

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS**  
**MI EQUIPMENT HOLDINGS BERHAD)**  
(Company No. 1235827-D)  
(Incorporated in Malaysia)

**DIRECTORS' REPORT AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**31 DECEMBER 2018**

Company No. 1235827-D

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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Company No. 1235827-D

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company is investment holding. The principal activities of subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

**CHANGE OF NAME**

On 27 December 2018, the Company changed its name from Mi Equipment Holdings Berhad to Mi Technovation Berhad.

**RESULTS**

	<b>Group RM</b>	<b>Company RM</b>
Profit for the financial year, attributable to owners of the parent	<u>44,349,000</u>	<u>28,605,859</u>

**DIVIDENDS**

Dividends paid, declared or proposed since the end of the previous financial period were as follows:

	<b>RM</b>
In respect of financial year ended 31 December 2018:	
First single tier interim dividend of RM0.03 per ordinary share, paid on 30 August 2018	15,000,000
Second single tier interim dividend of RM0.02 per ordinary share, paid on 21 December 2018	<u>10,000,000</u>
	<u>25,000,000</u>

No final dividend has been recommended by the Directors for the financial year ended 31 December 2018.

## **RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## **ISSUE OF SHARES AND DEBENTURES**

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 365,572,000 ordinary shares to 500,000,000 ordinary shares by way of allotment of 134,428,000 new ordinary shares at an issue price of RM1.42 each for cash pursuant to its Initial Public Offering exercise.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

There were no other issuance of shares and debentures during the financial year.

## **OPTIONS GRANTED OVER UNISSUED SHARES**

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

## **DIRECTORS**

The Directors who have held office since the date of the last report are:

### Mi Technovation Berhad (formerly known as Mi Equipment Holdings Berhad)

Oh Kuang Eng  
Ong Tee Ni  
Koay Huck Khim  
Foo Hee Chaik  
Tan Boon Hoe  
Lee Boon Leng

### Subsidiaries of Mi Technovation Berhad (formerly known as Mi Equipment Holdings Berhad)

Oh Kuang Eng \*  
Ong Tee Ni  
Teo Chee Kheong (Appointed as Director of Suzhou Mi Equipment Co., Ltd. on  
18 March 2019)

\* Mr. Oh Kuang Eng resigned as the Director of Suzhou Mi Equipment Co., Ltd. on 18 March 2019 and remained as Director of other subsidiaries of the Company.

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company during the financial year ended 31 December 2018 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	[----- Number of ordinary shares -----]			Balance as at 31-12-2018
	Balance as at 1-1-2018	Bought	Sold	
<b>Shares in the Company</b>				
<u>Direct interests</u>				
Oh Kuang Eng	358,521,394	250,000	(18,521,000)	340,250,394
Ong Tee Ni	1,480,628	55,600	(50,000)	1,486,228
Koay Huck Khim	0	500,000	0	500,000
Foo Hee Chaik	0	300,000	0	300,000
Tan Boon Hoe	0	300,000	(100,000)	200,000
Lee Boon Leng	0	65,000	0	65,000

By virtue of Mr. Oh Kuang Eng's substantial interest in the shares of the Company, he is deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

## DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries as disclosed in Note 24 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REMUNERATION

Benefits of the Directors who held office during the financial years ended 31 December 2018 and 31 December 2017 are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
<b>Directors of the Company:</b>				
Fees	144,000	0	144,000	0
Salaries and bonuses	1,246,336	1,917,437	655,500	0
Contributions to defined contribution plans	196,020	213,674	116,280	0
Social security contributions	2,309	2,279	1,770	0
Other benefits	27,000	0	27,000	0
	<u>1,615,665</u>	<u>2,133,390</u>	<u>944,550</u>	<u>0</u>

## INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected liability insurance of the Directors and officers during the financial year to protect the Directors and the officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The amount of insurance premium paid by the Company during the financial year ended 31 December 2018 was RM24,500.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

**OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**

**(I) AS AT END OF THE FINANCIAL YEAR**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

**(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT**

- (c) The Directors are not aware of any circumstances:
- (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)**

**(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)**

(d) In the opinion of the Directors:

- (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
- (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

**(III) AS AT THE DATE OF THIS REPORT**

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

**SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF REPORTING PERIOD**

Significant events subsequent to the end of reporting period is disclosed in Note 28 to the financial statements.



Company No. 1235827-D

## **AUDITORS**

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2018 amounted to RM68,000 and RM122,604 respectively.

BDO PLT (LLP0018825-LCA & AF 0206) was registered on 2 January 2019 and with effect from that date, BDO (AF 0206), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board in accordance with a resolution of the Directors.

**Oh Kuang Eng**  
Director

**Ong Tee Ni**  
Director

Penang  
16 April 2019

Company No. 1235827-D

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages 15 to 78 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Oh Kuang Eng**  
Director

**Ong Tee Ni**  
Director

Penang  
16 April 2019

**STATUTORY DECLARATION**

I, Oh Kuang Eng, being the Director primarily responsible for the financial management of Mi Technovation Berhad (formerly known as Mi Equipment Holdings Berhad), do solemnly and sincerely declare that the financial statements set out on pages 15 to 78 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed at Georgetown in the State of  
Penang this 16 April 2019

**Oh Kuang Eng**

Before me,

Commissioner for Oaths

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MI TECHNOVATION BERHAD  
(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)  
(Company No. 1235827-D)  
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**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Mi Technovation Berhad (formerly known as Mi Equipment Holdings Berhad), which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 78.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the requirements of the Companies Act 2016 in Malaysia.

**Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence and Other Ethical Responsibilities**

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MI TECHNOVATION BERHAD  
(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD) (continued)**  
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**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**(a) *Impairment of trade receivables***

As at 31 December 2018, the carrying amount of trade receivables of the Group amounted to RM67,884,848, which were net of impairment losses of RM150,106. The details of trade receivables have been disclosed in Note 7 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

***Audit response***

Our audit procedures included the following:

- (i) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (ii) Recomputed the correlation coefficient between the macroeconomic indicators and historical losses to determine the appropriateness of the forward-looking information used by the Group; and
- (iii) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MI TECHNOVATION BERHAD  
(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD) (continued)**  
(Company No. 1235827-D)  
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**Information Other than the Financial Statements and Auditors' Report Thereon**

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MI TECHNOVATION BERHAD  
(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD) (continued)**  
(Company No. 1235827-D)  
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**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MI TECHNOVATION BERHAD  
(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD) (continued)**  
(Company No. 1235827-D)  
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**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MI TECHNOVATION BERHAD  
(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD) (continued)  
(Company No. 1235827-D)  
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**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO PLT**  
LLP0018825-LCA & AF 0206  
Chartered Accountants

**Koay Theam Hock**  
02141/04/2021 J  
Chartered Accountant

Penang  
16 April 2019



**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	57,590,753	26,957,084	30,552	0
Investments in subsidiaries	5	0	0	66,802,953	65,802,953
Deferred tax assets	6	3,838	2,335	0	0
Other receivables	7	0	0	5,457,279	0
		<u>57,594,591</u>	<u>26,959,419</u>	<u>72,290,784</u>	<u>65,802,953</u>
<b>Current assets</b>					
Inventories	8	43,354,252	36,433,922	0	0
Trade and other receivables	7	74,478,718	40,523,259	43,950,440	0
Current tax assets		86,773	78,200	0	0
Short term funds	9	183,605,895	0	139,064,899	0
Cash and bank balances	10	19,799,116	52,633,613	1,445,901	977
		<u>321,324,754</u>	<u>129,668,994</u>	<u>184,461,240</u>	<u>977</u>
<b>TOTAL ASSETS</b>		<u><u>378,919,345</u></u>	<u><u>156,628,413</u></u>	<u><u>256,752,024</u></u>	<u><u>65,803,930</u></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	11	252,615,378	65,803,001	252,615,378	65,803,001
Reserves	12	78,233,782	58,951,816	3,568,152	(37,707)
<b>TOTAL EQUITY</b>		<u><u>330,849,160</u></u>	<u><u>124,754,817</u></u>	<u><u>256,183,530</u></u>	<u><u>65,765,294</u></u>

**MI TECHNOVATION BERHAD**  
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**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018 (continued)**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowing	13	4,369,945	0	0	0
Provisions	14	2,557,893	3,772,627	0	0
Deferred tax liabilities	6	0	57,310	0	0
		<u>6,927,838</u>	<u>3,829,937</u>	<u>0</u>	<u>0</u>
<b>Current liabilities</b>					
Trade and other payables	15	35,769,100	25,104,876	568,494	38,636
Provisions	14	2,974,821	2,685,310	0	0
Borrowing	13	2,382,736	0	0	0
Current tax liabilities		15,690	253,473	0	0
		<u>41,142,347</u>	<u>28,043,659</u>	<u>568,494</u>	<u>38,636</u>
<b>TOTAL LIABILITIES</b>		<u>48,070,185</u>	<u>31,873,596</u>	<u>568,494</u>	<u>38,636</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>378,919,345</u>	<u>156,628,413</u>	<u>256,752,024</u>	<u>65,803,930</u>

The accompanying notes form an integral part of the financial statements.

