

5. INFORMATION ON OUR GROUP

5.1 OUR COMPANY

5.1.1 History and Background

Our Company was incorporated in Malaysia under the Act on 26 April 2021 as a private limited company under the name of CPE Technology Sdn. Bhd. On 13 April 2022, CPE Technology was converted into a public limited company and assumed its present name.

The principal activity of our Company is that of investment holding while our Subsidiary Companies are engineering supporting services provider principally involved in the provision of manufactured precision-machined parts and components. The principal activities of our Subsidiary Companies are as set out in Section 5.3 of this Prospectus.

The history of our Group can be traced back to 20 September 1985 when our founder, Mr. Foo, in partnership with his spouse, Ms. Leong, set up Champion PEW in Singapore. Mr. Foo was previously involved in trading and distribution of machinery and equipment for precision machining. Through his experience and knowledge, he saw an opportunity to set up Champion PEW to provide installation of industrial machinery and equipment as well as mechanical engineering works to the general mechanical parts market. Champion PEW was converted into a sole proprietorship of Ms. Leong in 1988. Mr. Foo then focused on the day-to-day operations of Champion PEW, including marketing as well as technical issues during machining. Our Executive Director and Group Chief Executive Officer, Mr. Lee, subsequently joined Champion PEW in 1989, initially as a machine operator.

As a strategic business decision, Mr. Foo, Mr. Lee, Mr. Chan Siew Hong, and Mr. Seah Ngee Chuah, incorporated Champion P in Malaysia on 24 November 1994 and relocated our Group's manufacturing activities to Malaysia. Champion P purchased and established our Group's first factory in Malaysia located in Ulu Tiram, Johor on a lot approximately 4,800 sq ft large. At that time, other services of our Group such as sales and marketing, engineering support and logistic services remained in Singapore. As at the LPD, our sales and marketing, engineering support and logistic services are carried out in both Malaysia and Singapore.

Champion PT was incorporated on 22 August 1995 under the name Libratech Enterprise Sdn. Bhd. to initially undertake property investment activities. Champion PT assumed its current name on 13 December 2005. Through Champion PT, our Group acquired our second and third factories in Ulu Tiram, Johor in 1995 with a combined land area of approximately 18,000 sq ft to support our Group's manufacturing activities.

Champion PE was then incorporated on 30 January 1996 in Singapore in order to take over the business and operations of Champion PEW. Champion PE was involved in the installation of machinery and equipment, mechanical engineering works, and manufacturing of precision-machined parts and components. As at the LPD, the majority of manufacturing activities are carried out in our facilities in Malaysia while Champion PE carries out minor amendments to the precision-machined parts and components. Champion PEW was terminated as a sole proprietorship of Ms. Leong on 30 April 1996.

In 2000, Champion PT began to undertake manufacturing activities, beginning with the manufacture of precision-machined parts and components for the engineering and mechanical industries. As a result, Champion P gradually decreased its manufacturing activities and became dormant beginning of 2001 and was subsequently dissolved following the lodgement of return by liquidator relating to final meeting dated 6 October 2018. Additionally, in 2000, our Group moved our manufacturing operations from our first factory into the second and third factories. In the same year, our Group attained ISO 9001:2000 certification from Certification International (UK) Limited under the scope of "precision machining engineering services".

We then acquired Plant 1 with a gross floor area of approximately 31,815 sq ft in 2005 and we subsequently shifted our manufacturing activities from our second and third factories to Plant

5. INFORMATION ON OUR GROUP (CONT'D)

1 where we began to manufacture precision-machined parts and components for the automotive industry. Our second and third factories were sold in the same year. Over the years, we continued to gradually expand and began to increase our manufacturing activities for the life science and medical devices industry in 2007.

In 2008, we successfully penetrated the sport equipment industry with our first purchase order from Sport Equipment Customer 1 for precision-machined parts and components used for hydraulic brake systems. We have continued to work with Sport Equipment Customer 1 over the years and have been recognised for our product development and innovation. We received various awards from Sport Equipment Customer 1 over the years such as the “Innovation Award” in 2011, the “Special Achievement Award” in 2014, and the “Best Performance Award” for the Reel Division of Sport Equipment Customer 1 in 2017, 2018, 2019 and 2020.

On 25 September 2012, Champion C was incorporated and began manufacturing of precision-machined parts and components for the sport equipment industry. Since then, Champion C has become Champion PT's sub-contractor and has expanded into manufacturing of precision-machined parts and components for Champion PT for a range of industries. Champion Oil was also incorporated on 25 September 2012 to manufacture precision-machined parts and components for use in the oil and gas industry. Champion Oil was eventually declared dormant in November 2019.

In light of increased demand for our Group's services, we leased Plant 4 and a factory located at No. 7, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800, Ulu Tiram, Johor in 2013. In the same year, we commenced operations in Plant 4 and the said factory. We subsequently ceased leasing the said factory in 2019 after Champion Oil was declared dormant. On the other hand, we completed the purchase of Plant 4 in 2021.

