	24,474	12,353
- overdue - less than 30 days	0.0%	869	6,997
- overdue - between 31 to 90 days	0.1 to 0.3%	319	434
- overdue - between 91 to 180 days	0.5 to 1.7%	-	778
		25,662	20,562
- Contract assets - current	0.0%	264	79
		25,926	20,641
Loss allowance for impairment		-	-
Net carrying amount		25,926	20,641

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group continuously monitors its portfolios to identify and assess significant concentration of credit risk. The Group considers individual trade receivables balances exceeding 10% of the total trade receivable balances for the analysis of significant concentration of credit risk.

As at 30 June 2026, the Group was exposed to concentration of credit risk on trade receivables from 2 (2025: 4) major external customers amounted to approximately RM13,605,000 (2025: RM14,133,000) which accounted for 53% (2025: 69%) of total trade receivables balance. The Group's major customers are established organisations which have good payment history with the Group.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Information on the Group's credit risk exposure and significant credit risk concentrations (continued)

Other receivables (including non-trade amounts due from subsidiaries) and refundable deposits using general 3-stage approach

The following table contains an analysis of the credit risk exposure of other receivables (including non-trade amounts due from subsidiaries) and refundable deposits, for which no ECL allowance is recognised. The gross carrying amount disclosed below represents the Group's and Company's maximum exposure to credit risk on these assets:

GROUP	Performing	Under-performing	Non-performing	Written off	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Internal credit rating	A	B	C	D	
ECL rate	0%*	50%	100%	100%	
Basis of recognition of ECL allowance	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	Asset is written off	
As at 30.06.2026					
Gross carrying amount					
- Other receivables	119	-	-	-	119
- Deposits	789	-	-	-	789
	908	-	-	-	908
Loss allowance for impairment	-	-	-	-	-
Carrying amount (net of loss allowance)	908	-	-	-	908
As at 30.06.2025					
Gross carrying amount					
- Other receivables	139	-	-	-	139
- Deposits	762	-	-	-	762
	901	-	-	-	901
Loss allowance for impairment	-	-	-	-	-
Carrying amount (net of loss allowance)	901	-	-	-	901

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Information on the Group's credit risk exposure and significant credit risk concentrations (continued)

Other receivables (including non-trade amounts due from subsidiaries) and refundable deposits using general 3-stage approach (continued)

COMPANY	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Written off RM'000	Total RM'000
Internal rating	A	B	C	D	
ECL rate	0%*	50%	100%	100%	
Basis of recognition of ECL allowance	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	Assets is written off	
As at 30.06.2026					
Gross carrying amount					
- Non-trade receivables from subsidiaries (including loans)	32,200	-	-	-	32,200
	32,200	-	-	-	32,200
Loss allowance for impairment	-	-	-	-	-
Carrying amount (net of loss allowance)	32,200	-	-	-	32,200
As at 30.06.2025					
Gross carrying amount					
- Deposits	13	-	-	-	13
- Non-trade receivables from subsidiaries (including loans)	34,469	-	-	-	34,469
	34,482	-	-	-	34,482
Loss allowance for impairment	-	-	-	-	-
Carrying amount (net of loss allowance)	34,482	-	-	-	34,482

* Less than 0.1%.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting its obligations due to shortage of funds.

The Group and the Company maintain sufficient level of cash and cash equivalents to meet the operational needs by continuously monitoring actual cash flows. The Group also maintains adequate amount of committed credit facilities with different licensed banks in Malaysia and Singapore. Excess cash may be placed in fixed deposits with reputable government approved licensed banks in the country where the Group entities operate.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The Company is also able to obtain funding from its subsidiaries via dividend payments when required, to meet the Company's obligations as and when they fall due.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on the remaining period at the respective reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual undiscounted cash flows					
GROUP	Within 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000	Carrying amount RM'000
As at 30.06.2026						
Payable and accrued liabilities #	10,422	-	-	-	10,422	10,422
Borrowings	174	69	87	239	569	480
Lease liabilities	1,187	398	-	-	1,585	1,556
Total undiscounted financial liabilities	11,783	467	87	239	12,576	12,458
As at 30.06.2025						
Payable and accrued liabilities #	10,383	-	-	-	10,383	10,383
Borrowings	411	305	-	-	716	690
Lease liabilities	1,155	764	-	-	1,919	1,859
Total undiscounted financial liabilities	11,949	1,069	-	-	13,018	12,932
COMPANY						
As at 30.06.2026						
Payable and accrued liabilities #	67	-	-	-	67	67
Financial guarantee contracts*	174	69	88	239	570	-
Total undiscounted financial liabilities	241	69	88	239	637	67
As at 30.06.2025						
Payable and accrued liabilities #	83	-	-	-	83	83
Financial guarantee contracts*	411	305	-	-	716	-
Total undiscounted financial liabilities	494	305	-	-	799	83

* The contractual undiscounted cash flows for the financial guarantee contracts represent the outstanding credit facilities of its subsidiaries at the end of the reporting date.

Excluded accrued payroll liabilities.

4.2 Capital risk management

The Group and the Company consider their equity as the capital as presented in the statements of financial position. The Group's and the Company's capital management objectives are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns to the shareholders and to repay/settle the amounts owed to other stakeholders, as well as maintaining an optimal capital structure to reduce the cost of capital.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 Capital risk management (continued)

In order to maintain or adjust the capital structure, entities within the Group may adjust the amount of dividends paid to shareholder(s), issue new shares, return capital to shareholder(s), sell assets to reduce debt, or secure additional debts.

The Group and the Company monitor their capital on the basis of gearing ratio. This ratio is calculated as the total of borrowings and lease liabilities divided by total equity.

	GROUP		COMPANY	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Borrowings and lease liabilities (Notes 24 and 25)	2,036	2,549	-	-
Total equity	334,363	328,275	279,680	270,866
Gearing ratio	0.01	0.01	-	-

As at reporting date, the Group is in compliance with the externally imposed capital requirements on borrowings. There was no change in the Group's approach to capital management during the financial year.

4.3 Fair value estimation

The Group and the Company adopted MFRS 13 'Fair Value Measurement' for financial instruments that are measured in the statements of financial position at fair value. This requires disclosure of fair value measurements by the level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that is not based on observable market data (that is, unobservable inputs) (level 3).

Specific valuation technique used to value financial instruments include the fair value of the short-term investments is determined based on the quoted profit rate(s) offered by the bank at the reporting date with certain inputs not directly obtainable from quoted prices and are therefore classified under Level 2.

There were no transfers between level 1, 2 and 3 during the financial year.

(a) Fair value of assets and liabilities that are carried at fair value

As at reporting date, none of the assets and liabilities of the Group and of the Company are measured at fair value which required classification under fair value measurement hierarchy in accordance with MFRS 13, except for the short-term investments.

As at reporting date, the fair value of the short-term investments of the Group and of the Company are based on net asset value per unit provided by the bank and are therefore classified under Level 2.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 Fair value estimation (continued)

(b) Fair value of assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of their fair values

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

Financial instruments not carried at fair value	Note
Amounts due from subsidiaries	17
Deposits, cash and bank balances	18
Receivables and deposits	20
Contract assets	21
Payables and accrued liabilities	23
Borrowings	24

The carrying amounts of the current financial assets and financial liabilities of the Group and of the Company that are not carried at fair value as reflected in the statements of financial position at the reporting date approximate their fair values because they are mostly short-term in nature or are repaid frequently, except for the borrowings and loans granted to subsidiaries.

The fair value of the borrowings which are carried at floating interest rate (i.e. term loans and loans granted to subsidiaries), approximate their carrying amounts in the statements of financial position at the reporting date.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outline below.

5.1 Allowance for slow-moving inventories

Allowance for slow-moving inventories is recorded where events or changes in circumstances indicate that the carrying cost of inventories will not be fully realised. The quantification of allowances for slow-moving inventories requires the use of estimates and judgements (i.e. net realisable value is lower than the cost).

In determining the allowance for slow-moving inventories, the directors and management took into consideration the age of the inventories, historical sales trend, confirmed orders as at reporting date, estimated future orders (the probability of making the sales) and the net realisable value (i.e. estimated selling price after considering the necessary discount, less estimated costs of completion, and estimated costs necessary to make the sales).

