

3. DETAILS OF OUR IPO

3.1 INDICATIVE TIMETABLE

The events which are intended to take place on their respective indicative dates are as stated in the table below.

No.	Event(s)	Time	Date(s)
1.	Issuance of the Prospectus and opening of the Application period for the IPO	10.00 a.m.	[xxxx]
2.	Closing of the Application period for the IPO	5.00 p.m.	[xxxx]
3.	Balloting of the Applications for our Issue Shares for the Malaysian Public	N/A	[xxxx]
4.	(i) Allotment of Issue Shares to the successful applicants, identified Bumiputera investors approved by the MITI and other institutional and selected investors; and (ii) Transfer of the Offer Shares by the Offerors to the institutional and selected investors, other than the identified Bumiputera investors approved by the MITI	N/A	[xxxx]
5.	Listing on the Main Market	9.00 a.m.	[xxxx]

Notes:-

- (1) If there is any change to the timetable, we will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia.
(2) All times and dates indicated in the timetable are in reference to standard Malaysian time (UTC+8) and date.

3.2 PARTICULARS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated or transferred in the manner as described below, subject to the clawback and reallocation provisions as set out in Section 3.2.6 of this Prospectus.

Our IPO consists of the Public Issue and Offer for Sale, totaling up to 234,959,700 IPO Shares, representing approximately 35.00% of our enlarged issued share capital.

3.2.1 Pre-IPO Restructuring Exercise

- (i) Acquisitions of MY Subsidiary Companies

CPE Technology had, in the FYE 30 June 2021, completed the following:-

- (a) The transfer of the entire equity interest of Champion PT from Platinum Success to CPE Technology pursuant to the Acquisition of Champion PT; and
- (b) The transfer of the entire equity interest of Champion C from Platinum Success to CPE Technology pursuant to the Acquisition of Champion C; and
- (c) The transfer of the entire equity interest of Champion Oil from Platinum Success to CPE Technology pursuant to the Acquisition of Champion Oil.

The details of the Acquisitions of MY Subsidiary Companies are as stated in the table below.

3. DETAILS OF OUR IPO (CONT'D)

No.	Entity	Number of Ordinary Shares of Subsidiary Companies Units	Consideration RM'000	Basis of Consideration	Date of Transfer
1.	Acquisition of Champion PT	2,200,000	39,862	Willing buyer-willing seller basis after taking into consideration of the audited NA of Champion PT as at 30 June 2020 of approximately RM39.86 million based on its audited financial statements for the FYE 30 June 2020	31 May 2021
2.	Acquisition of Champion C	2,100,000	5,601	Willing buyer-willing seller basis after taking into consideration of the audited NA of Champion C as at 30 June 2020 of approximately RM5.60 million based on its audited financial statements for the FYE 30 June 2020	16 June 2021
3.	Acquisition of Champion Oil	270,000	175	Willing buyer-willing seller basis after taking into consideration of the audited NA of Champion Oil as at 30 June 2020 of approximately RM0.18 million based on its audited financial statements for the FYE 30 June 2020	16 June 2021
Total		4,570,000	45,638	N/A	N/A

The considerations pursuant to the Acquisitions of MY Subsidiary Companies were not settled by CPE Technology in the FYE 30 June 2021 and this had resulted in an amount owing by CPE Technology to Platinum Success of approximately RM45.64 million as at 30 June 2021. This amount was settled on 13 January 2022 via the issuance of new ordinary shares by CPE Technology to the Promoters as set out in Section 3.2.1 (ii) of this Prospectus below.

(ii) Capitalisation of Amount Owing by CPE Technology to the Promoters

CPE Technology had, on 13 January 2022, completed the Capitalisation of the Amount Owing by CPE Technology to the Promoters. The details of the Capitalisation of the Amount Owing by CPE Technology to the Promoters are as stated in the table below.