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	Group		Company	
		1.1.2018 to 31.12.2018 RM	1.1.2017 to 31.12.2017 RM	1.1.2018 to 31.12.2018 RM	19.6.2017 to 31.12.2017 RM
Revenue	17	160,392,052	173,321,976	32,554,702	0
Cost of sales		(86,217,872)	(75,437,344)	0	0
Gross profit		74,174,180	97,884,632	32,554,702	0
Other operating income		5,999,920	693,117	3,048,856	0
Sales and marketing expenses		(12,371,027)	(5,714,238)	0	0
General and administrative expenses		(23,028,710)	(32,082,244)	(6,997,699)	(37,707)
Profit/(Loss) from operations		44,774,363	60,781,267	28,605,859	(37,707)
Finance costs	18	(293,845)	0	0	0
Profit/(Loss) before tax	20	44,480,518	60,781,267	28,605,859	(37,707)
Tax expense	21	(131,518)	(1,476,861)	0	0
Profit/(Loss) for the financial year/period, attributable to owners of the parent		44,349,000	59,304,406	28,605,859	(37,707)
Other comprehensive loss, net of tax:					
Items that may be subsequently reclassified to profit or loss					
Foreign currency translations, net of tax	21(d)	(67,034)	(85,147)	0	0
Total comprehensive income/(loss), attributable to owners of the parent		44,281,966	59,219,259	28,605,859	(37,707)
Earnings per share attributable to owners of the parent:					
Basic and diluted (sen)	22	10.15	33.45		

The accompanying notes form an integral part of the financial statements.

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

Group	Note	[----- Non-distributable -----]				<u>Distributable</u>	Total equity RM
		Share capital RM	Legal reserve RM	Exchange translation reserve RM	Reorganisation debit reserve RM	Retained earnings RM	
Balance as at 1 January 2017		2,250,040	6,244	376,347	(4,998)	66,407,875	69,035,508
Profit for the financial year		0	0	0	0	59,304,406	59,304,406
Other comprehensive loss, net of tax		0	0	(85,147)	0	0	(85,147)
Total comprehensive income		0	0	(85,147)	0	59,304,406	59,219,259
<b>Transactions with owners:</b>							
Issuance of ordinary shares	11	50	0	0	0	0	50
Acquisition of subsidiaries in business combination under common control	11	63,552,911	0	0	(63,552,911)	0	0
Dividends paid	23	0	0	0	0	(3,500,000)	(3,500,000)
Total transactions with owners		63,552,961	0	0	(63,552,911)	(3,500,000)	(3,499,950)
Balance as at 31 December 2017		65,803,001	6,244	291,200	(63,557,909)	122,212,281	124,754,817

Company No. 1235827-D

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (continued)**

Group	Note	[----- Non-distributable -----]				<u>Distributable</u>	Total equity RM
		Share capital RM	Legal reserve RM	Exchange translation reserve RM	Reorganisation debit reserve RM	Retained earnings RM	
Balance as at 1 January 2018		65,803,001	6,244	291,200	(63,557,909)	122,212,281	124,754,817
Profit for the financial year		0	0	0	0	44,349,000	44,349,000
Other comprehensive loss, net of tax		0	0	(67,034)	0	0	(67,034)
Total comprehensive income		0	0	(67,034)	0	44,349,000	44,281,966
Transfer to legal reserve		0	35,652	0	0	(35,652)	0
<b>Transactions with owners:</b>							
Issuance of ordinary shares	11	190,887,760	0	0	0	0	190,887,760
Share issue expenses	11	(4,075,383)	0	0	0	0	(4,075,383)
Dividends paid	23	0	0	0	0	(25,000,000)	(25,000,000)
Total transactions with owners		186,812,377	0	0	0	(25,000,000)	161,812,377
Balance as at 31 December 2018		252,615,378	41,896	224,166	(63,557,909)	141,525,629	330,849,160

The accompanying notes form an integral part of the financial statements.

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

Company	Note	<u>Non-distributable</u> Share capital RM	<u>Distributable</u> (Accumulated losses)/ Retained earnings RM	Total equity RM
Balance as at 19 June 2017 (Date of incorporation)		50	0	50
Loss for the financial period		0	(37,707)	(37,707)
Other comprehensive income, net of tax		0	0	0
Total comprehensive loss		0	(37,707)	(37,707)
<b>Transaction with owners:</b>				
Ordinary shares issued pursuant to acquisition of subsidiaries	11	65,802,951	0	65,802,951
Total transaction with owners		65,802,951	0	65,802,951
Balance as at 31 December 2017		65,803,001	(37,707)	65,765,294
Balance as at 1 January 2018		65,803,001	(37,707)	65,765,294
Profit for the financial year		0	28,605,859	28,605,859
Other comprehensive income, net of tax		0	0	0
Total comprehensive income		0	28,605,859	28,605,859
<b>Transactions with owners:</b>				
Issuance of ordinary shares	11	190,887,760	0	190,887,760
Share issue expenses	11	(4,075,383)	0	(4,075,383)
Dividends paid	23	0	(25,000,000)	(25,000,000)
Total transactions with owners		186,812,377	(25,000,000)	161,812,377
Balance as at 31 December 2018		252,615,378	3,568,152	256,183,530

The accompanying notes form an integral part of the financial statements.

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	Group		Company	
		1.1.2018 to 31.12.2018 RM	1.1.2017 to 31.12.2017 RM	1.1.2018 to 31.12.2018 RM	19.6.2017 to 31.12.2017 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit/(Loss) before tax		44,480,518	60,781,267	28,605,859	(37,707)
Adjustments for:					
Depreciation of property, plant and equipment	4	2,218,781	2,021,601	2,010	0
Dividend income		0	0	(31,500,000)	0
Gain on disposal of property, plant and equipment		(3,859)	0	0	0
Impairment loss on trade receivables	7	150,106	0	0	0
Interest expense	18	293,845	0	0	0
Interest income		(3,611,779)	(671,739)	(3,048,856)	0
Property, plant and equipment written off	4	105,430	5,602,086	0	0
Provision for:					
- warranty replacement costs	14	2,891,500	3,296,079	0	0
- technical support services	14	0	1,901,731	0	0
Reversal of provision for warranty replacement costs	14	(1,969,304)	(4,986,948)	0	0
Unrealised (gain)/loss on foreign exchange		(2,084,940)	2,510,756	0	0
Inventories written down		99,515	0	0	0
Operating profit/(loss) before changes in working capital		42,569,813	70,454,833	(5,940,987)	(37,707)
Increase in inventories		(7,019,845)	(12,897,841)	0	0
Increase in trade and other receivables		(32,257,593)	(27,084,313)	(35,407,719)	0
Increase in trade and other payables		10,577,916	12,542,685	529,858	38,636
Warranty paid	14	(550,561)	(469,865)	0	0
Technical support related expenses paid	14	(1,296,858)	0	0	0
Cash generated from/(used in) operations		12,022,872	42,545,499	(40,818,848)	929

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAD ENDED 31 DECEMBER 2018 (continued)**