Where the actual outcomes are different from the original estimates, such differences will impact the allowance for slow-moving inventories for the affected inventories and consequential increase or decrease to the carrying value of the affected inventories in the years in which such estimates have been changed.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

6 REVENUE

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue from contracts with customers:				
Sales of goods	87,873	120,243	-	-
Rendering of services	29,393	8,898	-	-
	117,266	129,141	-	-
Revenue from other sources:				
Management fee	-	-	399	366
Dividend income	-	-	13,934	6,328
	-	-	14,333	6,694
TOTAL REVENUE	117,266	129,141	14,333	6,694
Timing of revenue recognition:				
At a point in time	87,873	120,243	-	-
Over time	29,393	8,898	-	-
	117,266	129,141	-	-
Revenue from contracts with customers by geographical locations:				
Singapore	58,650	55,159	-	-
United States of America	32,542	54,031	-	-
Malaysia	21,219	15,592	-	-
Japan	2,273	1,823	-	-
Italy	366	1,283	-	-
Thailand	575	626	-	-
Germany	543	376	-	-
Ireland	843	20	-	-
Others	255	231	-	-
	117,266	129,141	-	-

The analysis of Group's revenue by geographical locations is based on the country where the goods were delivered.

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue from the major customers contributing over 10% of the total revenue of the Group are as follows:				
Customer A (Semi-Conductor)	38,859	31,054	-	-
Customer B (Semi-Conductor)	17,484	22,492	-	-
Customer C (Sport Equipment)	14,727	14,756	-	-
Customer D (Semi-Conductor)	-	14,371	-	-
	71,070	82,673	-	-

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

7 OTHER (LOSSES)/GAINS - NET

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net foreign currency exchange gain/(loss)				
- realised	(2,586)	202	(3)	(23)
- unrealised	2,507	(4,393)	-	-
Gain on disposal of property, plant and equipment ("PPE")	84	1	-	-
Gain on disposal of short-term investments	754	-	754	-
Gain on lease termination	6	-	-	-
Fair value gain on short-term investments	749	878	749	878
	1,514	(3,312)	1,500	855

8 OPERATING PROFIT

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Operating profit is arrived at after charging/(crediting):				
Auditors' remuneration:				
- statutory audit				
- Moore Stephens Associates PLT ("Moore")	215	-	59	-
- Member firm of Moore Global Network Limited	143	-	-	-
- other auditors	-	483	-	65
- other assurance services	5	15	5	15
Other services:				
- Moore's affiliate	18	18	3	3
- other firms	17	28	-	-
Allowance for slow-moving inventories	1,157	1,312	-	-
Employee benefit costs (Note 9)	37,941	36,231	190	182
Non-executive directors' fees:				
- present directors	234	185	196	185
- past director	13	-	13	-
Depreciation of PPE (Note 13)	9,618	7,937	-	-
PPE written off	9	22	-	-
Amortisation of right-of-use assets (Note 14)	1,303	1,208	-	-
Leases of short-term leases	227	48	-	-
Leases of low value assets	25	-	-	-
Gain on lease termination	(6)	(15)	-	-
Scrap sales*	(1,089)	(720)	-	-
Profit sharing on Islamic fixed return investments*	(400)	(1,545)	(400)	(1,545)

* Under other income.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

9 EMPLOYEE BENEFIT COSTS

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Directors' remuneration and emolument:				
Directors' fees	183	228	108	109
Salaries and bonus	2,128	1,757	24	-
Defined contribution plans	210	156	3	-
	2,521	2,141	135	109
Other employees:				
Salaries, bonus and other allowances	31,812	30,724	48	63
Defined contribution plans	2,249	2,026	6	9
Other employee benefits	1,359	1,340	1	1
	35,420	34,090	55	73
Total employee benefit costs	37,941	36,231	190	182

The number of employees of the Group and of the Company at the end of the financial year is 706 (2025: 615) and 10 (2025: 10) respectively.

10 FINANCE INCOME - NET

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Finance income				
Interest income - fixed deposits	4,051	3,991	3,415	3,203
Interest income - loan to subsidiaries	-	-	1,482	842
Interest income - TNB deposits	10	-	-	-
Interest income - short-term investments	57	48	57	48
	4,118	4,039	4,954	4,093
Finance costs				
Interest expense on term loans	(23)	(115)	-	-
Interest expense on hire-purchase liabilities	-	(178)	-	-
Interest expense on lease liabilities	(78)	(82)	-	-
	(101)	(375)	-	-
	4,017	3,664	4,954	4,093

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

11 TAX EXPENSE

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current income tax:				
- Malaysian income tax	(4,000)	(4,993)	(1,277)	(1,041)
- foreign income tax	(696)	(2,168)	-	-
- (under)/over provision in previous financial year	(465)	3	(293)	(292)
	(5,161)	(7,158)	(1,570)	(1,333)
Deferred tax (Note 16):				
- current financial year	(352)	(40)	-	(35)
- over provision in previous financial year	383	253	290	-
	31	213	290	(35)
Tax expense	(5,130)	(6,945)	(1,280)	(1,368)

The numerical reconciliation between tax expense and accounting profit multiplied by the Malaysian income tax rate is as follows:

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before tax	22,922	30,535	20,164	12,165
Tax at statutory income tax rate of 24% (2025: 24%)	(5,501)	(7,328)	(4,839)	(2,920)
Tax effects of:				
- different tax rate in Singapore	345	622	-	-
- expenses not deductible for tax purposes	(254)	(966)	(142)	(146)
- income not subject to tax	362	471	3,704	1,990
- (under)/over provision of current income tax in previous financial year	(465)	3	(293)	(292)
- over provision of deferred tax in previous financial year	383	253	290	-
Tax expense	(5,130)	(6,945)	(1,280)	(1,368)

12 EARNINGS PER SHARE ("EPS")

Basic EPS of the Group is calculated by dividing the net profit for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2026	2025
Net profit for the financial year attributable to owners of the Company (RM'000)	17,792	23,590
Weighted average number of ordinary shares in issue during the financial year ('000)	671,315	671,315
Basic EPS (sen)	2.65	3.51

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

12 EARNINGS PER SHARE ("EPS") (continued)

Diluted EPS is similar to Basic EPS as the Company does not have any potential dilutive ordinary shares.

13 PROPERTY, PLANT AND EQUIPMENT

GROUP 2026	Freehold land RM'000	Buildings and renovations RM'000	Plant and machinery RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
COST						
As at 01.07.2025	15,668	28,657	106,031	3,272	462	154,090
Additions	-	1,308	12,513	409	75	14,305
Written off	-	-	(301)	(55)	-	(356)
Disposal	-	-	(2,603)	-	(146)	(2,749)
Currency translation differences	-	(15)	(5)	(19)	(11)	(50)
As at 30.06.2026	15,668	29,950	115,635	3,607	380	165,240
ACCUMULATED DEPRECIATION						
As at 01.07.2025	-	8,863	74,810	1,652	398	85,723
Depreciation	-	1,571	7,536	465	46	9,618
Written off	-	-	(292)	(55)	-	(347)
Disposal	-	-	(2,460)	-	(146)	(2,606)
Currency translation differences	-	(14)	(5)	(16)	(9)	(44)
As at 30.06.2026	-	10,420	79,589	2,046	289	92,344
CARRYING AMOUNT						
As at 30.06.2026	15,668	19,530	36,046	1,561	91	72,896
2025						
COST						
As at 01.07.2024	11,653	19,682	101,081	2,069	475	134,960
Additions	4,015	8,985	5,268	1,258	-	19,526
Written off	-	-	(238)	(33)	-	(271)
Disposal	-	-	(88)	-	-	(88)
Currency translation differences	-	(10)	8	(22)	(13)	(37)
As at 30.06.2025	15,668	28,657	106,031	3,272	462	154,090
ACCUMULATED DEPRECIATION						
As at 01.07.2024	-	7,764	68,606	1,430	358	78,158
Depreciation	-	1,114	6,506	271	46	7,937
Written off	-	-	(217)	(32)	-	(249)
Disposal	-	-	(88)	-	-	(88)
Currency translation differences	-	(15)	3	(17)	(6)	(35)
As at 30.06.2025	-	8,863	74,810	1,652	398	85,723
CARRYING AMOUNT						
As at 30.06.2025	15,668	19,794	31,221	1,620	64	68,367

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of approximately RM14,305,000 (2025: RM19,526,000) of which cash payments have been made in full.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The proceeds from the disposal of PPE are as follows:

	GROUP	
	2026	2025
	RM'000	RM'000
Net carrying amount of disposed PPE	143	-
Gain on disposal of PPE (Note 7)	84	1
Proceeds from disposal of PPE	227	1

The carrying amount of the assets acquired under term loan agreement and pledged as security for term loans as at 30 June 2026 amounted to approximately RM2,909,000 (2025: RM3,009,000).