No.	Name of Promoters	(1) Number of Shares Issued	Issue Price	Amount of Settlement	Date of Issuance of Shares
		Units	RM	RM'000	
1.	Mr. Lee	99,213,041	0.23	22,819	13 January 2022

3. DETAILS OF OUR IPO (CONT'D)

No.	Name of Promoters	(1) Number of Shares Issued	Issue Price	Amount of Settlement	Date of Issuance of Shares
		Units	RM	RM'000	
2.	Mr. Foo	59,527,825	0.23	13,691	13 January 2022
3.	Mr. Mu	39,685,215	0.23	9,128	13 January 2022
Total		198,426,081	0.23	45,638	N/A

Note:-

(1) *Platinum Success is the vendor for Champion PT, Champion C and Champion Oil pursuant to the Acquisitions of MY Subsidiary Companies. Platinum Success had assigned the Shares which were supposed to be issued by our Company to Platinum Success as the considerations pursuant to the Acquisitions of MY Subsidiary Companies to our Promoters based on their respective proportionate shareholding in Platinum Success as shown in the table above.*

The new Shares issued pursuant to the Capitalisation of Amount Owing by CPE Technology to the Promoters rank equally in all respects with the existing Shares, including voting rights and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of issuance of the new Shares.

(iii) Acquisition of Champion PE

CPE Technology had, on 31 March 2022, completed the Acquisition of Champion PE. The purchase consideration in regard to the Acquisition of Champion PE of approximately RM45.76 million was arrived at a willing buyer-willing seller basis after taking into consideration the audited NA of Champion PE as at 30 June 2021 of approximately SGD16.60 million (equivalent to approximately RM46.09 million based on the RM to SGD exchange rate of RM3.0902: SGD1.00 as at 30 June 2021) based on its audited financial statements for the FYE 30 June 2021.

The details of the Acquisition of Champion PE are as stated in the table below.

No.	Name of Promoters	(1) Number of Shares Issued	Issue Price	Value of Shares Issued
		Units	RM	RM'000
1.	Mr. Lee	152,530,000	0.15	22,880
2.	Mr. Foo	91,518,000	0.15	13,728
3.	Mr. Mu	61,012,000	0.15	9,151
Total		305,060,000	0.15	45,759

Note:-

(1) *Platinum Success is the vendor for Champion PE pursuant to the Acquisition of Champion PE. Platinum Success had assigned the Shares which were supposed to be issued by our Company to Platinum Success as the consideration pursuant to the Acquisition of Champion PE to our Promoters based on their respective proportionate shareholding in Platinum Success as shown in the table above.*

The new Shares issued pursuant to the Acquisition of Champion PE rank equally in all respects with the existing Shares, including voting rights and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of issuance of the new Shares.

3. DETAILS OF OUR IPO (CONT'D)

3.2.2 Public Issue

Our Public Issue involves the offering of 167,828,700 Issue Shares, representing approximately 25.00% of our enlarged number of issued Shares, at the IPO Price and will be allocated in the following manner:-

(i) Malaysian Public

33,566,000 Issue Shares, representing approximately 5.00% of our enlarged number of issued Shares, will be made available for application by the Malaysian Public through a balloting process, of which 16,783,000 Issue Shares have been set aside for application by Bumiputera investors including individuals, companies, cooperatives, societies and institutions.

(ii) Private placement to identified Bumiputera investors approved by the MITI

83,915,000 Issue Shares, representing approximately 12.50% of our enlarged number of issued Shares, will be made available for application by way of private placement to identified Bumiputera investors approved by the MITI.

(iii) Private placement to other institutional and selected investors

50,347,700 Issue Shares, representing up to approximately 7.50% of our enlarged number of issued Shares, will be made available for application by way of private placement to the institutional and selected investors, other than identified Bumiputera investors approved by the MITI.

There is no minimum subscription amount to be raised from the Public Issue. The number of Issue Shares offered under the Public Issue will not increase via any over-allotment or 'greenshoe' option.

3.2.3 Offer for Sale

The Offerors are offering up to 67,131,000 Offer Shares, representing up to approximately 10.00% of our enlarged number of issued Shares, by way of private placement to the institutional and selected investors, other than identified Bumiputera investors approved by the MITI.

3.2.4 Other Disclosures

As at the LPD, to the extent known to our Company:-

- (a) There are no substantial shareholders, Directors or Key Senior Management of our Company who intend to subscribe for our IPO Shares; and
- (b) There are no person who intends to subscribe for more than 5.00% of our IPO Shares.

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3. DETAILS OF OUR IPO (CONT'D)

3.2.5 Allocation of Our IPO Shares and Underwriting

In summary, subject to the clawback and reallocation provisions as set out in Section 3.2.6 of this Prospectus, our IPO Shares will be allocated in the manner as stated in the table below.