	Note	Group		Company	
		1.1.2018 to 31.12.2018 RM	1.1.2017 to 31.12.2017 RM	1.1.2018 to 31.12.2018 RM	19.6.2017 to 31.12.2017 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>					
Cash generated from/(used in) operations		12,022,872	42,545,499	(40,818,848)	929
Tax refunded		0	583	0	0
Tax paid		(454,240)	(1,435,720)	0	0
Net cash from/(used in) operating activities		<u>11,568,632</u>	<u>41,110,362</u>	<u>(40,818,848)</u>	<u>929</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Incorporation of a subsidiary	5	0	0	(2)	(2)
Additional investment in a subsidiary	5	0	0	(999,998)	0
Dividend received		0	0	17,500,000	0
Interest received		3,611,779	671,739	3,048,856	0
Proceeds from disposal of property, plant and equipment		346,444	0	0	0
Purchase of property, plant and equipment	4	(33,327,836)	(31,413,578)	(32,562)	0
Withdrawal of deposits with a licensed bank (more than three (3) months)		0	10,000,000	0	0
Net cash (used in)/from investing activities		<u>(29,369,613)</u>	<u>(20,741,839)</u>	<u>19,516,294</u>	<u>(2)</u>



**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAD ENDED 31 DECEMBER 2018 (continued)**

	Note	Group		Company	
		1.1.2018 to 31.12.2018 RM	1.1.2017 to 31.12.2017 RM	1.1.2018 to 31.12.2018 RM	19.6.2017 to 31.12.2017 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid	23	(25,000,000)	(3,500,000)	(25,000,000)	0
Interest paid		(293,845)	0	0	0
Proceeds from issuance of ordinary shares	11	190,887,760	50	190,887,760	0
Share issue expenses	11	(4,075,383)	0	(4,075,383)	0
Repayment of term loan		(2,160,828)	0	0	0
Drawdown of term loan		8,453,869	0	0	0
Placement of deposits pledged to licensed banks		0	(2,096,953)	0	0
Withdrawal of deposits pledged to a licensed bank		0	2,083,768	0	0
Net cash from/(used in) financing activities		<u>167,811,573</u>	<u>(3,513,135)</u>	<u>161,812,377</u>	<u>0</u>
Net increase in cash and cash equivalents		150,010,592	16,855,388	140,509,823	927
Effect on foreign exchange rates changes		710,610	(460,526)	0	0
Cash and cash equivalents at beginning of financial year/date of incorporation		50,581,710	34,186,848	977	50
Cash and cash equivalents at end of financial year/period	10(b)	<u><u>201,302,912</u></u>	<u><u>50,581,710</u></u>	<u><u>140,510,800</u></u>	<u><u>977</u></u>

**MI TECHNOVATION BERHAD**  
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(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAD ENDED 31 DECEMBER 2018 (continued)**

***RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES***

<b>Group</b>	<b>Term loan (Note 13)</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
At 1 January	0	0
Cash flows	6,293,041	0
Non-cash flows:		
- Effect of foreign exchange	459,640	0
At 31 December	<u>6,752,681</u>	<u>0</u>

The accompanying notes form an integral part of the financial statements.

**MI TECHNOVATION BERHAD**  
**(FORMERLY KNOWN AS MI EQUIPMENT HOLDINGS BERHAD)**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**1. CORPORATE INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

Bursa Malaysia Securities Berhad has, vide its letter dated 27 March 2018, approved the admission of the Company to the Official List, and the listing of and quotation for its entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad. The ordinary shares of the Company were listed on the Main Market of Bursa Malaysia Securities Berhad on 20 June 2018.

The registered office of the Company is located at Suite 12-A, Level 12, Menara Northam, No. 55 Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang.

The principal place of business of the Company is located at Plot 13, Bayan Lepas Technoplex, MK 12, Industrial Zone Phase 4, 11900 Bayan Lepas, Penang.

The consolidated financial statements for the financial year ended 31 December 2018 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 16 April 2019.

**2. PRINCIPAL ACTIVITIES**

The principal activity of the Company is investment holding. The principal activities of subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**3. BASIS OF PREPARATION**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 30(a) to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in financial statements.

In the previous financial year, the Group applied merger method of accounting on a retrospective basis arising from the acquisition of the entire equity interest of Mi Equipment (M) Sdn. Bhd. and Mi International Pte. Ltd. by the Company in business combinations under common control. Consequently, the Group presented comparative information as if the business combinations had taken place before the start of the earliest period presented in the financial statements.

Consequently, the following accounting treatment has been applied in the consolidated financial statements arising from the business combinations under common control:

- (a) Assets and liabilities of Mi Equipment (M) Sdn. Bhd. and Mi International Pte. Ltd. were recognised and measured at their pre-business combination carrying amount without restatement to fair value;
- (b) Retained earnings and other equity reserves of the Group as at 1 January 2016 are those of Mi Equipment (M) Sdn. Bhd. and Mi International Pte. Ltd.;
- (c) Share capital as at 1 January 2016 reflects the share capital of Mi Equipment (M) Sdn. Bhd. and Mi International Pte. Ltd. prior to the incorporation of the Company; and
- (d) The statements of financial position as at 31 December 2017 represents the financial position of the Group after reflecting the effect of the acquisitions in the previous financial year.

The preparation of financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**4. PROPERTY, PLANT AND EQUIPMENT**

<b>Group</b>	<b>Balance as at 1.1.2018 RM</b>	<b>Additions RM</b>	<b>Written off RM</b>	<b>Disposals RM</b>	<b>Currency translation differences RM</b>	<b>Depreciation charge for the financial year RM</b>	<b>Balance as at 31.12.2018 RM</b>
<b>Carrying amount</b>							
Leasehold land	23,159,361	394,400	0	0	0	(460,632)	23,093,129
Plant and machinery	534,344	0	0	0	(17,161)	(120,020)	397,163
Motor vehicles	1,106,776	411,771	0	(322,396)	(5,964)	(346,907)	843,280
Office equipment	1,105,950	805,531	(28,402)	(18,625)	(911)	(613,896)	1,249,647
Production equipment	361,383	1,043,555	0	0	0	(190,191)	1,214,747
Clean room	36,244	0	0	0	0	(18,576)	17,668
Furniture and fittings	273,643	424,035	(76,367)	(1,564)	218	(216,852)	403,113
Sports equipment	47,190	8,800	(661)	0	0	(14,216)	41,113
Laboratory equipment	132,209	845,834	0	0	0	(198,410)	779,633
Renovation	119,715	0	0	0	(3,553)	(39,081)	77,081
Capital work-in-progress	80,269	29,393,910	0	0	0	0	29,474,179
	<b>26,957,084</b>	<b>33,327,836</b>	<b>(105,430)</b>	<b>(342,585)</b>	<b>(27,371)</b>	<b>(2,218,781)</b>	<b>57,590,753</b>

<b>Group</b>	[----- As at 31.12.2018 -----]		
	<b>Cost RM</b>	<b>Accumulated depreciation RM</b>	<b>Carrying amount RM</b>
Leasehold land	23,727,183	(634,054)	23,093,129
Plant and machinery	606,411	(209,248)	397,163
Motor vehicles	1,587,222	(743,942)	843,280
Office equipment	2,761,084	(1,511,437)	1,249,647
Production equipment	1,639,819	(425,072)	1,214,747
Clean room	92,880	(75,212)	17,668
Furniture and fittings	506,024	(102,911)	403,113
Sports equipment	64,378	(23,265)	41,113
Laboratory equipment	995,080	(215,447)	779,633
Renovation	154,164	(77,083)	77,081
Capital work-in-progress	29,474,179	0	29,474,179
	<b>61,608,424</b>	<b>(4,017,671)</b>	<b>57,590,753</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**4. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>Group</b>	<b>Balance as at 1.1.2017 RM</b>	<b>Additions RM</b>	<b>Written off RM</b>	<b>Transferred to inventories RM</b>	<b>Currency translation differences RM</b>	<b>Depreciation charge for the financial year RM</b>	<b>Balance as at 31.12.2017 RM</b>
<b>Carrying amount</b>							
Leasehold land	0	23,332,783	0	0	0	(173,422)	23,159,361
Building	0	5,600,000	(5,600,000)	0	0	0	0
Plant and machinery	1,502,302	628,680	0	(866,470)	2,075	(732,243)	534,344
Motor vehicles	1,159,515	325,195	0	0	(7,557)	(370,377)	1,106,776
Office equipment	564,126	920,888	(2,086)	(12,955)	(1,261)	(362,762)	1,105,950
Production equipment	239,763	213,493	0	0	0	(91,873)	361,383
Clean room	54,820	0	0	0	0	(18,576)	36,244
Furniture and fittings	365,524	119,024	0	0	(2,111)	(208,794)	273,643
Sports equipment	8,955	44,000	0	0	0	(5,765)	47,190
Laboratory equipment	0	149,246	0	0	0	(17,037)	132,209
Renovation	165,386	0	0	0	(4,919)	(40,752)	119,715
Capital work-in-progress	0	80,269	0	0	0	0	80,269
	<b>4,060,391</b>	<b>31,413,578</b>	<b>(5,602,086)</b>	<b>(879,425)</b>	<b>(13,773)</b>	<b>(2,021,601)</b>	<b>26,957,084</b>

