



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

CPE TECHNOLOGY BERHAD LAUNCHES IPO PROSPECTUS

KUALA LUMPUR, 20 November 2023 – CPE Technology Berhad (“CPE Technology” or “the Company”) and its subsidiary companies (“the Group”), a provider of engineering supporting services primarily in the manufacturing of precision-machined parts and components and provision of computer numerical control (“CNC”) machining services, launched its prospectus in conjunction with its upcoming listing on the Main Market of Bursa Malaysia Securities Berhad.

In conjunction with the Initial Public Offering (“**IPO**”) exercise, the Group intends to raise approximately RM179.58 million of proceeds via the issuance of 167,828,700 new ordinary shares of CPE Technology (“Shares”). The proceeds will be used for the Group’s business expansion plans which include:-

- (i) RM69,595,000 for the acquisition of new industrial lands and construction of new plants;
- (ii) RM32,882,000 for the purchase of new machinery and equipment and relocation of existing machinery and equipment;
- (iii) RM17,454,000 for repayment of bank borrowings;
- (iv) RM46,909,000 for part-financing working capital expenditure requirements;
- (v) RM1,422,000 for part financing other capital expenditure requirements; and
- (vi) RM11,315,000 for estimated listing expenses.



Based on the issue price of **RM1.07** per share and the enlarged issued share capital of **671,314,791** ordinary shares, the Company will have a market capitalisation of **RM718.31 million**.

CPE Technology's CEO Lee Chen Yeong (吕振荣) said, "Today's ceremony is a testament of our growth and our potential. We have remained profitable throughout the years thanks to our outstanding products and services."

"Our immediate objective for the listing is to speed up our growth. The bulk of our proceeds will go to the construction of new plants and the purchase of new machinery and equipment which will allow us to optimise our production to cater to the increasing demand, from both local and international customers, for our products and services. As at the LPD, our unbilled order book stands at RM69.27 million."

Meanwhile, a part of the proceeds will also be utilised for the purchase of raw materials such as stainless steel and aluminium which are mainly sourced from overseas suppliers. "Stocking these raw materials on site will help us maintain ample supply while simultaneously mitigating rising shipping costs due to fluctuation in price," Lee explained.

Based on the "Strategic Analysis of the Engineering Supporting Industry in Malaysia" report by Protégé Associates, the Group is looking forward to the forecasted growth of the engineering supporting industry ("ESI") in Malaysia from RM9.37 billion in 2022 to RM9.98 billion in 2023, further expanding by a compound annual growth rate ("CAGR") of 8.2% to reach RM13.88 billion in 2027. The growth is expected to be spurred by the advancement in technology as well as expansion in end-user markets.



As of 30 June 2023, CPE Technology holds a 1.55% share, equivalent to a generated revenue of RM145.35 million, of the total size of the ESI in Malaysia of RM9.37 billion in 2022.

Application for the public issue will open on 20 November 2023 and close on 24 November 2023. The Group is slated to **list on the Main Market** of Bursa Malaysia Securities Berhad on **7 December 2023**.

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About CPE Technology Berhad (“CPE Technology” or “the Group”)

CPE Technology Berhad was incorporated on 26 April 2021 in Malaysia under the Companies Act 2016 as a private limited company under the name of CPE Technology Sdn. Bhd. On 13 April 2022, the Group was converted into a public limited company and assumed its present name.

The Group is primarily involved in the provision of engineering supporting services principally the manufacturing of precision-machined parts and components and provision of computer numerical control machining services catering to different industries which include, but not limited to, semiconductor, life science and medical devices, sport equipment, sensor equipment and security industries in Malaysia and overseas.

For more information, please visit <https://www.cpetbhd.com/>.

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Forward-Looking Statements

The statement included in this press release, other than statements of historical facts, are forward-looking statements. Forward-looking statement generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “plan,” “seek,” or “believe.” These forward-looking statements, which are subject to risks, uncertainties, and assumptions, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations about future event. There are important factors that could cause our actual results, level of activity, performance, or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statement, including, but not limited to our ability to win additional business. Although we believe the expectations reflected in the forward- looking statements are reasonable, we cannot guarantee future result, level of activity, performance, or achievements. You should not rely upon forward-looking statements as predictions of future events. These forward-looking statements apply only as of the date of this press release; as such, they should not be unduly relied upon as circumstances change. Except as required by law, we are not obligated, and we undertake no obligation, to release publicly any revisions to these forward-looking statements that might reflect events or circumstances occurring after the date of this release or those that might reflect the occurrence of unanticipated events.