In 2014, our ISO 9001 certification was updated and we were re-certified with ISO 9001:2008 under the scope of “precision machining for electro-mechanical parts (excluding 7.3, product design)” by the Vehicle Certification Agency. Our Group also attained additional certification in 2014; namely the ISO/TS 16949:2009 certification from the Vehicle Certification Agency under the scope of “precision machining for electro-mechanical parts (excluding 7.3, product design)”. ISO/TS 16949:2009 differs from ISO 9001:2008 as it has particular requirements for the automotive industry.

We began to expand to the semiconductor industry in 2016 where we manufactured precision-machined parts and components used for front-end semiconductor manufacturing, whereby the blank wafer is fabricated to a completed wafer. In 2017, we acquired Plant 3 and subsequently began operations there to accommodate our growing business in the semiconductor industry. During the same year, we also acquired Plant 2. However, the facility was previously rented out to a tenant and we only began operating in Plant 2 in 2019.

Our Group had, on 19 November 2018, submitted an application to the HKEX seeking for listing on the Main Board of the HKEX by way of share offer. Our Group had met the prevailing profit requirements for the Main Board of the HKEX then at the point of submission for the HKEX IPO.

However, after submission on 19 November 2018 and whilst still in the FYE 30 June 2019 (before the FYE 30 June 2019 ended), our Group realised that the financial performance of our Group would likely drop as compared with that of the FYE 30 June 2018. Had FYE 30 June 2019 figures were to be used for the third financial year of the profit track record of our Group for the HKEX IPO, our Group realised that we may not be able to achieve the pre-requisite minimum profit requirement for the third financial year for the Main Board of the HKEX.

Taking into consideration the foregoing and the Anti-Extradition Law Amendment Bill Movement (also known as the 2019 Hong Kong protests, which were a series of demonstrations since 15 March 2019), and coupled with the expiry of the mandate with our

5. INFORMATION ON OUR GROUP (CONT'D)

principal adviser for the HKEX IPO on 31 March 2019, our Group had decided against continuing with the listing exercise on HKEX (by possibly extending the mandate).

In 2019, as a strategic business decision, our Group began to shift our focus to the semiconductor industry and to slow down our involvement in the automotive industry. This was mainly due to the growing trend in electric vehicles which would lead to a lower demand for engine parts and components manufactured by our Group. Since then, we have continued to grow our business in the semiconductor industry and gained new customers.

Today, we are an established engineering supporting services provider in Malaysia and Singapore, with more than 30 years of history. We have grown from providing installation of industrial machinery and equipment and mechanical engineering works to now being able to manufacture precision-machined parts and components which support various industries such as semiconductor, life science and medical devices and the sport equipment industries.

5.1.2 Our Key Business Milestones

The key milestones and achievements of our Group are as stated in the table below.

No.	Year	Key Milestones and Achievements
1.	1985	Established Champion PEW to provide installation of industrial machinery and equipment as well as provide mechanical engineering works.
2.	1994	Established Champion P in Malaysia to manufacture precision-machined parts and components. Set up our first factory in Ulu Tiram, Johor on a lot approximately 4,800 sq ft large and moved our Group's manufacturing activities from Singapore to Malaysia.
3.	1995	Established Champion PT to engage in property investment. Acquired our second and third factories in Ulu Tiram, Johor with a combined land area of approximately 18,000 sq ft.
4.	1996	Established Champion PE to take over the business and operations of Champion PEW. Champion PEW ceased its operations.
5.	2000	Champion PT began to manufacture precision-machined parts and components.
6.	2001	Champion PT took over the business and operations of Champion P. Champion P ceased its operations. Moved our manufacturing operations from the first factory into the second and third factories. Attained ISO 9001:2000 certification from Certification International (UK) Limited under the scope "precision machining engineering services".
7.	2005	Acquired our Plant 1.
8.	2006	Shifted our manufacturing activities from our second and third factories to Plant 1.

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Year	Key Milestones and Achievements
		Started to manufacture precision-machined parts and components for the automotive industry.
9.	2007	Started to increase our manufacturing activities for the life science and medical devices industry.
10.	2008	Started to manufacture precision-machined parts and components for sport equipment for Sport Equipment Customer 1.
11.	2011	Received the "Innovation Award" from Sport Equipment Customer 1.
12.	2012	Established Champion C to provide CNC turning and milling services for the sport equipment industry. Champion C has since become a sub-contractor of Champion PT and manufactures precision-machined parts and components for Champion PT for a range of industries.
		Established Champion Oil to manufacture parts and components for the oil and gas industry.
13.	2013	Commenced operations in Plant 4 and a factory located at No. 7, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor.
14.	2014	Re-certified with ISO 9001:2008 certification from the Vehicle Certification Agency under the scope "precision machining for electro-mechanical parts (excluding 7.3, product design)".
		Attained ISO/TS 16949:2009 certification from the Vehicle Certification Agency under the scope of "precision machining for electro-mechanical parts (excluding 7.3, product design)".
		Received the "Special Achievement Award" from Sport Equipment Customer 1.
15.	2016	Began to expand to the semiconductor industry in 2016 where we manufactured precision-machined parts and components used for front-end semiconductor manufacturing, whereby the blank wafer is fabricated to a completed wafer.
16.	2017	Acquired our Plant 2.
		Acquired our Plant 3.
		Received the "Best Performance Award" from Sport Equipment Customer 1.
17.	2018	Submitted an application to the HKEX seeking for listing on the Main Board of the HKEX.
		Received the "Best Performance Award" for the Reel Division from Sport Equipment Customer 1.
18.	2019	Received the "Best Performance Award" for the Reel Division from Sport Equipment Customer 1.
		Aborted the listing exercise on the HKEX.
		Champion Oil was declared dormant.

