

13. ADDITIONAL INFORMATION

13.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of issue of this Prospectus.
- (ii) As at the date of this Prospectus, we only have 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in Sections 3.2.1 and 3.2.2 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the 2 years immediately preceding the date of this Prospectus.
- (iv) As at the date of this Prospectus, there is no scheme involving our employees and directors in the share capital of our Company or any of our Subsidiary Companies.
- (v) We have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our Subsidiary Companies under option.
- (vi) As at the date of this Prospectus, neither we nor our Subsidiary Companies have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in this Prospectus, and save as provided for under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our Subsidiary Companies or upon the declaration or payment of any dividend or distribution thereon.

13.2 EXTRACT OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution and are qualified in its entirety by reference to our Constitution and by applicable law. The words, terms and express appearing in the following provisions will bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

Words	Meaning
"Act"	: Means the Companies Act 2016 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company.
"Authorised Nominee"	: Means an authorised nominee defined under the Central Depositories Act and the Rules.
"Annual General Meeting"	: Means a meeting of the Company required to be held pursuant to Section 340 of the Act.
"Auditors"	: Means the auditors of the Company.
"Board" or "Board of Directors"	: Means the board of directors for the time being of the Company.
"Board Meeting"	: Means a meeting of the Directors of the Company.

13. ADDITIONAL INFORMATION (CONT'D)

Words	Meaning
"Bursa Securities"	: Means Bursa Malaysia Securities Berhad.
"Central Depositories Act"	: Means the Securities Industry (Central Depositories) Act 1991 and regulations made thereunder, as amended or re-enacted from time to time.
"Company"	: Means CPE Technology Berhad (Registration No. 202101015732 (1416032-X) or including such names as may be changed from time to time.
"Company's Documents"	: Including, but not limited to any of the following documents that may be issued by the Company from time to time:- (a) In respect of a Member and person entitled to a Security in consequence of an Event of Transmission:- (i) Notices relating to General Meetings, instrument appointing a proxy (including electronic proxy appointment and voting manner), annual reports, audited financial statements, circular to shareholders, notices to holders of Securities, prospectus, information memorandum, notice of resolution, statement and other documents relating thereto; (ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; (iii) Other publication concerning the Company; and/or (iv) All written communications. (b) In respect of a Director:- (i) Notices relating to meetings of Board and Board committees and other documents relating thereto; (ii) Notices relating to General Meetings, annual reports, audited financial statements, circular to shareholders, and other documents relating thereto; (iii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; (iv) Other publication concerning the Company; and/or (v) All written communications. (c) In respect of the Auditors:- (i) Notices relating to General Meetings, audited financial statements, and other documents relating thereto; (ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; and/or

13. ADDITIONAL INFORMATION (CONT'D)

Words	Meaning
	(iii) All written communications.
	(d) In respect of a holder of Debt Securities:
	(i) Notices relating to meeting of Debt Securities holders, audited financial statements, notices to Debt Securities holders and other documents relating thereto;
	(ii) All other documents as required under the trust deed governing an issue of Debt Securities, Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; and/or
	(iii) All written communications.
"Constitution"	: The constitution of the Company as constituted by this document, or as altered from time to time by a special resolution.
"Debt Securities"	: Means debentures, loan stocks or other similar instruments representing or evidencing indebtedness, whether secured or unsecured, and whether convertible or not.
"Deposited Security"	: Means a security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
"Depositor"	: Means a holder of a Securities Account.
"Depository"	: Means the Bursa Malaysia Depository Sdn Bhd or its nominees.
"Directors"	: Means the directors for the time being of the Company (inclusive of alternate or nominee directors).
"Electronic Address"	: Means electronic mail address or mobile or contact number last maintained with the Secretary or the Depository for the purposes of sending or receiving documents or information by electronic.
"Electronic Communication"	: Means a communication of information or document sent by electronic means, including but not limited to electronic posting to the Company's website, transmission to the electronic designated address, any number or address or other electronic delivery methods as otherwise decided and approved by the Directors.
"Event of Transmission"	: Means the death, bankruptcy or insolvency of a Member or debenture holder which would result in the Member or debenture holder being unable to remain as the registered holder of a share or debenture or such other transmission by operation of law.
"Exempt Authorised Nominee"	: Means an authorised nominee, as defined under the Central Depositories Act, which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
"General Meeting"	: Means a meeting of Members of the Company.
"Joint Holder"	: In respect of a Security (other than Deposited Security), means two (2) or more persons are jointly entitled to any Security in the Company.