14 RIGHT-OF-USE ("ROU") ASSETS

GROUP 2026	Copier machines RM'000	Residential units RM'000	Factory lot RM'000	Total RM'000
COST				
As at 01.07.2025	139	1,203	2,865	4,207
Additions – lease liabilities	-	1,169	-	1,169
Early termination	-	(773)	-	(773)
Currency translation difference	(6)	-	(146)	(152)
As at 30.06.2026	133	1,599	2,719	4,451
ACCUMULATED AMORTISATION				
As at 01.07.2025	81	710	1,553	2,344
Amortisation	23	478	802	1,303
Early termination	-	(609)	-	(609)
Currency translation difference	(4)	-	(115)	(119)
As at 30.06.2026	100	579	2,240	2,919
CARRYING AMOUNT				
As at 30.06.2026	33	1,020	479	1,532

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

14 RIGHT-OF-USE ("ROU") ASSETS (CONTINUED)

GROUP 2025	Copier machines RM'000	Residential units RM'000	Factory lot RM'000	Total RM'000
COST				
As at 01.07.2024	147	1,241	3,350	4,738
Additions – lease liabilities	-	396	782	1,178
Early termination	-	(434)	(1,095)	(1,529)
Currency translation difference	(8)	-	(172)	(180)
As at 30.06.2025	139	1,203	2,865	4,207
ACCUMULATED AMORTISATION				
As at 01.07.2024	61	716	1,586	2,363
Amortisation	23	375	810	1,208
Early termination	-	(381)	(730)	(1,111)
Currency translation difference	(3)	-	(113)	(116)
As at 30.06.2025	81	710	1,553	2,344
CARRYING AMOUNT				
As at 30.06.2025	58	493	1,312	1,863

15 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2026 RM'000	2025 RM'000
Unquoted shares, at cost	91,397	91,397

Details of the subsidiaries are as follows:

Name of companies	Principal place of business/ Country of incorporation	Percentage held 2026 %	Percentage held 2025 %	Principal activities
Champion Precision Technology Sdn. Bhd.#	Malaysia	100	100	Manufacturing of precision-machined parts and components using computer numerical control ("CNC") turning and milling technology and provision of CNC turning and milling services
Champion Component Sdn. Bhd.#	Malaysia	100	100	Provision of CNC turning and milling services
Champion Oil Tool Sdn. Bhd. ^	Malaysia	100	100	Dormant
Champion Precision Engineering Pte. Ltd.*	Singapore	100	100	Trading of precision-machined parts and components

Audited by Moore Stephens Associates PLT, Malaysia.
* Audited by Moore Stephens LLP, Singapore.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

^ Member's voluntary winding-up's final meeting was held on 7 July 2026 and the Return by Liquidator Relating to Final Meeting was lodged on 10 August 2026 with the Companies Commission of Malaysia, and on expiration of three months after the lodgement date, the subsidiary will be fully dissolved.

16 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	GROUP		COMPANY	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Subject to income tax:				
Deferred tax assets	342	417	-	-
Deferred tax liabilities	(2,540)	(2,653)	-	(290)
	(2,198)	(2,236)	-	(290)

The movements in deferred tax during the financial year are as follows:

Subject to income tax:				
At 1 July 2025/2024	(2,236)	(2,449)	(290)	(255)
Credited/(charged) to profit or loss (Note 11):				
- Hire-purchase liabilities	-	(1,235)	-	-
- Accrued liabilities	1	56	-	-
- Lease liabilities	10	(77)	-	-
- Property, plant and equipment	(406)	987	-	-
- Contract assets	(16)	9	-	-
- Rights-of-use assets	39	87	-	-
- Inventories	382	441	-	-
- Interest receivables	144	111	144	111
- Profit sharing receivable	146	(146)	146	(146)
- Others	(269)	(20)	-	-
	31	213	290	(35)
Currency translation differences	7	-	-	-
At 30 June 2026/2025	(2,198)	(2,236)	-	(290)

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

16 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The deferred tax assets and liabilities as at the reporting date are as follows:

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Subject to income tax:				
Deferred tax assets (before offsetting):				
- Accrued liabilities	347	346	-	-
- Inventories	1,692	1,586	-	-
- Lease liabilities	395	391	-	-
- Others	273	-	-	-
	2,707	2,323	-	-
Offsetting	(2,365)	(1,906)	-	-
Deferred tax assets (after offsetting)	342	417	-	-
Deferred tax liabilities (before offsetting):				
- Property, plant and equipment	(4,446)	(3,880)	-	-
- Contract assets	(35)	(19)	-	-
- Right-of-use assets	(305)	(350)	-	-
- Interest receivables	-	(144)	-	(144)
- Profit sharing on Islamic fixed return investment receivables	-	(146)	-	(146)
- Others	(119)	(20)	-	-
	(4,905)	(4,559)	-	(290)
Offsetting	2,365	1,906	-	-
Deferred tax liabilities (after offsetting)	(2,540)	(2,653)	-	(290)

17 RELATED PARTY DISCLOSURES

17.1 Related parties and relationships

The subsidiaries of the Company are listed in Note 15 to the financial statements.

The other related party is as follows:

Related party	Country of citizenship	Relationship
Mr. Lee Chen Yeong ("Mr Lee")	Malaysian	Ultimate controlling shareholder/director

A key management personnel is a person who has responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly. The Group and the Company regard the directors of the Company and senior management of Champion Precision Technology Sdn. Bhd. and Champion Precision Engineering Pte. Ltd. as key management personnel.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

17 RELATED PARTY DISCLOSURES (CONTINUED)

17.2 Related party balances

	COMPANY	
	2026 RM'000	2025 RM'000
AMOUNTS DUE FROM SUBSIDIARIES		
Non-trade - others		
- Champion Precision Engineering Pte. Ltd.	65	42
- Champion Precision Technology Sdn. Bhd.	61	52
- Champion Component Sdn. Bhd.	3	3
	129	97
Non-trade (loans to subsidiaries) (current)		
- Champion Precision Technology Sdn. Bhd. (Loans 1 & 2)	15,849	6,510
- Champion Component Sdn. Bhd. (Loan 3)	322	309
	16,171	6,819
Total current	16,300	6,916
Non-trade (loans to subsidiaries) (non-current)		
- Champion Precision Technology Sdn. Bhd. (Loans 1 & 2)	14,932	26,263
- Champion Component Sdn. Bhd. (Loan 3)	968	1,290
Total non-current	15,900	27,553
	32,200	34,469

Credit terms of the non-trade amounts due from subsidiaries are unsecured, interest free and repayable on demand.

The loans granted to subsidiaries are unsecured and subject to the following interest rates (floating interest rates determined based on base lending rate ("BLR") - 2.2% to - 2.15%) and repayment terms:

Loans	Interest rate	Repayment terms
Loan 1*	4.27% per annum (2025: 4.52% per annum)	Principal amount of the loan of approximately RM13,779,000 is repayable by 240 monthly instalments commencing from November 2024 through to October 2044. Portion of the loan of RM4,335,000 was paid in advance during the financial year.
Loan 2	4.27% per annum (2025: 4.52% per annum)	Principal amount of the loan of approximately RM75,506,000 is repayable by 60 monthly instalments commencing from November 2024 through to October 2029. Portion of the loan of RM32,000,000 was paid in advance during the financial year.
Loan 3	4.32% per annum (2025: 4.57% per annum)	Principal amount of the loan of RM3,000,000 is receivable over 120 instalments commencing January 2024 through to December 2033.