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Year	Key Milestones and Achievements
19.	2020	Received the "Best Performance Award" for the Reel Division from Sport Equipment Customer 1.
20.	2021	Acquired our Plant 4.

5.1.3 Share Capital

Our issued share capital is approximately RM91.40 million, comprising 503,486,091 Shares as at the date of this Prospectus. Our Company does not have any treasury shares as at the date of this Prospectus.

Save as disclosed in the table below, there has been no change in our issued share capital for the past 3 years preceding the LPD.

No.	Date of Allotment	Number of Shares Allotted	Number of Cumulative Shares	Cumulative Issued Share Capital
				RM
1.	26 April 2021	10	10	10
2.	13 January 2022	⁽¹⁾ 198,426,081	198,426,091	45,638,009
3.	31 March 2022	⁽²⁾ 305,060,000	503,486,091	91,397,009

Notes:-

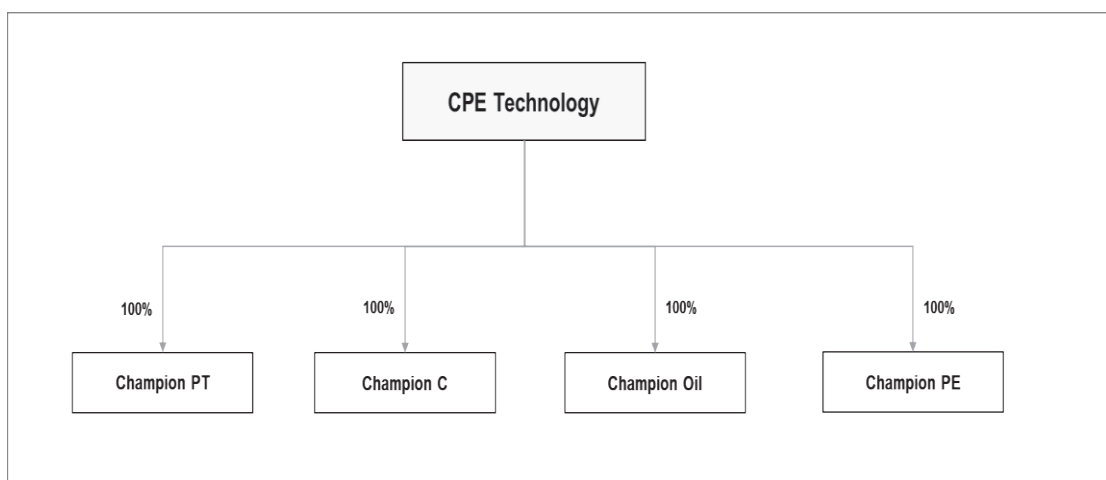
⁽¹⁾ Pursuant to the Capitalisation of the Amount Owing by CPE Technology to the Promoters.

⁽²⁾ Pursuant to the Acquisition of Champion PE.

None of our Shares were issued at a discount, on special terms or based on instalment payment terms.

5.2 OUR GROUP STRUCTURE

An overview of our Group structure as at the LPD is as follows:-



5. INFORMATION ON OUR GROUP (CONT'D)

5.3 OUR SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

Our Subsidiary Companies as at the LPD are as stated in the table below.

No.	Company Name	Company Number	Date of Incorporation	Country of Incorporation	Share Capital	Our Effective Equity Interest		Principal Activities
							%	
1.	Champion PT	199501027211 (356416-M)	22 August 1995	Malaysia	RM2,200,000		100.00	Provision of CNC turning and milling services.
2.	Champion C	201201033711 (1018199-H)	25 September 2012	Malaysia	RM2,100,000		100.00	Provision of CNC turning and milling services.
3.	Champion Oil	201201033715 (1018203-M)	25 September 2012	Malaysia	RM270,000		100.00	Provide services for the parts and components of machinery for the oil and gas industry. (Champion Oil ceased operations on 31 October 2019 and has been dormant since then.)
4.	Champion PE	199600738M	30 January 1996	Singapore	SGD200,000		100.00	Trading of metal precision components.

As at the LPD, we do not have any associate companies.

The rest of this page has been intentionally left blank

5. INFORMATION ON OUR GROUP (CONT'D)

The details of our Subsidiary Companies as at the LPD are as follows:-

5.3.1 Information on Champion PT

Champion PT was incorporated in Malaysia under the Companies Act 1965 on 22 August 1995 as a private limited company under the name Libratech Enterprise Sdn. Bhd. and is deemed registered under the Act. It changed its name to Champion Precision Technology Sdn. Bhd. on 13 December 2005. Champion PT is principally involved in the provision of CNC turning and milling services. The principal place of business of Champion PT is at No. 18, Jalan Istimewa 4, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor. Champion PT owns and operates Plant 1, Plant 2 and Plant 4.