No.	Category	Public Issue		Offer for Sale		Total	
		Number of Shares	Percentage of the Enlarged Number of Issued Shares	Number of Shares	Percentage of the Enlarged Number of Issued Shares	Number of Shares	Percentage of the Enlarged Number of Issued Shares
		Units	%	Units	%	Units	%
Retail Offering:-							
1.	Malaysian Public (via balloting)						
	- Bumiputera	16,783,000	2.50	-	-	16,783,000	2.50
	- Non-Bumiputera	16,783,000	2.50	-	-	16,783,000	2.50
	Sub-total 1	33,566,000	5.00	-	-	33,566,000	5.00
Institutional Offering:-							
2.	Identified Bumiputera investors approved by the MITI	83,915,000	12.50	-	-	83,915,000	12.50
3.	Other institutional and selected investors	50,347,700	7.50	67,131,000	10.00	117,478,700	17.50
	Sub-total 2	134,262,700	20.00	67,131,000	10.00	201,393,700	30.00
	Total (Sub-total 1 + Sub-total 2)	167,828,700	25.00	67,131,000	10.00	234,959,700	35.00

The Retail Offering is fully underwritten. The Institutional Offering is not underwritten. Irrevocable undertakings will be obtained from the investors to subscribe for our IPO Shares made available under the private placement. The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 3.2.10 of this Prospectus. Our Public Issue and Offer for Sale will raise gross proceeds of approximately RM[xxxx] million and approximately RM[xxxx] million, respectively.

3. DETAILS OF OUR IPO (CONT'D)

3.2.6 Clawback and Reallocation

The Retail Offering and Institutional Offering will be subject to the following clawback and reallocation provisions:-

- (i) If the MITI Tranche is under-subscribed, such IPO Shares may be allocated to other institutional investors under the Institutional Offering; and
- (ii) If after the above reallocation, the MITI Tranche is still under-subscribed under the Institutional Offering, and there is a corresponding over-subscription for our Issue Shares by the Malaysian Public under the Retail Offering, our IPO Shares will be clawed back from the MITI Tranche and allocated firstly, to the Bumiputera public investors under the Retail Offering, and thereafter to the other Malaysian Public under the Retail Offering; and
- (iii) Subject to items (i) and (ii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iv) If there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering; and
- (v) There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering and Retail Offering but no over-subscription in the other.

Any Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Underwriter based on the terms and conditions of the Underwriting Agreement.

The allocation of our IPO Shares shall be on a fair and equitable manner and shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares.

3.2.7 Classes of Shares and Ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable Rules of Bursa Depository.

The Offer Shares rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders shall, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus, if any, in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

3. DETAILS OF OUR IPO (CONT'D)

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may, but need not be, a member of our Company.

3.2.8 Share Capital

Upon completion of our IPO, our share capital will be as stated in the table below.

No.	Items	Number of Shares	Amount
		Units	RM'000
1.	After the Pre-IPO Restructuring Exercise	503,486,091	91,397
2.	To be issued under our Public Issue	167,828,700	⁽¹⁾ [xxxx]
3.	Total upon Listing	671,314,791	[xxxx]

Note:-

⁽¹⁾ Calculated based on our IPO Price and after deducting the estimated listing expenses of approximately RM[xxxx] million which is directly attributable to our Public Issue and of which is allowed to be debited against the share capital of our Company.

3.2.9 Priority of the Offering

If the demand for our IPO Shares is less than 234,959,700 IPO Shares, our Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall be firstly satisfied with the Issue Shares under our Public Issue, and following that, any excess demand will be satisfied with the Offer Shares under the Offer for Sale.

3.2.10 Minimum Subscription Level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the public spread requirement is not met, we may not be permitted to proceed with our Listing. In such event, monies paid in respect of any application for our IPO Shares will be returned in full, without interest or any share of revenue or benefits arising therefrom. If such monies are not returned in full within 14 days after we become liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

3. DETAILS OF OUR IPO (CONT'D)

3.3 OFFERORS

The details of our Offerors and their relationship with our Group are as stated in the table below.