*Loan 1 was fully settled during the financial year ended 30 June 2026.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

17 RELATED PARTY DISCLOSURES (CONTINUED)

17.2 Related party balances (continued)

The currency exposure profile of the related party balances is as follows:

	COMPANY	
	2026	2025
	RM'000	RM'000
Ringgit Malaysia	32,136	34,427
Singapore Dollar	64	42
	32,200	34,469

17.3 Significant related party transactions

	COMPANY	
	2026	2025
	RM'000	RM'000
Dividend Income		
- Champion Precision Technology Sdn. Bhd.	4,004	3,014
- Champion Precision Engineering Pte. Ltd.	9,930	3,314
Payment made on behalf of a subsidiary:		
- Champion Precision Technology Sdn. Bhd.	-	1,210
Management fee charged to subsidiaries:		
- Champion Precision Technology Sdn. Bhd.	229	179
- Champion Precision Engineering Pte. Ltd.	155	174
- Champion Component Sdn. Bhd.	15	13
Interest income from loans granted to subsidiaries:		
- Champion Precision Technology Sdn. Bhd.	1,420	748
- Champion Component Sdn. Bhd.	62	94
Loans granted to a subsidiary:		
- Champion Precision Technology Sdn. Bhd.	(46,482)	(47,711)
Repayment of loans granted to subsidiaries (principal):		
- Champion Precision Technology Sdn. Bhd.	48,474	19,787
- Champion Component Sdn. Bhd.	309	1,280

The above transactions were established based on terms and rates agreed between the entities within the Group.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

17 RELATED PARTY DISCLOSURES (CONTINUED)

17.4 Key management compensation

Included in the employee benefit costs are compensations paid to key management personnel as follows:

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Salaries, bonus and other allowances	4,441	4,476	24	21
Defined contribution plans	324	332	3	3
Directors' fees	430	413	317	294
	5,195	5,221	344	318

18 DEPOSITS, CASH AND BANK BALANCES

Cash and cash equivalents included in the statements of cash flows comprise the following:

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
NON-CURRENT:				
Fixed deposits (encumbered)	930	913	-	-
CURRENT:				
Cash on hand	21	21	-	-
Bank balances	36,308	87,716	4,888	39,506
Fixed deposits (unencumbered)	135,153	69,819	120,872	55,600
	171,482	157,556	125,760	95,106
Deposits, cash and bank balances	172,412	158,469	125,760	95,106
Less: Fixed deposits (encumbered)	(930)	(913)	-	-
Less: Fixed deposits with maturity more than 3 months (unencumbered)	(80,814)	(55,600)	(80,814)	(55,600)
Cash and cash equivalents	90,668	101,956	44,946	39,506

Bank balances are deposits held at call with licensed banks and earn minimal interest.

Fixed deposits as at 30 June 2026 carry effective interest rates ranging from 1.75% - 3.70% (2025: 2.10% - 4.15%) per annum. The maturity period of fixed deposits of the Group and of the Company is ranging from 30 - 214 days (2025: 30 - 214 days). The fixed deposits (encumbered) are pledged as security for custom duties and electricity supply.

Included in fixed deposits with maturity more than 3 months (unencumbered) of the Group and of the Company are interest receivables on fixed deposits of RM814,000 (2025: RM600,000).

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

18 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The currency exposure profile of deposits, cash and bank balances is as follows:

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Ringgit Malaysia	141,639	107,356	125,760	95,106
US Dollar	23,290	43,674	-	-
Singapore Dollar	4,626	3,788	-	-
Euro	1,729	3,528	-	-
Japanese Yen	1,128	123	-	-
	172,412	158,469	125,760	95,106

19 INVENTORIES

	GROUP	
	2026 RM'000	2025 RM'000
Raw materials	20,702	25,095
Work-in-progress	14,255	13,278
Finished goods	14,266	12,160
Consumables and tools	5,010	4,068
	54,233	54,601
Less: Allowance for slow-moving inventories:		
- Raw materials	(2,171)	(1,225)
- Work-in-progress	(881)	(575)
- Finished goods	(5,343)	(5,506)
	(8,395)	(7,306)
	45,838	47,295

Movements in allowance for slow-moving inventories of the Group are as follows:

	GROUP	
	2026 RM'000	2025 RM'000
As at 1 July 2025/2024	7,306	6,097
Addition	2,268	2,246
Reversal of allowance	(1,111)	(934)
Currency translation differences	(68)	(103)
As at 30 June 2026/2025	8,395	7,306

The reversal of allowance made is due to new orders on these products from the affected customers.

For the financial year ended 30 June 2026, the cost of inventories recognised as expense and included in cost of sales amounted to approximately RM89,120,000 (2025: RM89,200,000).

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade receivables	25,662	20,562	-	-
Other receivables	119	139	-	-
Deposits	2,458	762	-	13
Other receivables and deposits	2,577	901	-	13
Value added tax ("VAT") receivables	712	1,353	-	-
Prepayments	846	1,089	6	7
Total receivables, deposits and prepayments	29,797	23,905	6	20

Credit terms of trade and other receivables range from 30 to 120 days (2025: 60 to 120 days) from the invoice date.

Included in deposits are non-refundable deposits amounting to RM1,669,000 (2025: RM Nil) paid towards the acquisitions of property, plant and equipment with the remaining balance disclosed as capital commitment in Note 35.

Included in prepayments is advances paid to suppliers for the purchase of raw materials amounted to approximately RM677,000 (2025: RM276,000).

The currency exposure profile of the trade receivables, other receivables and deposits is as follows:

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
US Dollar	22,392	17,893	-	-
Ringgit Malaysia	3,375	2,364	-	13
Japanese Yen	621	359	-	-
Euro	167	612	-	-
Singapore Dollar	1,684	235	-	-
	28,239	21,463	-	13

21 CONTRACT ASSETS

	GROUP	
	2026 RM'000	2025 RM'000
Movements in contract assets are as follows:		
At 1 July 2025/2024	79	118
Transfer to trade receivables	(79)	(118)
Increases as a result of changes in the measure of work in progress	-	79
Revenue recognised during the financial year	264	-
At 30 June 2026/2025	264	79

The amount for contract assets at end of the financial year is denominated in Ringgit Malaysia.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

22 SHORT-TERM INVESTMENTS

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Islamic fixed return investments	-	50,610	-	50,610
Money market funds	30,792	-	30,792	-
	30,792	50,610	30,792	50,610

The short-term investments held by the Group and the Company are denominated in Ringgit Malaysia.

The money market funds of the Group and of the Company carry interest rates of 0.15% to 0.18% per annum and are carried at fair value classified within Level 2 of the fair value hierarchy.

In the previous financial year, the Islamic fixed return investments carried profit rates of 3.95% to 4.00% per annum and had a tenure of 6 months period were carried at fair value classified within Level 2 of the fair value hierarchy.

23 PAYABLES AND ACCRUED LIABILITIES

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade payables	5,623	3,974	-	-
Other payables	1,455	1,802	3	70
Accrued liabilities:				
- payroll liabilities	4,254	4,984	85	81
- others	3,344	4,607	64	13
	7,598	9,591	149	94
Total other payables and accrued liabilities	9,053	11,393	152	164
Total payables and accrued liabilities	14,676	15,367	152	164

Trade payables are non-interest bearing and with credit terms of 30 days (2025: 30 days) from invoice date.

The currency exposure profile of payables and accrued liabilities (excluded accrued payroll liabilities) is as follows:

	GROUP		COMPANY	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Ringgit Malaysia	6,115	5,147	67	83
Singapore Dollar	3,085	4,714	-	-
US Dollar	1,133	522	-	-
Euro	89	-	-	-
	10,422	10,383	67	83

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

24 BORROWINGS

	GROUP	
	2026	2025
	RM'000	RM'000
CURRENT - SECURED		
Term loans	157	389
NON-CURRENT - SECURED		
Term loans	323	301
Total borrowings	480	690

The borrowings are denominated in Ringgit Malaysia.

24.1 Term loans

	GROUP	
	2026	2025
	RM'000	RM'000
Maturity period of the term loans:		
- within 1 year	174	411
- between 1 and 2 years	69	305
- between 2 and 5 years	87	-
- over 5 years	239	-
	569	716
Less: future interest expenses	(89)	(26)
	480	690

The term loans were secured by the followings:
(i) legal charges over certain land and buildings of the Group (Note 13); and
(ii) a corporate guarantee provided by the Company and a subsidiary.