The issued share capital of Champion PT is RM2,200,000 comprising 2,200,000 ordinary shares. There has been no change in the issued share capital of Champion PT for the past 3 years preceding the LPD.

Champion PT is our wholly-owned subsidiary company. As at the LPD, Champion PT does not have any subsidiary companies or associate companies.

5.3.2 Information on Champion C

Champion C was incorporated in Malaysia under the Companies Act 1965 on 25 September 2012 as a private limited company and is deemed registered under the Act. Champion C is principally involved in the provision of CNC turning and milling services. The principal place of business of Champion C is at No. 6, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor.

Champion C owns and operates Plant 3. Champion C is involved in primary processes only and it is not involved in any secondary processes. Champion C acts as the sub-contractor of Champion PT whereby Champion PT is the sole customer of Champion C.

The issued share capital of Champion C is RM2,100,000 comprising 2,100,000 ordinary shares. There has been no change in the issued share capital of Champion C for the past 3 years preceding the LPD.

Champion C is our wholly-owned subsidiary company. As at the LPD, Champion C does not have any subsidiary companies or associate companies.

5.3.3 Information on Champion Oil

Champion Oil was incorporated in Malaysia under the Companies Act 1965 on 25 September 2012 as a private limited company and is deemed registered under the Act. Champion Oil is principally involved in providing services for the parts and components of machinery for the oil and gas industry. Champion Oil ceased operations on 31 October 2019 and has been dormant since then. The principal place of business of Champion Oil prior to cessation of its operations was at No. 7, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor.

The issued share capital of Champion Oil is RM270,000 comprising 270,000 ordinary shares. There has been no change in the issued share capital of Champion Oil for the past 3 years preceding the LPD.

Champion Oil is our wholly-owned subsidiary company. As at the LPD, Champion Oil does not have any subsidiary companies or associate companies.

5. INFORMATION ON OUR GROUP (CONT'D)

5.3.4 Information on Champion PE

Champion PE was incorporated in Singapore under the Companies Act 1967 of Singapore on 30 January 1996 as a private limited company. Champion PE is principally involved in the trading of metal precision components. The principal place of business of Champion PE is at 5B, Gambas Crescent Nordcom I, Singapore 757038. Champion PE is involved principally in the external sales of our Group to our customers in Singapore and other countries apart from Malaysia.

The issued share capital of Champion PE is SGD200,000 comprising 200,000 ordinary shares. There has been no change in the issued share capital of Champion PE for the past 3 years preceding the LPD.

Champion PE is our wholly-owned subsidiary company. As at the LPD, Champion PE does not have any subsidiary companies or associate companies.

5.4 Other Information

As at the LPD, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital.

None of our Shares and share capital in our Subsidiary Companies were issued and allotted at a discount or have any special terms or any instalment payment terms. Our issued Shares and the issued shares of our Subsidiary Companies are fully paid-up.

As at the LPD, neither our Company nor our Subsidiary Companies are involved in any bankruptcy, receivership or similar proceedings.

During the last financial year up to and including the LPD, there were no:-

- (i) Public take-over offers by third parties in respect of our Shares; and
- (ii) Public take-over offers by our Company in respect of other companies' securities.

The rest of this page has been intentionally left blank

5. INFORMATION ON OUR GROUP (CONT'D)

5.5 Material Properties

5.5.1 Material Properties Owned by Our Group

No.	Registered Owner / Postal Address / Title Details	Description of Property / Tenure / Existing Use	⁽¹⁾ Approximate Land Area / Gross Floor Area sq ft	Date of Issuance of Certificate of Completion and Compliance (CCC) / Certificate of Fitness for Occupation (CF) or Equivalents	Category of Land Use/ Express Condition / Restriction in Interest	Major Encumbrances	Audited NBV as at 31 December 2021 RM'000
1.	<u>Registered Owner</u> Champion PT <u>Postal Address</u> No. 18, Jalan Istimewa 4, Taman Perindustrian Cemerlang, Ulu 81800 Tiram, Johor <u>Title Details</u> H.S.(D) 346939, PTD 166522, in Mukim Plentong, District of Johor Bahru, State of Johor	<u>Description of Property</u> Single detached factory with a 2-storey storey office building and an annexed 2-storey guard house/refuse chamber <u>Tenure</u> Freehold <u>Existing Use</u> Plant 1	50,213 / 31,379	2 December 2005	<u>Category of Land Use</u> Business/Industrial <u>Express Condition of Land Use</u> (i) Industrial lot for medium sized industrial facility to be built according to local council approval. (ii) All impurities and pollutants resulting from these activities shall be channelled / disposed of to places as determined by the relevant authorities. (iii) To comply with all policies and regulations set forth and enforced by the relevant authorities from time to time.	(i) Property charged by Champion PT to Public Bank Berhad under the presentation no. 69841/2005, registered on 7 October 2005 (ii) Private caveat entered by Public Islamic Bank Berhad under the presentation no. 37737/2015, registered on 6 December 2015 (iii) Property charged by Champion PT to Public Islamic Bank Berhad under the presentation no. 99972/2015, registered on 22 December 2015.	3,358