13. ADDITIONAL INFORMATION (CONT'D)

Words	Meaning
"Jumbo Certificate"	: In relation to a Deposited Security, means a certificate comprising not less than fifty thousand (50,000) units of Securities of the Company or such denominations as may be directed by the Depository which is registered in the name of the Depository or its nominee company, as nominee for Depositors.
"Listed Deposited Security"	: Means a Deposited Security quoted on the official list of Bursa Securities.
"Listing Requirements"	: Means Main Market Listing Requirements of Bursa Securities, including any amendment that may be made from time to time.
"Members"	: Means:- (a) a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company; and/or (b) a Depositor whose name appears in the Record of Depositors as the holder for the time being of one or more shares in the Company. Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.
"Office"	: Means the registered office of the Company.
"Officer"	: Means any Director, Secretary or employee of the Company.
"Record of Depositors"	: Means of record provided by the Depository to the Company under Chapter 24.0 of the Rules.
"Register of Members"	: Means the record of members of the Company kept and maintained pursuant to Section 50 of the Act.
"Registrar"	: Means the Registrar of Companies designated under Section 20A(1) of the Companies Commission of Malaysia Act 2001.
"Representative of Member"	: Includes any of the following persons:-
	(a) Representative appointed by a corporation which is a Member; or
	(b) Attorney appointed by the Member by a power of attorney.
"Rules"	: Means the Rules of Depository, including any amendment that may be made from time to time.
"Seal"	: Means the common seal of the Company.
"Secretary"	: Means a secretary of the Company appointed under Section 236 of the Act.
"Security" or "Securities"	: Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007, or any modification, amendment or re-enactment thereof for the time being in force.
"Securities Account"	: Means an account established by the Depository for a Depositor for the recording of deposit of Securities and for dealing in such Securities by

13. ADDITIONAL INFORMATION (CONT'D)

Words	Meaning
	the Depositor, as defined in the Central Depositories Act and/or the Rules.
"Shareholder"	: Means a holder of one or more share(s).
"Unlisted Deposited Security"	: Means a Deposited Security other than Listed Deposited Security.

13.2.1 Transfer of Shares

Clause 14 – Transfer of Securities

"Subject to the restriction imposed by this Constitution, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of any Deposited Security) or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities."

Clause 20 – Closing the Register of Members or Register of Debenture Holders

"On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year."

13.2.2 Remuneration of Directors

Clauses 93(1), 93(2), 93(3) and 93(5) – Remuneration of Directors

- (1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.
- (2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.
- (3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover."

13. ADDITIONAL INFORMATION (CONT'D)

Clause 93(4) – Expenses

- “(4) The following expenses shall be determined by the Directors:
- (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and
 - (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.”

13.2.3 Voting and Borrowing Power of Directors

Clause 95 – Borrowing, Mortgage, Issue Debentures and Lending or Advancing of Money

“Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

- (1) borrow money;
- (2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;
- (3) issue debentures and other Securities whether outright or as security; and/or
- (4)
 - (a) lend and advance money or give credit to any person or company;
 - (b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;
 - (c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.”

Clause 105 – Directors’ Interest in Contracts

- “(a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.
- (b) Subject to Section 221 of the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.”

13. ADDITIONAL INFORMATION (CONT'D)

Clause 118 – Voting at Board Meetings

- “(1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.
- (2) Each Director is entitled to cast one (1) vote on each matter for determination.”

Clause 119 – Casting Vote

“In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.”

13.2.4 Voting and Borrowing Power of Directors

Clauses 12(1) and 12(2) – Issue of Securities

- “(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:
- (a) issue and allot shares in the Company; and
 - (b) grant rights to subscribe for shares or options over unissued shares in the Company.
- (2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Members' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):
- (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
 - (b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and
 - (c) for such consideration as the Directors may determine.”

13.2.5 Changes to Share Capital

Clauses 46(1), 46(2) and 46(3) – Alteration of Capital

- “(1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:
- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or
 - (b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if

13. ADDITIONAL INFORMATION (CONT'D)

any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

- (2) The Company may from time to time by special resolution and subject to other applicable requirements:
 - (a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or
 - (b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.
- (3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof."

13.2.6 Rights, Preferences and Restrictions Attached to Each Class of Securities Relating to Voting, Dividend, Liquidation and any Special Rights.

Clauses 8(1) and 8(3) – Variation of Rights

- (1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:-
 - (a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or
 - (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.
- (3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:
 - (a) the terms of the issue of the existing preference shares; or
 - (b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

Clauses 12(1) and 12(2) - Issues of Securities

- (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:
 - (a) issue and allot shares in the Company; and

13. ADDITIONAL INFORMATION (CONT'D)

- (b) grant rights to subscribe for shares or options over unissued shares in the Company.
- (2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Members' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):
 - (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
 - (b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and
 - (c) for such consideration as the Directors may determine.