No	Term loan	Tenure (month)	Monthly instalment (RM)	Effective interest rates	Maturity period
(i)	Term loan 1	240	16,932	4.27%	Dec 2035
(ii)	Term loan 2	240	10,360	4.27%	Sep 2041
(iii)	Term loan 3	240	3,890	4.27%	Sep 2041

The term loans are carried at floating interest rates based on the base lending rate ("BLR") less a margin determined at inception. The effective interest rates are as follows:

	GROUP	
	2026	2025
	RM'000	RM'000
Floating interest rate:		
Term loans (BLR less 2.32% per annum)	4.27	4.52

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

25 LEASE LIABILITIES

	GROUP	
	2026	2025
	RM'000	RM'000
Gross lease payable:		
- within 1 year	1,187	1,155
- between 1 and 2 years	398	764
Total minimum lease payments	1,585	1,919
Less: Future finance charges	(29)	(60)
Present value of the lease	1,556	1,859
Repayable at net present value:		
Current	1,177	1,095
Non-current	379	764
	1,556	1,859
Cash outflows for leases as a lessee are as follows:		
- lease payment within financing cash flows	1,346	1,252
- lease payment within operating cash flows		
- short-term leases and leases of low value assets	252	48
Total cash outflows for leases	1,598	1,300

The currency exposure profile of lease liabilities is as follows:

	GROUP	
	2026	2025
	RM'000	RM'000
Ringgit Malaysia	1,235	1,096
Singapore Dollars	321	763
	1,556	1,859

The Group leases office equipment, residential units (as hostel for employees) and factory buildings for the purpose of its business operations. Rental agreements are made for a fixed period of 2 to 9 years (2025: 2 to 6 years) including extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as a security for borrowing purposes.

During the financial year ended 30 June 2026, the Group has early terminated certain leases or de-recognised certain of its lease of residential units upon expiry of the lease terms.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

26 SHARE CAPITAL

	GROUP & COMPANY			
	2026		2025	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
ISSUED AND FULLY PAID-UP:				
Ordinary shares with no par value				
At 1 July 2025/2024 and 30 June 2026/2025	671,315	263,757	671,315	263,757

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

27 CAPITAL REORGANISATION RESERVE

Capital reorganisation reserve in the consolidated statement of financial position of the Group arises from the internal reorganisation entered into by the Company on 13 January 2022 and 31 March 2022 respectively, to acquire the entire paid-up capital of the Malaysian subsidiaries, namely Champion Precision Technology Sdn. Bhd., Champion Component Sdn. Bhd. and Champion Oil Tool Sdn. Bhd, and the Singapore subsidiary, Champion Precision Engineering Pte. Ltd..

The capital reorganisation reserve comprises:

(i) the difference between the consideration paid to acquire the subsidiaries under common control of the ultimate controlling shareholder (i.e. the acquirees) and the issued share capital of the acquirees acquired on the date of the transaction; and

(ii) the legal share capital of the acquirees prior to the incorporation of the Company.

28 CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve comprises all foreign currency exchange differences arising from the translation of the financial statements from the functional currency of the Singapore subsidiary to the presentation currency of the Company. See Note 3.22 to the financial statements on accounting policy for foreign currency translation.

29 RETAINED PROFITS

Dividends paid out of retained profits of the entities within the Group are single-tier dividends.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

30 THE ANALYSIS OF MOVEMENTS IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Cash flow movements		Non-cash movements				
GROUP 2026	As at 01.07.2025 RM'000	Principal paid RM'000	Interest paid RM'000	Interest expenses RM'000	Currency translation differences RM'000	Addition RM'000	Early termination RM'000	As at 30.06.2026 RM'000
Term loans	690	(210)	(23)	23	-	-	-	480
Lease liabilities	1,859	(1,268)	(78)	78	(34)	1,169	(170)	1,556
	2,549	(1,478)	(101)	101	(34)	1,169	(170)	2,036

		Cash flow movements		Non-cash movements				
2025	As at 01.07.2024 RM'000	Principal paid RM'000	Interest paid RM'000	Interest expenses RM'000	Currency translation differences RM'000	Addition RM'000	Early termination RM'000	As at 30.06.2025 RM'000
Term loans	5,370	(4,680)	(115)	115	-	-	-	690
Hire-purchase liabilities	5,146	(5,146)	(178)	178	-	-	-	-
Lease liabilities	2,333	(1,170)	(82)	82	(49)	1,178	(433)	1,859
	12,849	(10,996)	(375)	375	(49)	1,178	(433)	2,549

31 DIVIDEND

	GROUP & COMPANY	
	2026 RM'000	2025 RM'000
In respect of financial year ended 30 June 2025 on 671,314,791 ordinary shares:		
- Final single-tier dividend of 1.5 sen per ordinary share declared on 10 December 2025 and paid on 23 December 2025	10,070	-
- First interim single-tier dividend of 1 sen per ordinary share, declared on 25 November 2024 and paid on 23 December 2024	-	6,713
	10,070	6,713

The directors recommend the payment of a final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 30 June 2026 amounting to approximately RM10,070,000, to be approved at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as equity as an appropriation of retained profits in the financial year ending 30 June 2027.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

32 SEGMENT INFORMATION

The chief executive officer of the Company has been identified as the Chief Operating Decision-Maker ("CODM") of the Group who reviews the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

The Group is principally engaged in manufacturing of precision-machined parts and components using the computer numerical control ("CNC") turning and milling technology and provision of CNC turning and milling services. The precision-machined parts and components are manufactured for machines used in the semi-conductor, automotive, healthcare and various other industries. The CODM assesses the performance of the Group based on the measure of operating results and considers the Group as a single operating segment.

As the Group only has one operating segment, which is the precision-machined parts and components manufacturing, qualified as reporting segment under MFRS 8 and the information that is regularly reported to and reviewed by the CODM for the purpose of allocating resources and assessing performance of the operating segment is the financial statements of the Group, accordingly, no separate segmental analysis is presented.

The basis of measurement of reported segment profit or loss, segment assets and segment liabilities are consistent with the basis used for the consolidated statement of comprehensive income for the financial years ended 30 June 2026 and 30 June 2025 and the consolidated statement of financial position as at 30 June 2026 and 30 June 2025. The components of the segment assets and liabilities include classes of assets and liabilities disclosed in the consolidated statement of financial position.

	GROUP	
	2026	2025
	RM'000	RM'000
Analysis of sales by customer segment is as follows:		
Semiconductor	77,663	85,287
Life science and medical devices	11,248	18,866
Sport equipment	17,484	14,756
Aerospace	4,907	4,701
Sensor equipment	3,271	2,538
Automotive	586	1,446
Instrumentation	494	542
Opto-mechanical	1,177	840
Security	393	145
General engineering industry	43	20
	117,266	129,141

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

32 SEGMENT INFORMATION (CONTINUED)

The Group's property, plant and equipment and right-of-use assets by geographical location, which is determined by the countries in which the assets are located, are as follows:

	GROUP	
	2026	2025
	RM'000	RM'000
Property, plant and equipment:		
Malaysia	72,801	68,268
Singapore	95	99
	72,896	68,367
Right-of-use assets:		
Malaysia	1,217	1,079
Singapore	315	784
	1,532	1,863
	74,428	70,230

Refer to Note 6 to the financial statements for the analysis on the Group's revenue by geographical location and information about major customers.

33 FINANCIAL GUARANTEE CONTRACTS

The Company provides financial guarantee contracts to licensed banks in Malaysia in respect of credit facilities granted to its subsidiaries in Malaysia. As at 30 June 2026, the outstanding credit facilities amounted to RM481,000 (2025: RM690,000).