No.	Name / Address	Nature of Relationship with Our Group	Before Our IPO		Offer for Sale		After Our IPO	
			Number of Shares	Percentage of Shareholdings	Number of Shares	Percentage of Shareholdings	Number of Shares	Percentage of Shareholdings
			Units	(1) %	Units	(2) %	Units	(2) %
1.	Mr. Lee No.15, Jalan Austin Heights 2/6 Taman Mount Austin 81100 Johor Bahru Johor	Our Promoter, Executive Director and Group Chief Executive Officer and substantial shareholder	251,743,046	50.00	33,565,500	5.00	218,177,546	32.50
2.	Mr. Foo No.14, Jalan Rebab 10 Taman Desa Tebrau 81100 Johor Bahru Johor	Our Promoter, Non-Independent Non-Executive Director and substantial shareholder and	151,045,828	30.00	20,139,300	3.00	130,906,528	19.50
3.	Mr. Mu 3 Dairy Farm Heights #11-06, Singapore 677667	Our Promoter, Executive Director and substantial shareholder	100,697,217	20.00	13,426,200	2.00	87,271,017	13.00
Total			503,486,091	100.00	67,131,000	10.00	436,355,091	65.00

Notes:-

(1) Based on our total number of 503,486,091 Shares before our IPO.

(2) Based on the enlarged total number of 671,314,791 Shares after our IPO.

3. DETAILS OF OUR IPO (CONT'D)

3.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES

Our Directors, Promoters, Principal Adviser, Underwriter and Placement Agent, have determined and agreed on the IPO Price of RM[xxxx] per IPO Share, after taking into consideration the following:-

- (i) Our operating history and financial performance as described in Sections 5.1.1 and 11.3 of this Prospectus respectively; and
- (ii) Our Group's EPS of approximately [2.78] sen based on our audited combined PAT attributable to the owners of our Company of approximately RM[18.68] million for the FYE 30 June 2021 and our enlarged total number of 671,314,791 Shares after our IPO, which translates into a price-to-earnings multiple of approximately [xxxx] times; and
- (iii) Our competitive strengths as set out in Section 6.3 of this Prospectus; and
- (iv) Our future plans and strategies as set out in Section 6.4 of this Prospectus; and
- (v) The overview and future outlook of the ESI in Malaysia as described in Section 7 of this Prospectus; and
- (vi) The prevailing market conditions which include market performance of key global indices and companies which are in businesses similar to ours, as well as investors' sentiments.

You should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties. You should form your own views on the valuation of our IPO Shares before deciding to invest in our Shares. You are also reminded to carefully consider the risk factors as set out in Section 8 of this Prospectus before deciding to invest in our Shares.

Expected market capitalisation

Based on the IPO Price of RM[xxxx] per IPO Share, the total market capitalisation of our Company upon Listing will be approximately RM[xxxx] million.

3.5 DILUTION

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our Shares.

Our pro forma consolidated NA per Share as at 31 December 2021 after the Pre-IPO Restructuring Exercise, but before adjusting for our IPO was RM0.17, based on 503,486,091 Shares following the Pre-IPO Restructuring Exercise.

After taking into account our enlarged number of issued Shares from the issuance of 167,828,700 Issue Shares under the Public Issue, and after adjusting for the intended use of proceeds from our IPO, our pro forma consolidated NA per Share as at 31 December 2021 would be RM[xxxx]. This represents an immediate increase in consolidated NA per Share of RM[xxxx] to our existing shareholders and an immediate dilution in consolidated NA per Share of RM[xxxx] representing [xxxx]% of the IPO Price to the retail, institutional and selected investors.

3. DETAILS OF OUR IPO (CONT'D)

The table below illustrates such dilution on a per Share basis.

No.	Items	Unit / Measurements	Amount
1.	IPO Price	RM	[xxxx]
2.	Pro forma consolidated NA per Share as at 31 December 2021 after the Pre-IPO Restructuring Exercise but before adjusting for our IPO	RM	0.17
3.	Pro forma consolidated NA per Share as at 31 December 2021 after our Public Issue and after adjusting for the intended use of proceeds from our Public Issue	RM	[xxxx]
4.	Increase in consolidated NA per Share to our existing shareholders	RM	[xxxx]
5.	Dilution in pro forma consolidated NA per Share to retail, institutional and selected investors	RM	[xxxx]
6.	Dilution in pro forma consolidated NA per Share to retail, institutional and selected investors as a percentage of the IPO Price	%	[xxxx]

Save as disclosed in the table below, none of our Promoters, substantial shareholders, Directors, Key Senior Management or Persons Connected with them had acquired, obtained the right to acquired and/or subscribe for our Shares in the past 3 years up to and including the LPD.