<b>Group</b>	<b>[----- As at 31.12.2017 -----]</b>		
	<b>Cost RM</b>	<b>Accumulated depreciation RM</b>	<b>Carrying amount RM</b>
Leasehold land	23,332,783	(173,422)	23,159,361
Plant and machinery	628,680	(94,336)	534,344
Motor vehicles	1,981,688	(874,912)	1,106,776
Office equipment	2,063,068	(957,118)	1,105,950
Production equipment	596,264	(234,881)	361,383
Clean room	92,880	(56,636)	36,244
Furniture and fittings	720,549	(446,906)	273,643
Sports equipment	65,491	(18,301)	47,190
Laboratory equipment	149,246	(17,037)	132,209
Renovation	159,621	(39,906)	119,715
Capital work-in-progress	80,269	0	80,269
	<b>29,870,539</b>	<b>(2,913,455)</b>	<b>26,957,084</b>

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2018**

**4. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>Company</b>	<b>Balance as at 1.1.2018 RM</b>	<b>Additions RM</b>	<b>Depreciation charge for the financial year RM</b>	<b>Balance as at 31.12.2018 RM</b>
Office equipment	<u>0</u>	<u>32,562</u>	<u>(2,010)</u>	<u>30,552</u>
		[----- <b>Cost</b> <b>RM</b>	<b>As at 31.12.2018</b> <b>Accumulated</b> <b>depreciation</b> <b>RM</b>	-----] <b>Carrying</b> <b>amount</b> <b>RM</b>
Office equipment		<u>32,562</u>	<u>(2,010)</u>	<u>30,552</u>

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual periods and depreciation rates are as follows:

Leasehold land	45 - 60 years
Building	2%
Plant and machinery	33%
Motor vehicles	20%
Office equipment	20% to 33%
Production equipment	20%
Clean room	20%
Furniture and fittings	20% to 33%
Sports equipment	20%
Laboratory equipment	20%
Renovation	33%

Capital work-in-progress represents factory building under construction and is not depreciated until such time when the asset is available for use.

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2018**

**4. PROPERTY, PLANT AND EQUIPMENT (continued)**

(b) Leasehold land is analysed as:

	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Short term (unexpired period less than 50 years)	12,347,238	12,627,326
Long term (unexpired period more than 50 years)	10,745,891	10,532,035
	<u>23,093,129</u>	<u>23,159,361</u>

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.

- (c) Leasehold land of the Group with a carrying amount of RM12,347,238 (2017: RM12,627,326) is charged to a local bank as securities for bank facilities granted to the Group.
- (d) As at the end of the previous financial year, land title for leasehold land with a carrying amount of RM10,532,035 had yet to be issued by the relevant authority to the Group.
- (e) In the previous financial year, the Group obtained an approval from Majlis Bandaraya Pulau Pinang for the demolition of an existing factory building acquired together with a piece of leasehold land. The demolition of the factory building was completed on 7 December 2017. As a result, the factory building was written off by way of charge out to the statements of profit or loss and other comprehensive income, which amounted to RM5,600,000 during the previous financial year.

**5. INVESTMENTS IN SUBSIDIARIES**

	<b>Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost	<u>66,802,953</u>	<u>65,802,953</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**5. INVESTMENTS IN SUBSIDIARIES (continued)**

(a) An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment loss, if any.

(b) Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective ownership interest		Principal activities
		2018 %	2017 %	
Mi Equipment (M) Sdn. Bhd.	Malaysia	100	100	Design, development, manufacture and sale of wafer level chip scale packaging sorting machines with inspection and testing capabilities for the semiconductor industry
Mi International Pte. Ltd. *	Singapore	100	100	Overseeing all of the international sales, sales and marketing of machines and provision of maintenance services and technical support, as well as the sale of related spare parts and components
Mi Precision Sdn. Bhd.	Malaysia	100	100	Manufacture and sales of precision fabrication parts
Mi Autobotics Sdn. Bhd.	Malaysia	100	0	Research and development, engineering, manufacturing and assembly of smart and highly mechatronics industry robots and advanced factory automation equipment and machineries, and sales of intelligent software solutions and systems. Currently, Mi Autobotics Sdn. Bhd. has not commenced operations.

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2018**

**5. INVESTMENTS IN SUBSIDIARIES (continued)**

(b) Details of the subsidiaries are as follows (continued):

Name of subsidiaries	Country of incorporation	Effective ownership interest		Principal activities
		2018 %	2017 %	
<b>Subsidiaries of Mi International Pte. Ltd.</b>				
Mi Sales & Services (M) Sdn. Bhd. (Formerly known as Mi Equipment Sales & Services Sdn. Bhd. )	Malaysia	100	100	Sales and marketing of machines and provision of maintenance services and technical support, as well as the sale of related spare parts and components
Suzhou Mi Equipment Co., Ltd. *	People's Republic of China	100	100	Sales and marketing of machines and provision of maintenance services and technical support, as well as the sale of related spare parts and components
Mi Equipment (Taiwan) Co., Ltd. *	Taiwan (Republic of China)	100	100	Sales and marketing of machines and provision of maintenance services and technical support, as well as the sale of related spare parts and components
Mi Equipment USA Inc. #	United States of America	100	100	Sales and marketing of machines and provision of maintenance services and technical support, as well as the sale of related spare parts and components

\* The financial statements of these subsidiaries were audited by auditors other than the auditors of the Company.

# Subsidiary not required to be audited in its country of incorporation.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**5. INVESTMENTS IN SUBSIDIARIES (continued)**

- (c) On 10 January 2018, the Company acquired additional 999,998 ordinary shares at RM1 each in Mi Precision Sdn. Bhd. for a total cash consideration of RM999,998. There was no change to the Group's shareholding in the subsidiary.
- (d) On 20 September 2018, the Company incorporated Mi Autobotics Sdn. Bhd. for a cash consideration of RM2.
- (e) Acquisitions of subsidiaries in the previous financial year
  - (i) The Company completed the acquisition of entire equity interest in Mi Equipment (M) Sdn. Bhd., for a total consideration of RM63,455,445, which was satisfied via the issuance of 352,530,250 ordinary shares at an issue price of RM0.18 per share. Consequently, Mi Equipment (M) Sdn. Bhd. became a wholly owned subsidiary of the Company.
  - (ii) The Company completed the acquisition of entire equity interest in Mi International Pte. Ltd. (formerly known as MiE Technology Pte. Ltd.), for a total consideration of SGD757,113 (equivalent to RM2,347,506), which was satisfied via the issuance of 13,041,700 ordinary shares at an issue price of RM0.18 per share. Consequently, Mi International Pte. Ltd. became a wholly owned subsidiary of the Company.
- (f) In the previous financial year, the Company incorporated Mi Precision Sdn. Bhd. for a cash consideration of RM2.
- (g) Business combinations under common control that were undertaken in previous financial year are disclosed in Note 3 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. DEFERRED TAX**

(a) The deferred tax assets and liabilities are made up of the following:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Balance as at 1 January	54,975	0
Recognised in profit or loss (Note 21)	(58,195)	55,876
Exchange differences	(618)	(901)
Balance as at 31 December	<u>(3,838)</u>	<u>54,975</u>