34 FINANCIAL INSTRUMENTS

34.1 Classification of financial instruments

	GROUP		COMPANY	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at FVTPL				
Short-term investments	30,792	50,610	30,792	50,610
Financial assets measured at amortised cost				
Receivables and refundable deposits	26,570	21,463	-	13
Amounts due from subsidiaries	-	-	32,200	34,469
Deposits, cash and bank balances	172,412	158,469	125,760	95,106
	198,982	179,932	157,960	129,588
	229,774	230,542	188,752	180,198
Financial liabilities measured at amortised cost				
Payables and accrued liabilities (excluded accrued payroll liabilities)	10,422	10,383	67	83
Borrowings	480	690	-	-
	10,902	11,073	67	83

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

34.2 Fair value of financial instruments

See details of fair value of financial instruments as disclosed in Note 4.3 to the financial statements.

35 CAPITAL COMMITMENTS

	GROUP	
	2026	2025
	RM'000	RM'000
Capital commitments in respect of property, plant and equipment		
- Contracted but not provided for	37,467	3,578

36 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Multiple Proposals

On 9 October 2025, the Company proposed to undertake the following:

(i) proposed establishment of a share issuance scheme of up to 15% of the total number of issued ordinary shares of the Company ("Shares") (excluding treasury shares, if any) to the eligible directors and eligible employees of the Company and its subsidiaries ("Proposed SIS");
(ii) proposed variation of the utilisation of proceeds previously raised from the initial public offering of the Company ("Proposed Variation"); and
(iii) proposed to seek its shareholders' approval for the authority to purchase up to 10% of the total number of issued Shares ("Proposed Share Buy-Back").

On 6 November 2025, Bursa Malaysia Securities Berhad, vide its letter had resolved to approve the listing of and quotation for such number of additional Shares to be issued pursuant to the Proposed SIS, subject to meeting of conditions stipulated.

The Company has obtained shareholders' approval for the above Multiple Proposals at the Extraordinary General Meeting held on 1 December 2025.

Subsequently, the effective date for the implementation of the SIS is 5 May 2026, being the date on which the Company is in full compliance with all relevant requirements including Paragraph 6.43(1) of the Listing Requirements.

As at the reporting date, no options or shares have been granted under the Proposed SIS and no repurchase of treasury shares. Accordingly, no share-based payment expense or related equity reserve has been recognised during the financial year.

37 EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

a) Acquisition of property, plant and equipment

(i) On 17 July 2026 and 5 August 2026, Champion Precision Technology Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired machineries for a total consideration of RM34,518,470 and RM21,017,220, respectively, amounting to RM55,535,690 in aggregate. The acquisitions were financed through a combination of cash and bank borrowings.

Notes To The Financial Statements

For The Financial Year Ended 30 June 2026

37 EVENTS SUBSEQUENT TO THE FINANCIAL YEAR (CONTINUED)

a) Acquisition of property, plant and equipment (continued)

(ii) On 21 July 2026, Champion Precision Technology Sdn. Bhd. entered into a sale and purchase agreement with Flomatic Industries Sdn. Bhd. to acquire a piece of freehold land together with a factory erected thereon for a cash consideration of RM10,000,000.

The acquisition has been completed on 15 September 2026.

b) Establishment of a joint venture and incorporation of a subsidiary

On 14 July 2026, the Company entered into a Share Purchase and Joint Venture Agreement with Kanekita Co., Ltd., a Japanese corporation ("Kanekita"), to manufacture and sell materials and/or products utilising passivation treatment technology and to regulate the relationship as shareholders of the joint venture company to be incorporated.

Subsequently on 9 September 2026, the joint venture company, Kita Champion Sdn. Bhd. was incorporated with an issued share capital of RM100 comprising 1,000 ordinary shares. The Company subscribed for 505 ordinary shares, representing a 50.5% equity interest, while the remaining 49.5% is held by Kanekita.

c) Acceptance of Islamic financing facilities

On 27 September 2026, Champion Precision Technology Sdn. Bhd., a wholly-owned subsidiary of the Company, accepted Islamic financing facilities totalling RM5,000,000 from Public Islamic Bank Berhad for working capital purposes.

The Islamic financing facilities are to be secured by certain freehold land and building of the subsidiary and a corporate guarantee provided by the Company.

As of the date of this report, the disbursement of financing facilities have not been completed.

38 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 21 October 2026.

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

		Group		
Total Income	**Remarks**	**2026 (RM'000)**	**2025 (RM'000)**	**2024 (RM'000)**
Revenue		**117,266**	129,141	90,070
* Other Income		**5,776**	3,667	2,034
# Finance Income		**4,118**	4,039	3,604
Total		**127,160**	**136,847**	**95,708**
Total Assets		**355,506**	**351,372**	**343,576**

* Other income comprises income from scrap sales, gain on foreign currency exchange, gain on disposal of property, plant and equipment, gain on disposal of short-term investments, gain on lease termination and fair value gain on short-term investments.

\# Finance income comprises interest income earned from fixed deposits and money market funds.

(B) Business Activities

		Group		
Shariah Non-Compliant Activities	**Remarks**	**2026 (RM'000)**	**2025 (RM'000)**	**2024 (RM'000)**
Gain from investment in conventional instruments		**0**	0	0
Interest income		**134**	71	64
Total		**134**	**71**	**64**

(C) Component of Financial Position

(i) Cash Component

		Group		
	Remarks	**2026 (RM'000)**	**2025 (RM'000)**	**2024 (RM'000)**
Islamic Account/Instruments				
Cash in hand		**0**	0	0
Cash at bank (exclude cash in hand)		**8,241**	53,724	96,685
Deposits with licensed bank		**135,153**	106,210	91,500
Money market instruments		**30,792**	1	0
Total		**174,186**	**159,935**	**188,185**

Disclosure of Financial Data for Shariah Screening

(C) Component of Financial Position (Cont'd)

(i) Cash Component (Cont'd)

		Group		
	Remarks	2026 (RM'000)	2025 (RM'000)	2024 (RM'000)
Conventional Account/Instruments				
Cash in hand		**21**	21	19
Cash at bank (exclude cash in hand)		**28,067**	48,200	24,679
Deposits with licensed bank		**930**	913	893
Money market instruments		**0**	0	0
Total		**29,018**	**49,134**	**25,591**

(ii) Debt Component

		Group		
Islamic Financing	Remarks	2026 (RM'000)	2025 (RM'000)	2024 (RM'000)
Current				
Bank borrowings		**17**	211	158
Non-Current				
Bank borrowings		**283**	153	0
Total		**300**	**364**	**158**

		Group		
Conventional Borrowing	Remarks	2026 (RM'000)	2025 (RM'000)	2024 (RM'000)
Current				
Bank borrowings		**140**	178	337
Hire purchase payables		**0**	0	4,141
Non-Current				
Bank borrowings		**40**	148	4,876
Hire purchase payables		**0**	0	1,005
Total		**180**	**326**	**10,359**

List of Properties

As at 30 June 2026

No.	Registered Owner/Postal Address/Title Details	Descriptions/Existing use	Land area (Sq. Ft.)	Tenure	Age of the Buildings (Years)	Carrying Amount (RM'000)	Date of Acquisition/ Revaluation
1	**Champion Precision Technology Sdn. Bhd.** No.18, Jalan Istimewa 4, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor. H.S.(D) 346939, PTD 166522, in Mukim Plentong, District of Johor Bahru, State of Johor.	Single storey detached factory with an annexed 2-storey office building and a guard house, refuse chamber/ Manufacturing Plant and Office (Plant 1)	50,213	Freehold	22	2,908	18 June 2005
2	**Champion Precision Technology Sdn. Bhd.** No. 4, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor. H.S.(D) 541153, PTD 221505, in Mukim Plentong, District of Johor Bahru, State of Johor.	Single storey detached factory with an annexed 3-storey office building a guard house, a Tenaga Nasional Berhad substation, a rubbish bin centre and a pump room/Manufacturing Plant and Office (Plant 2)	41,338	Freehold	11	6,092	20 April 2017
3	**Champion Component Sdn. Bhd.** No. 6, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor. H.S.(D) 541154, PTD 221506, in Mukim Plentong, District of Johor Bahru, State of Johor.	Single storey detached factory with an annexed 3-storey office building a guard house, a Tenaga Nasional Berhad substation, a rubbish bin centre and a pump room/Manufacturing Plant (Plant 3)	41,513	Freehold	11	6,308	20 April 2017
4	**Champion Precision Technology Sdn. Bhd.** No. 5, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor. H.S.(D) 506800, PTD 212911, in Mukim Plentong, District of Johor Bahru, State of Johor.	Single storey detached factory with an annexed 3-storey office building a guard house, a Tenaga Nasional Berhad substation, a rubbish bin centre and a pump room/Manufacturing Plant and Office (Plant 4)	43,475	Freehold	14	6,230	30 June 2021
5	**Champion Precision Technology Sdn. Bhd.** No. 2, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor. H.S.(D) 541152, PTD 221504, in Mukim Plentong, District of Johor Bahru, State of Johor.	Single storey detached factory with an annexed 3-storey office building a guard house, a Tenaga Nasional Berhad substation, a rubbish bin centre and a pump room/Manufacturing Plant and Office (Plant 6)	44,595	Freehold	11	10,170	2 October 2024