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Registered Owner / Postal Address / Title Details	Description of Property / Tenure / Existing Use	(1) Approximate Land Area / Gross Floor Area sq ft	Date of Issuance of Certificate of Completion and Compliance (CCC) / Certificate of Fitness for Occupation (CF) or Equivalents	Category of Land Use/ Express Condition / Restriction in Interest	Major Encumbrances	Audited NBV as at 31 December 2021 RM'000
2.	Registered Owner Champion PT Postal Address	Description of Property Single detached factory with an annexed 3-storey office building a guard	41,338 / 19,483	29 January 2015	<u>Restriction in Interest</u> (i) The land may not be transferred unless the factory building has been constructed in accordance with the approved plan by the relevant local authority. (ii) In the event that the land is transferred to a Bumiputera / Bumiputera company, the land cannot later be transferred, charged, or leased to a non-Bumiputera / non-Bumiputera company without the consent of the state.	(i) Property charged by Champion PT to Public Bank Berhad under the presentation no. 55104/2017, registered on 20 August 2017	6,515

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Registered Owner / Postal Address / Title Details	Description of Property / Tenure / Existing Use	⁽¹⁾ Approximate Land Area / Gross Floor Area sq ft	Date of Issuance of Certificate of Completion and Compliance (CCC) / Certificate of Fitness for Occupation (CF) or Equivalents	Category of Land Use/ Express Condition / Restriction in Interest	Major Encumbrances	Audited NBV as at 31 December 2021 RM'000
	No. 4, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor <u>Title Details</u> HS(D) 541153, PTD 221505, Mukim Plentong, District of Johor Bahru, State of Johor	house, a National substation, a rubbish bin centre and a pump room <u>Tenure</u> Freehold <u>Existing Use</u> Plant 2			sized industrial facility with 3-storey office and any other usage has to be complied with the plan approved by the local authority. (ii) All impurities and pollutants resulting from these activities shall be channelled/disposed of to places as determined by the relevant authorities. (iii) To comply with all policies and regulations set forth and enforced by the relevant authorities from time to time. <u>Restriction in Interest</u> Nil.	(ii) Private caveat entered by Public Bank Berhad under the presentation no. 23270/2017, registered on 6 August 2017	
3.	<u>Registered Owner</u> Champion PT	<u>Description of Property</u> Single detached with an _____ of _____ storey with an _____	43,475 / 19,483	5 October 2012	<u>Category of Land Use</u> Business/Industrial <u>Express Condition of Land Use</u>	(i) Property charged by Champion PT to Public Bank Berhad under the presentation no.	(2) 6,824

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Registered Owner / Postal Address / Title Details	Description of Property / Tenure / Existing Use	⁽¹⁾ Approximate Land Area / Gross Floor Area sq ft	Date of Issuance of Certificate of Completion and Compliance (CCC) / Certificate of Fitness for Occupation (CF) or Equivalents	Category of Land Use/ Express Condition / Restriction in Interest	Major Encumbrances	Audited NBV as at 31 December 2021 RM'000
	<u>Postal Address</u> No. 5, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, Ulu Tiram, Johor <u>Title Details</u> HS(D) 506800, PTD 212911, Mukim Plentong, District of Johor Bahru, State of Johor	annexed 3-storey office building, a guard house, a National substation, a rubbish bin centre and a pump room. <u>Tenure</u> Freehold <u>Existing Use</u> Plant 4			(i) This land to be used as a single storey medium-sized industrial facility with 3-storey office and any other usage has to be complied with the plan approved by the local authority. (ii) All impurities and pollutants resulting from these activities shall be channelled/discharged to places as determined by the relevant authorities (iii) To comply with all policies and regulations set forth and enforced by the relevant authorities from time to time. <u>Restriction in Interest</u> Nil.	75810/2021 registered on 29 November 2021 (ii) Private caveat by Public Bank Berhad with presentation on 28374/2021, registered on 12 October 2021	
4.	<u>Registered Owner</u>	<u>Description Property</u> of	41,513 / 26,241	29 January 2015	<u>Category of Land Use</u>	Property charged by Champion C to Public Bank Berhad under the presentation no.	6,803

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Registered Owner / Postal Address / Title Details	Description of Property / Tenure / Existing Use	(1) Approximate Land Area / Gross Floor Area sq ft	Date of Issuance of Certificate of Completion and Compliance (CCC) / Certificate of Fitness for Occupation (CF) or Equivalents	Category of Land Use/ Express Condition / Restriction in Interest	Major Encumbrances	Audited NBV as at 31 December 2021 RM'000
	<p>Champion C <u>Postal Address</u> No.6, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor</p> <p><u>Title Details</u> HS(D) 541154, PTD 221506, Mukim Plentong, District of Johor Bahru, State of Johor</p>	<p>Single detached factory with an annexed 3-storey office building a guard house, a National Berhad substation, a rubbish bin centre and a pump room</p> <p><u>Tenure</u> Freehold <u>Existing Use</u> Plant 3</p>			<p>Business/Industrial <u>Express Condition of Land Use</u></p> <p>(i) This land to be used as a single storey medium-sized industrial facility with three storey office and any other usage has to be complied with the plan approved by the local authority.</p> <p>(ii) All impurities and pollutants resulting from these activities shall be channelled/disposed of to places as determined by the relevant authorities</p> <p>(iii) To comply with all policies and regulations set forth and enforced by the relevant authorities from time to time.</p> <p><u>Restriction in Interest</u> Nil.</p>	52281/2017, registered on 7 August 2017	