Presented after appropriate offsetting:

Deferred tax assets	(3,838)	(2,335)
Deferred tax liabilities	0	57,310
	<u>(3,838)</u>	<u>54,975</u>

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	<b>Property, plant and equipment</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Balance as at 1 January	57,310	0
Recognised in profit or loss	(56,686)	58,288
Exchange differences	(624)	(978)
Balance as at 31 December	<u>0</u>	<u>57,310</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**6. DEFERRED TAX (continued)**

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (continued):

Deferred tax assets of the Group

	<b>Unused tax losses</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Balance as at 1 January	(2,335)	0
Recognised in profit or loss	(1,509)	(2,412)
Exchange differences	6	77
Balance as at 31 December	<u>(3,838)</u>	<u>(2,335)</u>

- (c) The amount of temporary differences for which no deferred tax asset has been recognised in the statements of financial position are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unused tax losses	4,304,737	0	472,032	0
Unabsorbed capital allowances	116,936	0	1,407	0
	<u>4,421,673</u>	<u>0</u>	<u>473,439</u>	<u>0</u>

Deferred tax assets of the Company and certain subsidiaries were not recognised in respect of these items as it was not probable that taxable profits of the Company and of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The unabsorbed tax losses up to the year of assessment 2018 shall be deductible until year of assessment 2025. The unabsorbed tax losses for the year of assessment 2019 onwards will expire in seven (7) years.

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**7. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>Non-current assets</u></b>				
<b>Other receivables</b>				
Subsidiaries	0	0	5,457,279	0
<b><u>Current assets</u></b>				
<b>Trade receivables</b>				
Third parties	68,034,954	35,671,849	0	0
Dividend receivable from a subsidiary	0	0	14,000,000	0
	68,034,954	35,671,849	14,000,000	0
Less: Impairment losses	(150,106)	0	0	0
	67,884,848	35,671,849	14,000,000	0
<b>Other receivables</b>				
Third parties	3,935,950	3,558,132	0	0
Subsidiaries	0	0	29,888,327	0
Deposits	702,579	292,115	0	0
	4,638,529	3,850,247	29,888,327	0
<b>Total current receivables</b>	<b>72,523,377</b>	<b>39,522,096</b>	<b>43,888,327</b>	<b>0</b>
Prepayments	1,955,341	1,001,163	62,113	0
	74,478,718	40,523,259	43,950,440	0

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 180 days (2017: 30 to 180 days). Nevertheless, the management of the Group may give longer credit terms by discretion. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Non-trade portion of amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable within one (1) year in cash and cash equivalents, except for an amount of RM5,457,279 which are not payable within the next one (1) year.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. TRADE AND OTHER RECEIVABLES (continued)**

(d) The currency exposure profile of total receivables are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Ringgit Malaysia	4,253,768	3,646,078	45,293,676	0
United States Dollar	67,447,997	35,621,349	4,051,930	0
Taiwan Dollar	147,495	36,730	0	0
Singapore Dollar	63,312	161,929	0	0
Chinese Yuan	610,805	52,287	0	0
Others	0	3,723	0	0
	<u>72,523,377</u>	<u>39,522,096</u>	<u>49,345,606</u>	<u>0</u>

(e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on a common credit risk characteristic - geographic region.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For incorporating of forward-looking information into the determination of expected credit losses, the Group uses general macroeconomic factors such as projected gross domestic product and inflation rate as a broad guidance of credit.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within general and administrative expenses in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. TRADE AND OTHER RECEIVABLES (continued)**

(e) Lifetime expected loss provision for trade receivables as at 31 December 2018 are as follows:

	<b>Current</b>	<b>1 - 90 days past due</b>	<b>91 - 180 days past due</b>	<b>More than 180 days past due</b>	<b>Total</b>
Expected loss rate	0.12%	0.20%	0.46%	1.87%	
Gross carrying amount (RM)	37,542,847	25,923,088	2,343,851	2,225,168	68,034,954
Impairment (RM)	45,363	52,388	10,678	41,677	150,106

During the financial year, the Group did not renegotiate the terms of any trade receivables.

(f) Movements in the impairment allowance for trade receivables are as follows:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
At 1 January under MFRS 139	0	0
Restated through opening retained earnings	0	0
Opening impairment loss of trade receivables in accordance with MFRS 9	0	0
Charge for the financial year	150,106	0
At 31 December	<u>150,106</u>	<u>0</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**7. TRADE AND OTHER RECEIVABLES (continued)**

- (g) For other receivables and non-trade portion of amount owing by subsidiaries, the Group and the Company apply general approach to measure expected credit losses, which include a three-stage impairment model based on changes in credit quality since initial recognition. The Group and the Company assess whether credit risk has increased significantly since initial recognition by comparing the risk of a default as at the end of the financial year with the risk of a default as at the date of such receivables are initially recognised. In determining whether credit risk on a receivable has increased significantly since initial recognition, the Group and the Company observe the latest financial position and default of payments by the receivables.

The Group and the Company assess impairment loss on other receivables and non-trade portion of amount owing by subsidiaries based on 12-months expected credit loss approach and lifetime expected credit loss approach respectively. No expected credit loss is recognised as it is negligible.

- (h) Information on financial risks of trade and other receivables is disclosed in Note 27 to the financial statements.

**8. INVENTORIES**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
<b>At cost</b>		
Raw materials	9,576,877	5,076,528
Work-in-progress	10,044,754	19,494,033
Finished goods	23,080,798	11,859,030
Trading goods	64,773	4,331
Goods-in-transit	587,050	0
<b>Total</b>	<u>43,354,252</u>	<u>36,433,922</u>

- (a) Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of raw materials comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials and other direct costs.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM63,990,571 (2017: RM56,901,190).
- (c) During the financial year, the Group had written down inventories amounted to RM99,515 (2017: RMNil), which was recognised as cost of sales.

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. SHORT TERM FUNDS**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial assets at fair value through profit or loss</b>				
Money market funds	<u>183,605,895</u>	<u>0</u>	<u>139,064,899</u>	<u>0</u>

- (a) Short term funds of the Group and of the Company are investments in money market funds on highly liquid principal guaranteed investments, which are readily convertible to a known amounts of cash and be subject to an insignificant risk of changes in value.
- (b) Short term funds are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.
- (c) The currency exposure profile of short term funds are as follow:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Ringgit Malaysia	165,574,568	0	139,064,899	0
United States Dollar	<u>18,031,327</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>183,605,895</u>	<u>0</u>	<u>139,064,899</u>	<u>0</u>

- (d) Short term funds of the Group and of the Company are measured at Level 1 in the fair value hierarchy.
- (e) Information on financial risks of short term funds is disclosed in Note 27 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**10. CASH AND BANK BALANCES**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash and bank balances	17,442,760	49,707,674	1,445,901	977
Deposits with licensed banks	2,356,356	2,925,939	0	0
	<u>19,799,116</u>	<u>52,633,613</u>	<u>1,445,901</u>	<u>977</u>

(a) The currency exposure profile of cash and bank balances are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Ringgit Malaysia	11,194,814	20,851,620	1,445,901	977
United States Dollar	7,619,279	30,667,657	0	0
Taiwan Dollar	83,391	85,798	0	0
Singapore Dollar	537,785	454,376	0	0
Chinese Yuan	344,771	537,540	0	0
Others	19,076	36,622	0	0
	<u>19,799,116</u>	<u>52,633,613</u>	<u>1,445,901</u>	<u>977</u>

(b) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash and bank balances	17,442,760	49,707,674	1,445,901	977
Deposits with licensed banks	2,356,356	2,925,939	0	0
Short term funds (Note 9)	183,605,895	0	139,064,899	0
	<u>203,405,011</u>	<u>52,633,613</u>	<u>140,510,800</u>	<u>977</u>
Less: Deposits pledged to a licensed bank	(2,102,099)	(2,051,903)	0	0
	<u>201,302,912</u>	<u>50,581,710</u>	<u>140,510,800</u>	<u>977</u>

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2018**

**10. CASH AND BANK BALANCES (continued)**

- (c) Deposits pledged to a licensed bank are for term loan granted to the Group as disclosed in Note 13(c) to the financial statements.
- (d) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.
- (e) Information on financial risks of cash and bank balances is disclosed in Note 27 to the financial statements.