Clause 142 (1) - Dividend

- (1) Subject to the rights of persons (if any) entitled to shares with special rights or conditions as to dividend entitlement or to any provisions in this Constitution, all dividends must be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid.

13.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance. and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

13.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 13.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares which is imposed by Malaysian law or by our Constitution.

13.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION**13.5.1 Malaysia**

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

13. ADDITIONAL INFORMATION (CONT'D)

13.5.2 Singapore

Singapore adopts the one-tier corporate tax systems, the tax paid by a Singapore tax resident company is a final tax and after-tax profits of the Singapore tax resident company can be distributed to its shareholders as tax-exempt dividends. Such dividends are exempt in the hands of all shareholders, regardless of the tax residency status of the shareholders. Singapore does not impose taxes on capital gains. There is no Singapore withholding tax on dividends paid to resident and non-resident shareholders.

13.6 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business within the period covered by the historical financial information as disclosed in this Prospectus and up to the date of this Prospectus.

13.6.1 Sale and Purchase Agreement dated 30 June 2021 in respect of the Acquisition of a Piece of Freehold Industrial Land together with a Single Storey Factory cum 3-storey Office Building (Plant 4)

Champion PT had, on 30 June 2021, entered into a sale and purchase agreement with Spring Maple Sdn. Bhd. for the acquisition of a piece of freehold industrial land held under HS(D) 506800, PTD 212911, Mukim Plentong, Daerah Johor Bahru, Negeri Johor measuring approximately 0.4039 hectare whereupon one single storey factory cum 3-storey office building is erected and bearing postal address of No. 5, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor (Plant 4), for a cash consideration of RM6,500,000.00. This transaction has been completed and Champion PT was registered as the legal owner of the said property on 29 November 2021.

13.6.2 Placement Agreement dated [xxxx] 2022 Entered into by Our Company, Our Offerors and Our Placement Agent

[Our Company, Offerors and Placement Agent had, on [xxxx] 2022 entered in a placement agreement in respect of 134,262,700 Issue Shares and 67,131,000 Offer Shares to be offered under the Institutional Offering for a placement commission of up to 2.50% of the value of such IPO Shares at the IPO Price in accordance with the terms of the Placement Agreement.]

13.6.3 Underwriting Agreement dated [xxxx] 2022 Entered into by Our Company and Our Underwriter

[Pursuant to the Underwriting Agreement dated [xxxx] 2022, our Underwriter has agreed to underwrite up to 67,131,000 IPO Shares made available for application under the Retail Offering for an underwriting commission of [xxxx]% of the total value of the underwritten IPO Shares at the IPO Price in accordance with the terms of the Underwriting Agreement.]

13.7 MATERIAL LITIGATIONS

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and our Directors confirm that there are no proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect our financial or business position.

13. ADDITIONAL INFORMATION (CONT'D)

13.8 CONSENTS

The written consents of the Principal Adviser, Underwriter and Placement Agent, Company Secretaries, Solicitors for our IPO, Tax Advisor, Internal Control Reviewer, Share Registrar and Issuing House as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants for the inclusion of its name, opinion on our historical combined financial statements for the FYE 30 June 2019, FYE 30 June 2020, FYE 30 June 2021 and 6-month FPE 31 December 2021 contained in the Accountants' Report and Report on the Pro Forma Consolidated Statements of Financial Position, and all references thereto in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of the Independent Market Researcher for the inclusion of its name and all references thereto, and the IMR Report in the form and context in which they are included in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

13.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:-

- (i) Our Constitution; and
- (ii) Our material contracts as referred to in Section 13.6 of this Prospectus; and
- (iii) Our audited consolidated financial statements for the FYE 30 June 2021; and
- (iv) Audited financial statements of each of our Subsidiary Companies for the FYE 30 June 2019, FYE 30 June 2020 and FYE 30 June 2021; and
- (v) Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position as included in Section 11.8 of this Prospectus; and
- (vi) Accountants' Report as included in Section 12 of this Prospectus; and
- (vii) IMR Report as included in Section 7 of this Prospectus; and
- (viii) Letters of consent referred to in Section 13.8 of this Prospectus.

13.10 RESPONSIBILITY STATEMENTS

Our Directors, our Promoters and our Offerors have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

KAF IB being the Principal Adviser, Underwriter and Placement Agent acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.