5. INFORMATION ON OUR GROUP (CONT'D)

Notes:-

- (1) *Approximate based on the conversion from square meter to sq ft using the conversion rate of 1 square meter is equal to 10.7639104 sq ft.*
(2) *The NBV of Plant 4 as at 31 December 2021 is higher than the purchase consideration for the acquisition of Plant 4 of RM6.50 million due to the capitalisation of the legal fee and stamp duty incidental to the sale and purchase agreement and the loans for the said acquisition.*

Save as disclosed below, the properties owned by our Group are not in breach of any land use conditions, current statutory requirements, land rules and/or building regulations/by-laws as at the LPD:-

We have yet to receive the approval from the MJB on our revised building plan for Plant 1 pursuant to, among others, installation of additional metal platform and metal deck/awning in Plant 1 sometime November 2021. Our revised building plan for Plant 1 has been submitted to the MJB on 14 February 2022. We expect to obtain the approval from the MJB on our revised building plan for Plant 1 by the month of August 2022.

Pursuant to Section 79 of the SDBA 1974, no person shall erect or cause or permit to be erected in any building any partition, compartment, gallery, loft, roof, ceiling or other structure without having the prior written permission of the local authority. In the event such incident occurs, the local authority, its agents or servants may enter any such building and remove any partition, compartment, gallery, loft, roof, ceiling or other structure which has been erected without the prior written permission of the local authority in which event the person in default or if the person in default is unknown or untraceable or even if traceable is unable to pay the expenses incurred, the owner shall pay to the local authority the costs and expenses of:-

- (i) Demolishing such structure; and
- (ii) Removal of the movable property found in the building at a rate which may be prescribed by the local authority for every trip made by wagon or transporting vehicle for the purpose of the removal and storage; and
- (iii) Storing the movable property at a rate which may be prescribed by the local authority if it is not claimed on the day the movable property is removed; and
- (iv) Any other activities incidental to or arising out of paragraphs (i), (ii) and (iii).

and shall be deemed to have indemnified the local authority against any claim, damage, loss, action or proceeding that may be brought against the local authority including any cost and expenses arising out of and incidental to paragraphs (i), (ii), (iii) and (iv).

Furthermore, without prejudice to the local authority's rights, any person who contravenes Section 79 of the SDBA 1974 shall be liable on conviction to a fine not exceeding RM500.00 and shall also be liable to a further fine not exceeding RM100.00 for every day during which the offence is continued after conviction.

Our Group does not expect the above to have material impact to our business operations and financial conditions due to the following:-

- (i) The additional metal platform and metal deck/awning in Plant 1 has no impact on our production areas in Plant 1; and

5. INFORMATION ON OUR GROUP (CONT'D)

(ii) We have made the necessary submission to MIBJB and expects to obtain the said approval from MIBJB sometime August 2022.

5.5.2 Material Properties Tenanted by Our Group

No.	Landlord / Tenant	Postal Address	Description of Property / Existing Use	(1) Approximate Land Area sq ft	Description of Property / Existing Use
1.	<u>Landlord</u> Grow-Tech Properties Pte. Ltd. <u>Tenant</u> Champion PE	3 Gambas Crescent #01-08 Nordcom I Singapore 757088	<u>Description of Property</u> Light industrial factory, first floor of 10-storey part ramp up multiple-user light industrial development <u>Existing Use</u> The light industrial factory is used as the warehouse of Champion PE.	2,088	<u>Period of Tenancy</u> 1 September 2020 to 31 August 2022 <u>Rental per annum</u> SGD40,089.60 per annum
2.	<u>Landlord</u> Grow-Tech Properties Pte. Ltd. <u>Tenant</u> Champion PE	5B Gambas Crescent Nordcom I Singapore 757038	<u>Description of Property</u> Factory, whole of 3-storey terrace factory <u>Existing Use</u> The factory is used as the office and warehouse of Champion PE. Champion PE also carries out minor amendments to the precision-machined parts and components in the factory.	5,404	<u>Period of Tenancy</u> 1 June 2021 to 31 May 2023 <u>Rental per annum</u> SGD77,817.60