**11. SHARE CAPITAL**

	<b>Group Number of ordinary shares</b>	<b>RM</b>
<b>Issued and fully paid 2018</b>		
As at 1 January 2018	365,572,000	65,803,001
Issuance of ordinary shares pursuant to Initial Public Offering	134,428,000	190,887,760
Share issue expenses	0	(4,075,383)
As at 31 December 2018	<u>500,000,000</u>	<u>252,615,378</u>
<b>2017</b>		
As at 1 January 2017	2,100,000	2,250,040
Issuance of ordinary shares	50	50
Effects of business combinations under common control:		
- Elimination of issued and paid up ordinary share capital of Mi Equipment (M) Sdn. Bhd.	(2,000,000)	(2,000,000)
- Elimination of issued and paid up ordinary share capital of Mi International Pte. Ltd.	(100,000)	(250,040)
- Restated to the ordinary share capital of the Company	365,571,950	65,802,951
	363,471,950	63,552,911
As at 31 December 2017	<u>365,572,000</u>	<u>65,803,001</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**11. SHARE CAPITAL (continued)**

	<b>Company</b>	
	<b>Number of</b>	<b>RM</b>
	<b>ordinary shares</b>	
<b>Issued and fully paid</b>		
<b>2018</b>		
As at 1 January 2018	365,572,000	65,803,001
Issuance of ordinary shares pursuant to Initial Public Offering	134,428,000	190,887,760
Share issue expenses	0	(4,075,383)
As at 31 December 2018	<u>500,000,000</u>	<u>252,615,378</u>
<b>2017</b>		
As at 19 June 2017 (date of incorporation)	50	50
Issuance of ordinary shares	<u>365,571,950</u>	<u>65,802,951</u>
As at 31 December 2017	<u>365,572,000</u>	<u>65,803,001</u>

- (a) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 365,572,000 ordinary shares to 500,000,000 ordinary shares by way of allotment of 134,428,000 new ordinary shares at an issue price of RM1.42 each for cash pursuant to its Initial Public Offering exercise.
- (b) In the previous financial year, the issued and paid up share capital of the Company has been increased from RM50 to RM65,803,001 by way of issuance of 365,571,950 new ordinary shares of RM0.18 each pursuant to the acquisitions of subsidiaries.
- (c) As at 1 January 2017, the number of ordinary shares of the Group is on a combined basis as explained in Note 3 to the financial statements.
- (d) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**12. RESERVES**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Non-distributable:</b>				
Legal reserve	41,896	6,244	0	0
Exchange translation reserve	224,166	291,200	0	0
Reorganisation debit reserve	(63,557,909)	(63,557,909)	0	0
<b>Distributable:</b>				
Retained earnings/ (Accumulated losses)	141,525,629	122,212,281	3,568,152	(37,707)
	<u>78,233,782</u>	<u>58,951,816</u>	<u>3,568,152</u>	<u>(37,707)</u>

(a) Legal reserve

Pursuant to Company Act in Taiwan, a company, when allocating its surplus profits after having paid all taxes and dues, shall first set aside ten percent (10%) of the said profits as legal reserve. Where such legal reserve amounts to the total authorised capital, this provision shall not apply.

(b) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Reorganisation debit reserve

The reorganisation debit reserve arose as a result of the difference between consideration paid over the share capital and capital reserves of Mi Equipment (M) Sdn. Bhd. and Mi International Pte. Ltd. and its subsidiaries pursuant to business combinations under common control.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. BORROWING**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
<i>Term loan</i>		
Non-current	4,369,945	0
Current	2,382,736	0
	<u>6,752,681</u>	<u>0</u>

- (a) Borrowing is classified as financial liabilities measured at amortised cost.
- (b) Borrowing is denominated in United States Dollar.
- (c) The term loan is secured by the following:
- (i) deposits with a licensed bank as disclosed in Note 10(c) to the financial statements;
  - (ii) legal charge over leasehold land of the Group as disclosed in Note 4(c) to the financial statements; and
  - (iii) joint and several guarantee by certain Directors of the Group.
- (d) Information on financial risks of borrowing is disclosed in Note 27 to the financial statements.

**14. PROVISIONS**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
<b>Non-current</b>		
Provision for warranty replacement costs	2,557,893	2,504,806
Provision for technical support services	0	1,267,821
	<u>2,557,893</u>	<u>3,772,627</u>
<b>Current</b>		
Provision for warranty replacement costs	2,369,948	2,051,400
Provision for technical support services	604,873	633,910
	<u>2,974,821</u>	<u>2,685,310</u>
<b>Total provisions</b>		
Provision for warranty replacement costs	4,927,841	4,556,206
Provision for technical support services	604,873	1,901,731
	<u>5,532,714</u>	<u>6,457,937</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**14. PROVISIONS (continued)**

(a) Provision for warranty replacement costs

The Group provides a three (3) years warranty on certain electronic components and undertakes to repair or replace items that fail to perform satisfactorily. A provision has been recognised at the end of the reporting period for expected warranty claims based on past experience of the level of repairs.

Movements during the financial year in the amount recognised in the statements of financial position in respect of the provision for warranty replacement costs are as follows:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Balance as at 1 January	4,556,206	6,716,940
Provision made during the financial year	2,891,500	3,296,079
Amount used during the financial year	(550,561)	(469,865)
Provision reversed during the financial year	(1,969,304)	(4,986,948)
Balance as at 31 December	<u>4,927,841</u>	<u>4,556,206</u>

(b) Provision for technical support services

The Group provides technical support services in respect of trainings on operations and maintenance of machines to new customers for an average period of three (3) years. A provision has been recognised at the end of the reporting period for expected technical support services provided based on past experience of the level of such services.

Movements during the financial year in the amount recognised in the statements of financial position in respect of the provision for technical support services are as follows:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Balance as at 1 January	1,901,731	0
Provision made during the financial year	0	1,901,731
Amount used during the financial year	(1,296,858)	0
Balance as at 31 December	<u>604,873</u>	<u>1,901,731</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**15. TRADE AND OTHER PAYABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Trade payables</b>				
Third parties	11,907,179	14,623,696	0	0
<b>Other payables</b>				
Third parties	11,749,058	1,353,970	71,835	0
Subsidiary	0	0	0	29,136
Accrued expenses	12,112,863	9,127,210	496,659	9,500
	23,861,921	10,481,180	568,494	38,636
<b>Total trade and other payables</b>	<b>35,769,100</b>	<b>25,104,876</b>	<b>568,494</b>	<b>38,636</b>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2017: 30 to 90 days).
- (c) Non-trade portion of amount owing to subsidiary represented advances which were unsecured, interest-free and payable within one (1) year in cash and cash equivalents.
- (d) The currency exposure profile of trade and other payables are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Ringgit Malaysia	25,170,868	16,750,899	568,494	38,636
United States Dollar	7,716,473	3,700,587	0	0
Singapore Dollar	607,927	2,073,543	0	0
Taiwan Dollar	525,145	609,264	0	0
Swiss Franc	317,745	1,123,645	0	0
Euro	786,717	281,164	0	0
Chinese Yuan	602,547	508,770	0	0
Others	41,678	57,004	0	0
	<b>35,769,100</b>	<b>25,104,876</b>	<b>568,494</b>	<b>38,636</b>

- (e) Information on financial risks of trade and other payables is disclosed in Note 27 to the financial statements.

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**16. COMMITMENTS**

(a) Capital commitments

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Capital expenditure in respect of purchase of property, plant and equipment:		
Approved but not contracted for	88,849,163	140,000,000
Contracted but not provided for	32,925,765	0
	121,774,928	140,000,000

(b) Operating lease commitments

The Group as a lessee

The Group had entered into non-cancellable lease agreements for certain premises for terms between two (2) to three (3) years and renewable at the end of the lease period subject to an increase clause.