No.	Date Allotted / Transferred	Name	Number of Shares Units	Allotted / Transferred	Total Consideration RM	Effective Cost per Share RM
1.	26 April 2021	Mr. Lee	(1) 5	Allotted	5	1
2.	26 April 2021	Mr. Foo	(1) 3	Allotted	3	1
3.	26 April 2021	Mr. Mu	(1) 2	Allotted	2	1
4.	13 January 2022	Mr. Lee	(2) 99,213,041	Allotted	22,818,999	0.23
5.	13 January 2022	Mr. Foo	(2) 59,527,825	Allotted	13,691,400	0.23
6.	13 January 2022	Mr. Mu	(2) 39,685,215	Allotted	9,127,599	0.23
7.	31 March 2022	Mr. Lee	(3) 152,530,000	Allotted	22,879,500	0.15

3. DETAILS OF OUR IPO (CONT'D)

No.	Date Allotted / Transferred	Name	Number of Shares	Allotted / Transferred	Total Consideration	Effective Cost per Share
8.	31 March 2022	Mr. Foo	⁽³⁾ 91,518,000	Allotted	13,727,700	0.15
9.	31 March 2022	Mr. Mu	⁽³⁾ 61,012,000	Allotted	9,151,800	0.15

Notes:-

⁽¹⁾ Subscribers' Shares pursuant to the incorporation of our Company.

⁽²⁾ The Shares were allotted to the Promoters pursuant to the Capitalisation of the Amount Owing by CPE Technology to the Promoters as set out in Section 3.2.1(ii) of this Prospectus.

⁽³⁾ The Shares were allotted to the Promoters pursuant to the Acquisition of Champion PE as set out in Section 3.2.1(iii) of this Prospectus.

3.6 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:-

- (i) To enable our Group to raise funds for the purposes set out in Section 3.7 of this Prospectus which include, but not limited to, raising funds for capital expenditure and working capital requirements to fulfil our order book on hand as stated in Section 11.5 of this Prospectus; and
- (ii) To enable our Group to gain access to the capital market to raise funds for future business growth opportunities; and
- (iii) To provide an opportunity for the Malaysian Public to participate in the future performance of our Group by way of equity participation; and
- (iv) To gain recognition through our listing status which will enhance our reputation so as to assist us in expanding our customer base globally, and retaining and attracting new, skilled employees in our industry.

3.7 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue of approximately RM[xxxx] million in the manner as stated in the table below.

No.	Details	Reference in this Prospectus	Amount	Percentage of Total Gross Proceeds	Estimated Timeframe for Use of Proceeds from the Date of Our Listing
			RM'000	%	
1.	Acquisition of the New Industrial Lands and construction of the New Plants	3.7.1	[xxxx]	[xxxx]	Within 36 months
2.	Purchase of new machinery and equipment	3.7.2	[xxxx]	[xxxx]	Within 36 months

3. DETAILS OF OUR IPO (CONT'D)

No.	Details	Reference in this Prospectus	Amount	Percentage of Total Gross Proceeds	Estimated Timeframe for Use of Proceeds from the Date of Our Listing
			RM'000	%	
3.	Repayment of bank borrowings	3.7.3	[xxxx]	[xxxx]	Within 36 months
4.	Part-financing working capital expenditure requirements	3.7.4	[xxxx]	[xxxx]	Within 24 months
5.	Part financing other capital expenditure requirements	3.7.5	[xxxx]	[xxxx]	Within 12 months
6.	Estimated listing expenses	3.7.6	[xxxx]	[xxxx]	Within 3 months
Total			[xxxx]	[100.00]	N/A

Pending the eventual use of the gross proceeds from our Public Issue for the above intended purposes, we will place such funds in interest-bearing fixed deposit accounts with licensed financial institutions or in short-term money market instruments as our Directors may deem appropriate.

Further details of the proposed use of the gross proceeds from our Public Issue are as set out in the sections below.