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Landlord / Tenant	Postal Address	Description of Property / Existing Use	(1) Approximate Land Area sq ft	Description of Property / Existing Use
3.	<u>Landlord</u> Chan Sheau Feng <u>Tenant</u> Champion PT	No. 4, Jalan Kekabu 4, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Single storey terrace house <u>Existing Use</u> Hostel	1,399	<u>Period of Tenancy</u> 1 January 2022 to 31 December 2022 <u>Rental per annum</u> RM14,400.00
4.	<u>Landlord</u> Wong Lai Peng <u>Tenant</u> Champion PT	No. 153, Jalan Saga 14, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u> Hostel	1,765	<u>Period of Tenancy</u> 7 January 2021 to 6 February 2023 <u>Rental per annum</u> RM13,800.00
5.	<u>Landlord</u> Kee Siok Moy <u>Tenant</u> Champion PT	No. 14, Jalan Lanjut 10, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor Bahru	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u> Hostel	1,195	<u>Period of Tenancy</u> 15 March 2022 to 14 March 2023 <u>Rental per annum</u> RM16,800.00
6.	<u>Landlord</u> Kee Siok Moy <u>Tenant</u> Champion PT	No. 22, Jalan Saga 15, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor Bahru	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u> Hostel	1,765	<u>Period of Tenancy</u> 15 March 2022 to 14 March 2023 <u>Rental per annum</u> RM18,000.00
7.	<u>Landlord</u> Pang Joo Hua <u>Tenant</u>	No. 28, Jalan Saga 8, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u>	1,765	<u>Period of Tenancy</u> 1 March 2021 to 28 February 2023 <u>Rental per annum</u>

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Landlord / Tenant	Postal Address	Description of Property / Existing Use	(1) Approximate Land Area sq ft	Description of Property / Existing Use
	Champion PT		Hostel		RM15,600.00
8.	<u>Landlord</u> Foong Wee Min <u>Tenant</u> Champion PT	No. 19A, Jalan Johar 4, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u> Hostel	1,539	<u>Period of Tenancy</u> 1 April 2022 to 31 March 2023 <u>Rental per annum</u> RM15,600.00
9.	<u>Landlord</u> Zarina Binti Eni <u>Tenant</u> Champion PT	No. 8A and 8B, Jalan Johar 3, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u> Hostel	1,539	<u>Period of Tenancy</u> 1 July 2019 to 30 June 2022 <u>Rental per annum</u> RM31,200.00
10.	<u>Landlord</u> Wong Foon Chun <u>Tenant</u> Champion PT	No. 7A, Jalan Johar 1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u> Hostel	1,539	<u>Period of Tenancy</u> 1 August 2021 to 31 July 2023 <u>Rental per annum</u> RM12,000.00
11.	<u>Landlord</u> Chan Chia Ann <u>Tenant</u> Champion PT	No. 26, Jalan Melunak 1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor.	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u> Hostel	732	<u>Period of Tenancy</u> 1 September 2021 to 31 August 2022 <u>Rental per annum</u> RM5,640.00
12.	<u>Landlord</u> Chan Lai Chi	No. 53, Jalan Saga 14, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Double storey terrace house	1,765	<u>Period of Tenancy</u> 1 September 2021 to 31 August 2022

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Landlord / Tenant	Postal Address	Description of Property / Existing Use	(1) Approximate Land Area sq ft	Description of Property / Existing Use
	<u>Tenant</u> Champion PT		<u>Existing Use</u> Hostel		<u>Rental per annum</u> RM12,000.00
13.	<u>Landlord</u> Chong Chiew Lan <u>Tenant</u> Champion PT	No. 11A & 11B, Jalan Johar 1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u> Hostel	1,539	<u>Period of Tenancy</u> 15 September 2021 to 14 September 2023 <u>Rental per annum</u> RM21,600.00
14.	<u>Landlord</u> Han Anthony Dicken <u>Tenant</u> Champion PT	No. 70, Jalan Saga 10, Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> 1 unit of double storey terrace house of 4 rooms <u>Existing Use</u> Hostel	1,765	<u>Period of Tenancy</u> 1 September 2021 to 31 August 2022 <u>Rental per annum</u> RM10,200.00
15.	<u>Landlord</u> Ng Sin Nang <u>Tenant</u> Champion PT	No. 22A & 22B, Jalan Johar 3, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u> Hostel	1,539	<u>Period of Tenancy</u> 15 September 2021 to 14 September 2023 <u>Rental per annum</u> RM19,200.00
16.	<u>Landlord</u> Oh Oon Koon <u>Tenant</u> Champion PT	No. 25A, Jalan Johar 3/1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Double storey shop house <u>Existing Use</u> Hostel	1,894	<u>Period of Tenancy</u> 1 September 2021 to 31 August 2022 <u>Rental per annum</u> RM14,400.00

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Landlord / Tenant	Postal Address	Description of Property / Existing Use	(1) Approximate Land Area sq ft	Description of Property / Existing Use
17.	<u>Landlord</u> Pho Siew Hoon <u>Tenant</u> Champion PT	No. 14, Jalan Lanjut 13, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u> Hostel	1,195	<u>Period of Tenancy</u> 1 October 2021 to 30 September 2022 <u>Rental per annum</u> RM14,400.00
18.	<u>Landlord</u> Poon Wai Chan <u>Tenant</u> Champion PT	No. 51, Jalan Johar 7, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u> Hostel	1,399	<u>Period of Tenancy</u> 1 September 2021 to 31 August 2022 <u>Rental per annum</u> RM12,000.00
19.	<u>Landlord</u> Tan Hao Jie <u>Tenant</u> Champion PT	No. 7, Jalan Kekabu 6, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u> Hostel	1,399	<u>Period of Tenancy</u> 1 September 2021 to 31 August 2022 <u>Rental per annum</u> RM12,000.00
20.	<u>Landlord</u> Tay Aik Jiun <u>Tenant</u> Champion PT	No. 33, Jalan Saga 16, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u> Hostel	3,563	<u>Period of Tenancy</u> 1 September 2022 to 31 August 2024 <u>Rental per annum</u> RM11,400.00
21.	<u>Landlord</u> Teh Teong Kee <u>Tenant</u>	No. 55-01 & 55-02, Jalan Tanjung 1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u>	1,647	<u>Period of Tenancy</u> 1 September 2021 to 31 August 2022 <u>Rental per annum</u>