Analysis of Shareholdings

As At 25 September 2026

ORDINARY SHARES

Number of Shares issued : 671,314,791
Class of shares : Ordinary shares
Voting rights : One vote per ordinary shares

ANALYSIS BY SIZE OF HOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.26	108	0.00
100 - 1,000	327	17.00	159,999	0.02
1,001 - 10,000	886	46.07	4,580,700	0.68
10,001 - 100,000	481	25.01	15,829,420	2.36
100,001 - 33,565,738 (*)	221	11.49	268,591,473	40.01
33,565,739 AND ABOVE (**)	3	0.16	382,153,091	56.93
TOTAL :		**100.00**	**671,314,791**	**100.00**

REMARK :
* - LESS THAN 5% OF ISSUED SHARES
** - 5% AND ABOVE OF ISSUED SHARES

THIRTY LARGEST SHAREHOLDERS (Based on the Record of Depositors)
(Without aggregating the shares from different securities accounts belonging to the same depositor)

NO.	NAME	HOLDINGS	%
1	LEE CHEN YEONG	193,240,846	28.785
2	FOO MING	113,537,328	16.912
3	MU WOON CHAI	75,374,917	11.227
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	16,208,400	2.414
5	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	10,072,200	1.500
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (2)	9,628,809	1.434
7	MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION SDN BHD	9,345,700	1.392
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MTRUSTEE BERHAD (ETHEREAL CAPITAL SDN BHD)	8,527,200	1.270
9	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	7,559,000	1.125
10	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	6,549,800	0.975
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (ACF-KENANGA-EQ)	6,516,100	0.970

Analysis of Shareholdings

As At 25 September 2026

NO.	NAME	HOLDINGS	%
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL CAPITAL SDN. BHD. (GROWTH FUND)(445788)	6,436,200	0.958
13	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (VULTURE FUND)	6,400,500	0.953
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA SYARIAHEXTRA FUND (N14011960240)	5,847,200	0.871
15	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (PET-KENANGA-EQET)	5,470,800	0.814
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AIIMAN IS EQ)	5,443,300	0.810
17	KENANGA NOMINEES (TEMPATAN) SDN BHD ONE IFC HOTEL SDN. BHD.	5,345,600	0.796
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	5,322,300	0.792
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	4,880,641	0.727
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (AIIMAN)	4,713,900	0.702
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (MYBK AM SC E)	4,344,900	0.647
22	AMSEC NOMINEES (TEMPATAN) SDN BHD ONE IFC RESIDENCE SDN. BHD.	4,151,200	0.618
23	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF TACTICAL FUND	3,929,600	0.585
24	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (KIB)	3,751,900	0.558
25	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	3,687,100	0.549
26	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (PET-KENANGA-EQSH)	3,569,700	0.531
27	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (GROWTH FUND)	3,540,000	0.527
28	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN YAT TENG	3,536,900	0.526
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GENERALI LIFE INSURANCE MALAYSIA BERHAD FOR ACTIVE BALANCED FUND	3,410,200	0.507
30	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD AHAM ASSET MGT BHD FOR TOKIO MARINE LIFE INSURANCE MALAYSIA BHD (TOMARHCT)	3,408,000	0.507

Analysis of Shareholdings

As At 25 September 2026

SUBSTANTIAL SHAREHOLDERS AS AT 25 SEPTEMBER 2026
(Based on the Register of Substantial Shareholders)

NAME	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
LEE CHEN YEONG	193,240,846	28.785	-	-
FOO MING	113,537,328	16.912	-	-
MU WOON CHAI	75,374,917	11.227	-	-

DIRECTORS' INTEREST
(Based on the Register of Directors' Shareholdings)

NAME	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
ANG SENG WONG	-	-	-	-
LEE CHEN YEONG	193,240,846	28.785	-	-
MU WOON CHAI	75,374,917	11.227	-	-
FOO MING	113,537,328	16.912	-	-
HUN JIANG YANN	200,000	0.029	-	-
LAI HOOI YIM	-	-	-	-
LIEW CHEE KAR	-	-	-	-
THAM WEI MEI	-	-	-	-

Notice of Fifth Annual General Meeting (5th AGM)

NOTICE IS HEREBY GIVEN THAT the 5th Annual General Meeting of CPE Technology Berhad (Registration No. 202101015732 (1416032-X)) ("**Company**") will be held at Le Grandeur Palm Resort, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor Darul Takzim on **Friday, 20 November 2026** at **3.15 p.m.**, for the following purposes:

AGENDA	**Resolution on Proxy Form**
ORDINARY BUSINESS:	
1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 and the Reports of the Directors and Auditors thereon.	Please refer to (Explanatory Note 1)
2. To approve the payment of a Single Tier Final Dividend of 1.5 sen per share in respect of the financial year ended 30 June 2026.	Resolution 1
3. To approve the payment of Directors' fees of RM316,800.00 for the financial year ending 30 June 2027.	Resolution 2
4. To approve the payment of Directors' benefits payable to the Directors of the Company up to an amount of RM5,000.00 from the close of the 5th Annual General Meeting until the conclusion of the 6th Annual General Meeting in year 2027.	Resolution 3
5. To re-elect the following Directors who retire by rotation pursuant to Clause 76(3) of the Company's Constitution at the 5th Annual General Meeting:	
(a) Foo Ming	Resolution 4
(b) Ang Seng Wong	Resolution 5
(c) Tham Wei Mei	Resolution 6
6. To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 7
SPECIAL BUSINESS: To consider and if thought fit, to pass the following resolution, with or without modifications:	
7. **ORDINARY RESOLUTION 8** **AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of the relevant regulatory authorities, where such approval is required, the Directors be and are hereby authorised to issue and allot shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting."	Resolution 8

Notice of Fifth Annual General Meeting (5th AGM)

8. **ORDINARY RESOLUTION 9** Resolution 9
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE OF ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

"THAT subject to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

i. the aggregate number of shares purchased or held as treasury shares does not exceed 10% of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;
ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
iii. the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends.

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

i. the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
ii. the expiration of the period within which the next AGM of the Company is required by law to be held; or
iii. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting.

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

i. To cancel all or part of the Purchased Shares;
ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
iv. To resell all or part of the treasury shares;
v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
vi. To transfer all or part of the treasury shares as purchase consideration;
vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised and empowered to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buyback with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

Notice of Fifth Annual General Meeting (5th AGM)

9. To transact any other business of which due notice shall have been given in accordance with the Act and the Constitution of the Company

By Order of the Board
CPE TECHNOLOGY BERHAD

WONG CHEE YIN (f) (MAICSA7023530)
(SSM Practising Certificate No. 202008001953)
Company Secretary
Johor Bahru
22 October 2026

Notes:

*(1) For the purpose of determining who shall be entitled to attend and vote at the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 10 November 2026**. Only a member whose name appears on this Record of Depositors shall be entitled to attend and vote at the AGM.*

(2) A member who is entitled to attend and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.

(3) A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend and vote instead of the member at the general meeting.

(4) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(5) Where a member of the Company is an exempt authorised nominee 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of Section 25A(1) of the Central Depositories Act.

(6) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(7) The appointment of a proxy may be made via hard copy or electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote, otherwise the proxy form shall not be treated as valid:

(i) Hard copy form

*In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company, Vistra Investor & Issuing House Services Sdn. Bhd. (formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.) ("**Vistra**") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.*

(ii) Electronic form

The proxy appointment can be electronically lodged via Vistra Share Registry and IPO (MY) portal ("The Portal") at https://srmy.vistra.com. Please refer to the Administrative Guide for 5th AGM on the procedures for electronic lodgement of proxy form via Vistra Share Registry and IPO (MY) portal ("The Portal").