3.7.1 Acquisition of the New Industrial Lands and Construction of the New Plants

We intend to allocate approximately RM[xxxx] million of the gross proceeds from our Public Issue for the Acquisition of the New Industrial Lands and construction of the New Plants.

The total estimated land costs for the New Industrial Lands and estimated construction costs for the New Plants are approximately RM[xxxx] million.

The estimated breakdown of the land costs for the New Industrial Lands and construction costs for the New Plants are as set out in the table below.

No.	Items	Total Estimated Cost	Percentage of Total Estimated Cost
		RM'000	%
1.	Land costs	[xxxx]	[xxxx]
2.	Construction of New Plants buildings	[xxxx]	[xxxx]
3.	Renovation, fixture and fitting	[xxxx]	[xxxx]

3. DETAILS OF OUR IPO (CONT'D)

No.	Items	Total Estimated Cost	Percentage of Total Estimated Cost
		RM'000	%
4.	Legal fee and stamp duty ⁽¹⁾	[xxxx]	[xxxx]
Total		[xxxx]	[100.00]

Note:-

⁽¹⁾ The legal fee and stamp duty are estimated based on the quotations provided by Rohamat & Ling.

As at the LPD, we have not paid for any of the items listed in the table above.

We intend to acquire the New Industrial Lands, for the purpose of construction of the New Plants. The total land area for the New Industrial Lands is approximately 213,054 sq ft. The New Plants will each comprise a double-storey office building as well as a double-storey factory building, with a built-up area of approximately 118,474 sq ft each.

The construction of New Plants is part of the business expansion plans of our Group and efforts to increase the production capacity of our Group to cater to the increasing demand for our services.

The estimated timeline in relation to the acquisition of New Industrial Lands and construction of the New Plants is as set out in the table below.

No.	Items	Estimated month and year
1.	Entering into sale and purchase agreement to acquire the New Industrial Lands	March 2023
2.	Completion of acquisition of the New Industrial Lands	June 2023
3.	Submission of building plans to the relevant authorities	July 2023
4.	Commencement of construction of the New Plants	November 2023
5.	Completion of construction of the New Plants	November 2024
6.	Completion of renovation of the New Plants	July 2025
7.	Completion of the installation of new machinery and equipment and relocation of machinery and equipment from Plant 1 and Plant 2 to the New Plants	September 2025
8.	Obtaining Business Premise and Advertisement Licence, MITI Licence and relevant approvals for the New Plants	By March 2026
9.	Commencement of the business operations of the New Plants	* By March 2026

Note:-

* Immediately and as practically possible upon obtaining the last of the relevant approvals to commence business operations of the New Plants.

Upon completion of construction of the New Plants, it is our intention to:-

3. DETAILS OF OUR IPO (CONT'D)

- (i) Relocate all the manufacturing activities, machinery and equipment from Plant 1 to the New Plants; and
- (ii) Relocate some of the manufacturing activities, machinery and equipment from Plant 2 to the New Plants.

Upon completion of the relocation of all the manufacturing activities, machinery and equipment from Plant 1 to the New Plants, we may rent out or dispose the Plant 1.

Any shortfall or surplus will be adjusted against the portions earmarked for the purchase of new machinery and equipment, repayment of bank borrowings, part-financing working capital expenditure requirements, part-financing other capital expenditure requirements and/or to defray estimated listing expenses.

3.7.2 Purchase of New Machinery and Equipment

We intend to allocate approximately RM[xxxx] million of the gross proceeds from our Public Issue for the purchase of new machinery and equipment as stated in the table below.

No.	Items	Number of Units	Total Estimated Cost	Percentage of Total Estimated Cost
		Units	RM'000	%
1.	Auto-lathe machine	12	[xxxx]	[xxxx]
2.	Milling machine	30	[xxxx]	[xxxx]
3.	Turning machine	52	[xxxx]	[xxxx]
4.	5-axis machining machine	2	[xxxx]	[xxxx]
5.	Setting up cost ⁽¹⁾	-	[xxxx]	[xxxx]
Total		96	[xxxx]	[100.00]

Note:-

⁽¹⁾ The cost is in relation to estimated cost for the relocation of the machinery from Plant 1 and Plant 2 to the New Plants.

The estimated cost for the purchase of new machinery and equipment was derived based on suppliers' quotations which were obtained sometime January 2022.