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Landlord / Tenant	Postal Address	Description of Property / Existing Use	(1) Approximate Land Area sq ft	Description of Property / Existing Use
	Champion PT		Hostel		RM26,400.00
22.	<u>Landlord</u> Ter Poh Hwa <u>Tenant</u> Champion PT	No. 15A & 15B, Jalan Johar 1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u> Hostel	1,539	<u>Period of Tenancy</u> 1 October 2021 to 30 September 2022 <u>Rental per annum</u> RM21,600.00
23.	<u>Landlord</u> Tan Ah Kew <u>Tenant</u> Champion PT	No. 9, Jalan Lanjut 17, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Double storey terrace house <u>Existing Use</u> Hostel	1,496	<u>Period of Tenancy</u> 23 November 2021 to 22 November 2022 <u>Rental per annum</u> RM13,200.00
24.	<u>Landlord</u> Tan Lee Huat <u>Tenant</u> Champion PT	No. 3A & 3B, Jalan Johar 1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> 3 storey shop house (1 st and 2 nd floor) <u>Existing Use</u> Hostel	1,539	<u>Period of Tenancy</u> 1 January 2022 to 31 December 2023 <u>Rental per annum</u> RM30,600.00
25.	<u>Landlord</u> Ow Suet Fun <u>Tenant</u> Champion PT	No. 27A, Jalan Johar 1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> 1 st floor of 3 storey Shop Lot <u>Existing Use</u> Hostel	1,539	<u>Period of Tenancy</u> 1 January 2022 to 31 December 2023 <u>Rental per annum</u> RM15,600.00
26.	<u>Landlord</u> Watsonland Realty Sdn. Bhd.	No.32B & 34B, Jalan Johar 3, Taman Desa Cemerlang, 81800 Johor Bahru, Johor	<u>Description of Property</u> Triple storey shop house	1,539 for each unit	<u>Period of Tenancy</u> 1 January 2022 to 31 December 2023

5. INFORMATION ON OUR GROUP (CONT'D)

No.	Landlord / Tenant	Postal Address	Description of Property / Existing Use	(1) Approximate Land Area sq ft	Description of Property / Existing Use
	<u>Tenant</u> Champion PT		<u>Existing Use</u> Hostel		<u>Rental per annum</u> RM19,200.00
27.	<u>Landlord</u> Watsonland Realty Sdn. Bhd. <u>Tenant</u> Champion PT	No. 36B, Jalan Johar 3, Taman Desa Cemerlang, 81800 Johor Bahru, Johor	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u> Hostel	2,519	<u>Period of Tenancy</u> 1 January 2022 to 31 December 2023 <u>Rental per annum</u> RM15,600.00
28.	<u>Landlord</u> Wong Foon Chun <u>Tenant</u> Champion PT	No. 7B, Jalan Johar 1, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u> Hostel	1,539	<u>Period of Tenancy</u> 1 August 2021 to 31 July 2023 <u>Rental per annum</u> RM9,600.00
29.	<u>Landlord</u> Beh Chin Khoon <u>Tenant</u> Champion PT	No. 30A & 30B, Jalan Johar 2, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor Bahru	<u>Description of Property</u> Triple storey shop house <u>Existing Use</u> Hostel	2,131	<u>Period of Tenancy</u> 15 March 2022 to 14 March 2024 <u>Rental per annum</u> RM30,000.00
30.	<u>Landlord</u> Lim Gek Hwee <u>Tenant</u> Champion PT	No. 20, Jalan Lanjut 11, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor	<u>Description of Property</u> Double storey shop house <u>Existing Use</u> Hostel	1,399	<u>Period of Tenancy</u> 1 September 2021 to 31 August 2022 <u>Rental per annum</u> RM10,200.00

Note:-

(1) Approximate based on the conversion from square meter to sq ft using the conversion rate of 1 square meter is equal to 10.7639104 sq ft.

5. INFORMATION ON OUR GROUP (CONT'D)

Save for the properties as stated in Items No. 5, 6, 20 and 29 of the table above, all of our hostels have been issued with a valid Certificate of Accommodation. As at the LPD, the said properties are vacant and are our spare units for the housing accommodations for our workers. We have obtained the approvals from MJB in regard to use the said properties as the housing accommodations for our workers and we expect to obtain the Certificates of Accommodation from Department of Labour of Peninsular Malaysia in the third quarter of 2022.

The properties tenanted by our Group are not in breach of any other land use conditions, current statutory requirements, land rules and/or building regulations/by-laws, which will have material adverse impact on our operations as at the LPD.

The rest of this page has been intentionally left blank