(8) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

Notice of Fifth Annual General Meeting (5th AGM)

Notes: (Cont'd)

(9) Last date and time for lodging this proxy form is ***Wednesday, 18 November 2026 at 3.15 p.m****.*

(10) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company, Vistra at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

(11) For a corporate member who has appointed an authorised representative, please deposit the ***ORIGINAL*** *certificate of appointment of authorised representative with the Share Registrar of the Company, Vistra at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:*

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
(i) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or
(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

EXPLANATORY NOTES

ORDINARY BUSINESS:

1. Audited Financial Statements for Financial Year Ended 30 June 2026

This Agenda item is meant for discussion only as the provisions Sections 248(2) and 340(1) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1 – Single Tier Final Dividend

The Board has considered a Single Tier Final Dividend of 1.5 sen per share recommended for the shareholders' approval and the Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within 12 months immediately after the distributions are made on 23 December 2026 in accordance with the requirements under Section 132(2) and (3) of the Companies Act 2016.

3. Ordinary Resolution 2 to 3 – Directors' Fees and Benefits

Pursuant to Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval on the following two (2) separate resolutions shall be sought at the 5th AGM 2026.

- **Ordinary Resolution 2** on payment of Directors' Fees in respect of the financial year ending 30 June 2027; and
- **Ordinary Resolution 3** on payment of Directors' benefits from the close of 5th Annual General Meeting 2026 until conclusion of the 6th Annual General Meeting in year 2027.

The Directors' benefits payable would comprise of directors' allowances and statutory contributions from the close of the 5th AGM 2026 until the conclusion of the 6th AGM 2027.

Notice of Fifth Annual General Meeting (5th AGM)

EXPLANATORY NOTES (CONT'D)

ORDINARY BUSINESS: (CONT'D)

4. Ordinary Resolutions 4 to 6 – Re-election of Directors

Mr. Foo Ming, Dr. Ang Seng Wong and Ms. Tham Wei Mei are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 5th AGM 2026.

The Board has through the Nomination and Remuneration Committee, had considered, and assessed the retiring Directors and agreed that they meet the qualification of Directors as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities and have the character, experience, integrity, competence and time to effectively discharge their roles as Directors.

The Board (save for the retiring Directors who had abstained from deliberations on their own re-election) supports and recommends Mr. Foo Ming, Dr. Ang Seng Wong and Ms. Tham Wei Mei to be re-elected as Director of the Company at the 5th AGM.

5. Ordinary Resolution 7 – Re-appointment of Auditors

The Board has through the Audit and Risk Management Committee, considered the re-appointment of Messrs. Moore Stephens Associates PLT as External Auditors of the Company. The factors considered by the Audit and Risk Management Committee in making the recommendation to the Board to table the re-appointment of Messrs. Moore Stephens Associates PLT at the forthcoming Annual General Meeting, included an assessment of the Auditors' independence and objectivity, caliber and quality process/performance.

SPECIAL BUSINESS:

6. Special Business – Ordinary Resolution 8 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Proposed Ordinary Resolution 8 is for the purpose of granting a renewal of the general mandate and if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding current and/or future investment project(s), working capital, repayment of bank borrowings, acquisitions and/or for allotment of shares as settlement of purchase consideration, by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 4th AGM held on 21 November 2025 and will lapse at the conclusion of the 5th AGM to be held on 20 November 2026. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

7. Special Business – Ordinary Resolution 9 – Proposed Renewal of Authority for the Company to Purchase of its own Shares ("Proposed Renewal of Share Buy-Back Authority")

The proposed Ordinary Resolution 9, if passed, will allow the Company to purchase its own shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares of the Company.

Please refer to the Statement to Shareholders dated 22 October 2026 in relation to the Proposed Renewal of Authority for Share Buyback for further information.

Statement Accompanying Notice of Annual General Meeting

1. Further details of individuals who are standing for election as directors (excluding directors standing for re-election):

   There is no person seeking election as director of the Company at this Annual General Meeting.

2. A statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

   The general mandate for issue of shares is for the renewal of the general mandate obtained from the members at the 4th Annual General Meeting held on 21 November 2025 and no new shares of the Company have been issued pursuant to the said general mandate.

   The purpose of this general mandate is to provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding current and/or future investment project(s), working capital, repayment of bank borrowings, acquisitions and/or for allotment of shares as settlement of purchase consideration.

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CPE Tech®

CPE TECHNOLOGY BERHAD
(Registration No.: 202101015732 (1416032-X))

FORM OF PROXY

CDS Account No.	Number of shares held

I/We _____ (NRIC No./Passport No./Company No. _____)

of _____

Telephone No, _____ being a Member/Members of CPE TECHNOLOGY BERHAD [Registration No. 202101015732 (1416032-X)] hereby appoint:

Full Name	**NRIC No./Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

And/or* (*delete if not applicable)

Full Name	**NRIC No./Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him/her/them, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 5th Annual General Meeting of the Company will be held at Le Grandeur Palm Resort, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor Darul Takzim on **Friday, 20 November 2026 at 3.15 p.m.** and any adjournment thereof and my/our proxy is to vote as indicated below:

1.	To receive the Audited Financial Statements for the financial year ended 30 June 2026 and the Reports of the Directors and Auditors thereon.			
Ordinary Business:				
2.	Approval of Single Tier Final Dividend.	Resolution 1		
3.	To approve the payment of Directors' fees for the financial year ending 30 June 2027.	Resolution 2		
4.	Approval of payment of Directors' benefits with effect from the 5th Annual General Meeting 2026 to the 6th Annual General Meeting 2027 of the Company.	Resolution 3		
5.	Re-election of the following Directors who retire by rotation pursuant to Clause 76(3) of the Company's Constitution.			
	(a) Foo Ming	Resolution 4		
	(b) Ang Seng Wong	Resolution 5		
	(c) Tham Wei Mei	Resolution 6		
6.	Re-appointment of Messrs. Moore Stephens Associates PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 7		
Special Business:				
7.	Authority to Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	Resolution 8		
8.	Proposed Renewal of Share Buy-Back Authority	Resolution 9		

(*Please indicate with an "X" in the appropriate space how you wish your proxy to vote. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

Dated this……..day of……2026

……
**Signature/Common Seal of Shareholder

*** Manner of execution:*
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

*(1) For the purpose of determining who shall be entitled to attend and vote at the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 10 November 2026**. Only a member whose name appears on this Record of Depositors shall be entitled to attend and vote at the AGM.*

(2) A member who is entitled to attend and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.

(3) A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend and vote instead of the member at the general meeting.

(4) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(5) Where a member of the Company is an exempt authorised nominee 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of Section 25A(1) of the Central Depositories Act.

(6) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(7) The appointment of a proxy may be made via hard copy or electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote, <u>otherwise the proxy form shall not be treated as valid</u>:

(i) <u>Hard copy form</u>

*In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company, Vistra Investor & Issuing House Services Sdn. Bhd. (formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.) ("**Vistra**") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.*

(ii) <u>Electronic means</u>

The proxy appointment can be electronically lodged via Vistra Share Registry and IPO (MY) portal ("The Portal") at <u>https://srmy.vistra.com.</u> Please refer to the Administrative Guide for 5th AGM on the procedures for electronic lodgement of proxy form via Vistra Share Registry and IPO (MY) portal ("The Portal").

(8) Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

*(9) Last date and time for lodging this proxy form is **Wednesday, 18 November 2026 at 3.15 p.m.***

(10) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company, Vistra at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

*(11) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company, Vistra at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:*

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(i) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Please fold here to seal

AFFIX STAMP

The Share Registrar

CPE TECHNOLOGY BERHAD

Vistra Investor & Issuing House Services Sdn. Bhd.

(formerly known as Tricor Investor & Issuing House Services Sdn. Bhd.)

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8 Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia
Tel no.: +603 2783 9299

Please fold here to seal



CPE TECHNOLOGY BERHAD
(Registration No.: 202101015732 (1416032-X))

No. 6, Jalan Indah Gemilang 5,
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