Kindly refer to Section 6.4.2 of this Prospectus for the details of the increase in our annual production capacity after the purchase of said new machinery and equipment.

Any shortfall or surplus will be adjusted against the portions earmarked for the acquisition of the New Industrial Lands and construction of the New Plants, repayment of bank borrowings, part-financing working capital expenditure requirements, part-financing other capital expenditure requirements and/or to defray estimated listing expenses.

3.7.3 Repayment of Bank Borrowings

We have allocated approximately RM[xxxx] million of the gross proceeds from our Public Issue to partially repay our existing bank borrowings as stated in the table below.

3. DETAILS OF OUR IPO (CONT'D)

No.	Banking Facility	Interest Rate / Profit Rate as at the LPD	⁽¹⁾ Maturity Date	Purpose	Outstanding Amount as at the LPD	Proposed Repayment	
		%			RM'000	RM'000	⁽²⁾ %
1.	Public Islamic Bank Berhad (Islamic term financing)	3.52% per annum (based on Base Financing Rate – 2.20%)	1 January 2042	Part finance the working capital of our Group	2,173	[xxxx]	[xxxx]
2.	Public Bank Berhad (Term loan)	3.52% per annum (based on Base Lending Rate – 2.20%)	1 November 2041	Part finance the working capital of our Group	1,553	[xxxx]	[xxxx]
3.	Public Bank Berhad (Term loan)	3.52% per annum (based on Base Lending Rate – 2.20%)	1 November 2041	Part finance the working capital of our Group	586	[xxxx]	[xxxx]
4.	Public Bank Berhad (Term loan)	3.42% per annum (based on Base Lending Rate – 2.30%)	1 April 2043	Part finance the acquisition of Plant 2	5,289	[xxxx]	[xxxx]
5.	Public Bank Berhad (Term loan)	3.57% per annum (based on Base Lending Rate – 2.15%)	1 April 2038	Part finance the acquisition of Plant 3	4,768	[xxxx]	[xxxx]
6.	Public Bank Berhad (Term loan)	3.40% per annum (based on Base Lending Rate – 2.32%)	1 December 2041	Part finance the acquisition of Plant 4 ⁽³⁾	5,447	[xxxx]	[xxxx]
Total					19,817	[xxxx]	[100.00]

Notes:-

⁽¹⁾ Notwithstanding that our remaining term loans are repayable in monthly installments until the maturity dates as stated in the table above, the outstanding balance of our term loans are classified under our current liabilities due to the financial institutions having the absolute discretion to decide on the termination of the facilities without assigning any reasons thereof and giving not less than 7 days' notice in writing.

⁽²⁾ Percentage of proposed repayment.

⁽³⁾ The term loan was draw down in the fourth quarter of 2021 and the proceeds were used to part finance the purchase consideration for the acquisition of Plant 4 by Champion PT.

Based on the above, upon reducing our total borrowings by the proposed repayment as set out above, we expect to achieve an annual interest savings of approximately RM[xxxx] million based on our computation using the applicable interest rates as at the LPD. However, the actual interest savings amount may vary depending on the applicable interest rates at that point of time.

Any shortfall or surplus will be adjusted against the portions earmarked for the acquisition of the New Industrial Lands and construction of the New Plants, purchase of new machinery and equipment, part-financing working capital expenditure requirements, part-financing other

3. DETAILS OF OUR IPO (CONT'D)

capital expenditure requirements and/or to defray estimated listing expenses.

3.7.4 Part-financing Working Capital Expenditure Requirements

We have allocated approximately RM[xxxx] million of the gross proceeds of our Public Issue to fund our working capital requirements, which include, but not limited to, purchase of raw materials and general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and any other overhead expenditures.

The breakdown of such utilisation has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation. Notwithstanding that, and on best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of our working capital are as stated in the table below.

No.	Details of Utilisation	Estimated Allocation of Proceeds	
		RM'000	(1) %
1.	Purchase of raw materials	[xxxx]	[xxxx]
2.	General administrative and daily operational expenses	[xxxx]	[xxxx]
Total		[xxxx]	[100.00]

Note:-

(1) Percentage of estimated allocation of proceeds.