The Group has aggregate future minimum lease commitments as at the end of each reporting period as follows:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
Not later than one (1) year	345,570	580,754
Later than one (1) year and not later than five (5) years	113,580	145,278
	459,150	726,032

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**17. REVENUE**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018</b> <b>to</b> <b>31.12.2018</b> <b>RM</b>	<b>1.1.2017</b> <b>to</b> <b>31.12.2017</b> <b>RM</b>	<b>1.1.2018</b> <b>to</b> <b>31.12.2018</b> <b>RM</b>	<b>19.6.2017</b> <b>to</b> <b>31.12.2017</b> <b>RM</b>
Sale of goods	160,233,932	172,496,034	0	0
Services rendered	158,120	103,703	0	0
Management fee	0	0	1,054,702	0
Other revenue:				
- Dividend income	0	0	31,500,000	0
- Lease income	0	722,239	0	0
	<u>160,392,052</u>	<u>173,321,976</u>	<u>32,554,702</u>	<u>0</u>

(a) Sale of goods and services rendered

Revenue from sale of goods and services rendered is recognised at a point in time when the goods have been transferred or the services have been rendered to the customer and coincides with the delivery of goods and services and acceptance by customers.

There is no right of return provided to the customers on the sale of goods and services rendered.

There is no significant financing component in the revenue arising from sale of goods and services rendered as the sales or services are made on the normal credit terms not exceeding twelve (12) months.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Lease income

In the previous financial year, the Group had entered into lease agreements with customers on leasing out wafer level chip scale packaging sorting machines. The Group determined that it retains all the significant risks and rewards of ownership of these machines which were leased out as operating leases due to the lease period of three (3) years out of the economic lives of the machines of ten (10) years. The lease agreements were terminated during the financial year and the machines were subsequently sold to the customers.

**NOTES TO THE FINANCIAL STATEMENTS  
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**18. FINANCE COSTS**

	<b>Group</b>	
	<b>1.1.2018</b>	<b>1.1.2017</b>
	<b>to</b>	<b>to</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM</b>	<b>RM</b>
Interest expense on term loan	<u>293,845</u>	<u>0</u>

**19. EMPLOYEE BENEFITS**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018</b>	<b>1.1.2017</b>	<b>1.1.2018</b>	<b>19.6.2017</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Wages, salaries and bonuses	26,806,993	19,630,001	1,443,400	0
Contributions to defined contribution plans	1,985,889	1,436,584	164,142	0
Social security contributions	531,894	336,236	4,506	0
Other benefits	700,476	326,031	165,064	0
	<u>30,025,252</u>	<u>21,728,852</u>	<u>1,777,112</u>	<u>0</u>

- (a) Included in the employee benefits of the Group and the Company are Directors' remuneration amounting to RM1,615,665 (2017: RM2,485,365) and RM944,550 (2017: RMNil) respectively.
- (b) Estimated monetary value of benefits-in-kind provided to the Executive Directors of the Group is RM4,167 (2017: RM5,000).

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**20. PROFIT/(LOSS) BEFORE TAX**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018</b>	<b>1.1.2017</b>	<b>1.1.2018</b>	<b>19.6.2017</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit/(Loss) before tax is arrived at after charging:				
Auditors' remuneration:				
- statutory audit	146,604	96,085	30,000	4,500
- other services	44,000	564,817	38,000	9,000
Depreciation of property, plant and equipment	2,218,781	2,021,601	2,010	0
Directors' remuneration:				
<i>Directors of the Company</i>				
- fees	144,000	0	144,000	0
- other emoluments	1,471,665	2,133,390	800,550	0
<i>Directors of a subsidiary</i>				
- emoluments other than fees	0	351,975	0	0
Impairment loss on trade receivables	150,106	0	0	0
Inventories written down	99,515	0	0	0
Listing expenses	1,248,896	3,026,448	4,275,344	0
Loss on fair value changes in short term funds	0	0	45,550	0
Property, plant and equipment written off	105,430	5,602,086	0	0
Provision for technical support services	0	1,901,731	0	0
Provision for warranty replacement costs	2,891,500	3,296,079	0	0
Realised loss on foreign exchange	0	2,862,193	7,678	0
Rental expense	2,011,561	1,834,814	1,514	0
Unrealised loss on foreign exchange	0	2,510,756	0	0

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**20. PROFIT/(LOSS) BEFORE TAX (continued)**

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018 to 31.12.2018 RM</b>	<b>1.1.2017 to 31.12.2017 RM</b>	<b>1.1.2018 to 31.12.2018 RM</b>	<b>19.6.2017 to 31.12.2017 RM</b>
and crediting:				
Gain on disposal of property, plant and equipment	3,859	0	0	0
Gain on fair value changes in short term funds	87,340	0	0	0
Gain on redemption of short term funds	36,176	0	0	0
Government grant	17,606	15,000	0	0
Interest income	3,611,779	671,739	3,048,856	0
Realised gain on foreign exchange	107,111	0	0	0
Reversal of provision for warranty replacement costs	1,969,304	4,986,948	0	0
Unrealised gain on foreign exchange	2,084,940	0	0	0

**21. TAX EXPENSE**

	<b>Group</b>	
	<b>1.1.2018 to 31.12.2018 RM</b>	<b>1.1.2017 to 31.12.2017 RM</b>
Current tax expense based on profit for the financial year	87,883	365,865
Underprovision of tax expense in prior years	20,227	9,771
	<u>108,110</u>	<u>375,636</u>
Deferred tax (Note 6):		
Relating to origination and reversal of temporary differences	(52,795)	25,220
(Over)/Underprovision in prior years	(5,400)	30,656
	<u>(58,195)</u>	<u>55,876</u>
Withholding tax expenses	81,603	1,045,349
	<u>131,518</u>	<u>1,476,861</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**21. TAX EXPENSE (continued)**

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated taxable profits for the fiscal year.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

- (b) The numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rates of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018 to 31.12.2018 RM</b>	<b>1.1.2017 to 31.12.2017 RM</b>	<b>1.1.2018 to 31.12.2018 RM</b>	<b>19.6.2017 to 31.12.2017 RM</b>
Profit/(Loss) before tax	44,480,518	60,781,267	28,605,859	(37,707)
Tax at Malaysian statutory tax rate of 24% (2017: 24%)	10,675,324	14,587,504	6,865,406	(9,050)
Tax effects in respect of:				
Non-allowable expenses	2,090,746	3,524,264	1,279,477	9,050
Non-taxable income	(485,956)	(253,707)	(8,258,508)	0
Tax incentives and allowances	(13,385,263)	(17,263,520)	0	0
Different tax rates in foreign jurisdictions	322,268	(39,451)	0	0
Different tax rate for the first RM500,000 of chargeable income	0	(52,400)	0	0
Utilisation of previously unrecognised tax losses	0	(111,605)	0	0
Deferred tax assets not recognised	817,969	0	113,625	0
Withholding tax expenses	81,603	1,045,349	0	0
Underprovision of tax expense in prior years	20,227	9,771	0	0
(Over)/Underprovision of deferred tax in prior years	(5,400)	30,656	0	0
	<u>131,518</u>	<u>1,476,861</u>	<u>0</u>	<u>0</u>

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2018**

**21. TAX EXPENSE (continued)**

(c) On 9 March 2015, a subsidiary of the Group, Mi Equipment (M) Sdn. Bhd., was granted pioneer status by Ministry of International Trade and Industry of Malaysia ("MITI") for the "design, development and manufacturing of vision inspection and taping equipment and related components for semiconductor and solar industries" effective from 18 January 2014. Under the pioneer status granted by MITI, the profit derived from these activities is exempted from tax for a total relief period of five (5) years from the manufacturing date, i.e. from 18 January 2014 to 17 January 2019, subject to further renewal of another five (5) years.

