

MI TECHNOVATION BERHAD

INVESTMENT IN SECURITIES

1. INTRODUCTION

The Board of Directors of **MI TECHNOVATION BERHAD** (“the Company” or “MiT”) wishes to announce that the Company had invested in bond fund which falls under the definition of securities of the Capital Markets and Services Act 2007 (“Investment”).

2. DETAILS OF THE INVESTMENT

2.1 *The amount of Investment*

As at todate, the Company has invested a total of RM44.0 million in the Investment.

2.2 *Liabilities to be assumed*

No unit holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased.

3. SOURCES OF FUND

The sources of fund for the Investment is from the proceeds that the Company’s raised during Initial Public Offer, which is pending utilization.

4. RATIONALE AND BENEFITS OF THE INVESTMENT

The Investment is part of the overall cash management of the Group. The placement of bond fund is for the Group to manage free cash flows and optimize working capital so as to provide a steady stream of income returns.

5. RISKS OF THE INVESTMENT

The price of Units in the bond fund fluctuates according to the value of the underlying portfolio.

6. FINANCIAL EFFECTS OF THE INVESTMENT

6.1 *Share Capital and Substantial Shareholders’ Shareholdings*

The Investment will not have any effects on the issued and paid-up share capital and substantial shareholders’ shareholdings of MiT.

6.2 *Earnings*

The Investment is not expected to result in any material gain or loss on the Company’s earning.

6.3 *Net Assets (“NA”) and Gearing*

The Investment is not expected to result in any material changes on Company’s NA and Gearing for the financial year ending 31st December 2020.

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7. **DIRECTORS' AND MAJOR SHAREHOLDER'S INTERESTS**
None of the Directors, major shareholder and persons connected to Directors and/or major shareholder of the Company has any interest, direct or indirect, in the Investment.

8. **APPROVAL REQUIRED**
The Investment is not subject to the approval of the shareholders of the Company or any other governmental authorities.

9. **STATEMENT BY THE BOARD**
Having taken into consideration all aspects of the Investment, the Board of Directors of MiT is of the opinion that the Investment is in the best interest of the Company and will not detrimental to the interest of the minority shareholders

10. **APPLICABLE PERCENTAGE RATIO**
The highest percentage ratio applicable to the Investment pursuant to Paragraph 10.02(g) of Bursa Securities' Main Market Listing Requirements is 11.7%, calculated based on consideration compared with NA of the Company for the financial year ended 31 December 2019.

This announcement is dated 26th June 2020.