As part of our business strategies, we aim to maintain ample stock of our main raw materials such as stainless steel and aluminium, which are mainly sourced from overseas suppliers. As our raw materials are considered commodity materials, they are affected by supply and demand conditions which may lead to fluctuation in prices. Since the beginning of the COVID-19 pandemic, we have experienced an increase in price of stainless steel and aluminium. We have also experienced increased shipping costs and shipping delays due to the effects of COVID-19 on global logistics services. As such, we intend to allocate RM[xxxx] million of the proceeds from our Public Issue to procure and stock our main raw materials such as stainless steel rods.

Our Board shall have the absolute discretion to decide on the allocation between the purchase of raw materials, and general administrative and daily operational expenses, depending on the operating requirements at the time of utilisation.

Any shortfall or surplus will be adjusted against the portions earmarked for the acquisition of the New Industrial Lands and construction of the New Plants, purchase of new machinery and equipment, repayment of bank borrowings, part-financing other capital expenditure requirements and/or to defray estimated listing expenses.

3.7.5 Part-financing Other Capital Expenditure Requirements

We intend to use up to approximately RM[xxxx] million of the gross proceeds from our Public Issue to part-finance our other capital expenditure requirements which include, but not limited to, purchase of new laptops/desktops, replacement of existing laptops/desktops and upgrade of IT system/server.

Any shortfall or surplus will be adjusted against the portions earmarked for the acquisition of the New Industrial Lands and construction of the New Plants, purchase of new machinery and equipment, repayment of bank borrowings, part-financing working capital expenditure

3. DETAILS OF OUR IPO (CONT'D)

requirements and/or to defray estimated listing expenses.

3.7.6 Estimated Listing Expenses

Our estimated listing expenses are as set out in the table below.

No.	Items	Estimated Allocation of Proceeds	
		RM'000	(1) %
1.	Professional fees ⁽²⁾	[xxxx]	[xxxx]
2.	Fees to authorities	[xxxx]	[xxxx]
3.	Estimated underwriting, placement and brokerage fees	[xxxx]	[xxxx]
4.	Printing, advertisement and other incidental charges relating to the Listing	[xxxx]	[xxxx]
Total		[xxxx]	[100.00]

Notes:-

⁽¹⁾ Percentage of estimated allocation of proceeds.

⁽²⁾ Inclusive of sales and service tax for Malaysian professionals and Singapore goods and services tax in the case of AVANT, as well, fees and disbursements for AVANT are quoted in SGD.

We will bear all fees and expenses incidental to our Listing as indicated above, which includes professional fees, fees to authorities, underwriting commission, placement and brokerage fees, printing, advertisement and other expenses.

Any shortfall or surplus will be adjusted against the portions earmarked for the acquisition of the New Industrial Lands and construction of the New Plants, purchase of new machinery and equipment, repayment of bank borrowings, part-financing working capital expenditure requirements and/or part-financing other capital expenditure requirements.

3.7.7 Proceeds from the Offer for Sale

We will not receive any proceeds from the Offer for Sale. The gross proceeds of approximately RM[xxxx] million from the Offer for Sale will accrue entirely to the Offerors. The Offerors will be bearing the entire incidental expenses and fees relating to the Offer for Sale, which is estimated to be approximately RM[xxxx] million.

3.8 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEES

3.8.1 Brokerage Fee

Brokerage is payable in respect of the Issue Shares at the rate of 1.00% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

3.8.2 Underwriting Commission

KAF IB, as our Underwriter has agreed to underwrite up to 33,566,000 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

3. DETAILS OF OUR IPO (CONT'D)

the Underwriting Agreement.

3.8.3 Placement Fee

Our Placement Agent has agreed to place out a total of 134,262,700 Issue Shares and 67,131,000 Offer Shares to identified Bumiputera investors approved by the MITI and other institutional and selected investors.

We will pay our Placement Agent a placement fee of up to [2.50]% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of up to [2.50]% of the value of those Offer Shares placed out by our Placement Agent will be paid by our Offerors.

3.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

[The salient terms will be inserted after the Underwriting Agreement has been entered into and is available.]

3.10 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective securities accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities about 10 Market Days after the close of our IPO. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares, except by way of a book-entry transfer to other CDS Account in circumstances which do not involve a change in beneficial ownership, prior to the commencement of trading on Bursa Securities.

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