(d) Tax on component of other comprehensive loss is as follows:

	<b>Before tax</b>	<b>Group</b>	<b>After tax</b>
	<b>RM</b>	<b>Tax effect</b>	<b>RM</b>
<b>2018</b>		<b>RM</b>	
<b>Item that may be subsequently reclassified to profit or loss</b>			
Foreign currency translations	<u>(67,034)</u>	<u>0</u>	<u>(67,034)</u>
<b>2017</b>			
<b>Item that may be subsequently reclassified to profit or loss</b>			
Foreign currency translations	<u>(85,147)</u>	<u>0</u>	<u>(85,147)</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. EARNINGS PER SHARE**

(a) Basic

Basic earnings per share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	<b>Group</b>	
	<b>1.1.2018</b>	<b>1.1.2017</b>
	<b>to</b>	<b>to</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>
Profit for the financial year attributable to owners of the parent (RM)	<u>44,349,000</u>	<u>59,304,406</u>
Weighted average number of ordinary shares in issue (unit)	<u>437,021,403</u>	<u>177,314,222</u>
Basic earnings per share (sen)	<u>10.15</u>	<u>33.45</u>

(b) Diluted

Diluted earnings per share equals basic earnings per share because there are no potentially dilutive instruments in existence as at the end of each reporting period.

**23. DIVIDENDS**

	<b>Group and Company</b>	
	<b>Dividend</b>	<b>Amount of</b>
	<b>per share</b>	<b>dividend</b>
	<b>RM</b>	<b>RM</b>
<b>2018</b>		
In respect of financial year ended 31 December 2018:		
First single tier interim dividend	0.03	15,000,000
Second single tier interim dividend	0.02	<u>10,000,000</u>
		<u>25,000,000</u>

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2018**

**23. DIVIDENDS (continued)**

	<b>Group</b>	
	<b>Dividend per share</b>	<b>Amount of dividend</b>
	<b>RM</b>	<b>RM</b>
<b>2017</b>		
In respect of financial year ended 31 December 2016:		
Third single tier interim dividend of Mi Equipment (M) Sdn. Bhd.	0.50	1,000,000
In respect of financial year ended 31 December 2017:		
Single tier interim dividend of Mi Equipment (M) Sdn. Bhd.	1.25	2,500,000
		<u>3,500,000</u>

**24. RELATED PARTY DISCLOSURES**

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	<b>Company</b>	
	<b>1.1.2018</b>	<b>19.6.2017</b>
	<b>to</b>	<b>to</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM</b>	<b>RM</b>
Subsidiaries:		
Management fee	1,054,702	0
Dividend income	<u>31,500,000</u>	<u>0</u>

Balances with related parties at the end of the financial year are disclosed in Notes 7 and 15 to the financial statements.

The above transactions were carried out on terms and rates as agreed between the Company and the related parties.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**24. RELATED PARTY DISCLOSURES (continued)**

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other key management personnel during the financial year are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018</b> <b>to</b> <b>31.12.2018</b> <b>RM</b>	<b>1.1.2017</b> <b>to</b> <b>31.12.2017</b> <b>RM</b>	<b>1.1.2018</b> <b>to</b> <b>31.12.2018</b> <b>RM</b>	<b>19.6.2017</b> <b>to</b> <b>31.12.2017</b> <b>RM</b>
Short term employee benefits	3,775,290	2,767,580	1,283,920	0
Post-employment benefits - contribution to defined contribution plans	440,275	315,030	170,858	0
	<u>4,215,565</u>	<u>3,082,610</u>	<u>1,454,778</u>	<u>0</u>

Included in the total remuneration of key management personnel are:

	<b>Group</b>		<b>Company</b>	
	<b>1.1.2018</b> <b>to</b> <b>31.12.2018</b> <b>RM</b>	<b>1.1.2017</b> <b>to</b> <b>31.12.2017</b> <b>RM</b>	<b>1.1.2018</b> <b>to</b> <b>31.12.2018</b> <b>RM</b>	<b>19.6.2017</b> <b>to</b> <b>31.12.2017</b> <b>RM</b>
Directors' remuneration	<u>1,615,665</u>	<u>2,485,365</u>	<u>944,550</u>	<u>0</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. OPERATING SEGMENTS**

The Group is principally involved in design, development, manufacture and sale of wafer level chip scale packaging sorting machines with inspection and testing capabilities for the semiconductor industry. The Group is also involved in the provision of maintenance services and technical support for these machines, as well as the sale of related spare parts and components.

For management purpose, the Group is organised into business units based on their products and services. The reportable segments of the Group are as follows:

- (a) Machine - design, development, manufacture and sale of wafer level chip scale packaging sorting machines with inspection and testing capabilities for the semiconductor industry.
- (b) Spare parts - sale of spare parts and components such as consumables and wear and tear parts, conversion kits and new modules, and electronic components, precision parts and mechanical components.
- (c) Services - provision of maintenance services and technical support to customers, such as machine software upgrades, refurbishment of machines and on-site service support.
- (d) Lease income - leasing of wafer level chip scale packaging sorting machines.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The accounting policies of operating segments are the same as those described in the notes to the financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the financial years.

Segment assets exclude short term funds, cash and bank balances and tax assets. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements).

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. OPERATING SEGMENTS (continued)**

	Machine RM	Spare parts RM	Services RM	Eliminations RM	Consolidated RM
<b>2018</b>					
Revenue from external customers	144,635,145	15,598,787	158,120	0	160,392,052
Inter-segment revenue	27,842,444	673,094	0	(28,515,538)	0
Total revenue	<u>172,477,589</u>	<u>16,271,881</u>	<u>158,120</u>	<u>(28,515,538)</u>	<u>160,392,052</u>
Interest income	3,256,958	351,260	3,561	0	3,611,779
Finance cost	(264,977)	(28,578)	(290)	0	(293,845)
Net finance income	<u>2,991,981</u>	<u>322,682</u>	<u>3,271</u>	<u>0</u>	<u>3,317,934</u>
<b>Segment profit before tax</b>	<b>49,678,720</b>	<b>4,844,014</b>	<b>92,439</b>	<b>(10,134,655)</b>	<b>44,480,518</b>
Tax expense					(131,518)
<b>Other material non-cash items:</b>					
- Depreciation of property, plant and equipment	(2,000,808)	(215,786)	(2,187)	0	(2,218,781)
- Impairment loss on trade receivables	(150,106)	0	0	0	(150,106)
- Property, plant and equipment written off	(95,073)	(10,253)	(104)	0	(105,430)
- Provision for warranty replacement costs	(2,891,500)	0	0	0	(2,891,500)
- Reversal of provision for warranty replacement costs	1,969,304	0	0	0	1,969,304
- Unrealised gain on foreign exchange	<u>1,880,116</u>	<u>202,769</u>	<u>2,055</u>	<u>0</u>	<u>2,084,940</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. OPERATING SEGMENTS (continued)**

	Machine RM	Spare parts RM	Services RM	Eliminations RM	Consolidated RM
<b>2018 (continued)</b>					
<b>Additions to non-current assets other than financial instruments</b>	<b>30,053,711</b>	<b>3,241,269</b>	<b>32,856</b>	<b>0</b>	<b>33,327,836</b>
<b>Assets</b>					
Segment assets	164,593,377	10,767,071	63,275	0	175,423,723
Deferred tax assets					3,838
Current tax assets					86,773
Short term funds					183,605,895
Cash and bank balances					19,799,116
					<u>378,919,345</u>
<b>Liabilities</b>					
Segment liabilities	43,877,157	4,135,418	41,920	0	48,054,495
Current tax liabilities					15,690
					<u>48,070,185</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**25. OPERATING SEGMENTS (continued)**

	Machine RM	Spare parts RM	Services RM	Lease income RM	Eliminations RM	Consolidated RM
<b>2017</b>						
Revenue from external customers	164,134,290	8,361,744	103,703	722,239	0	173,321,976
Inter-segment revenue	665,565	239,235	29,015,913	0	(29,920,713)	0
Total revenue	<u>164,799,855</u>	<u>8,600,979</u>	<u>29,119,616</u>	<u>722,239</u>	<u>(29,920,713)</u>	<u>173,321,976</u>
Interest income	636,131	32,407	402	2,799	0	671,739
<b>Segment profit/(loss) before tax</b>	<b>57,486,700</b>	<b>4,230,925</b>	<b>20,446,314</b>	<b>(967,989)</b>	<b>(20,414,683)</b>	<b>60,781,267</b>
Tax expense						(1,476,861)
<b>Other material non-cash items:</b>						
- Depreciation of property, plant and equipment	(1,914,437)	(97,530)	(1,210)	(8,424)	0	(2,021,601)
- Property, plant and equipment written off	(5,600,276)	0	(1,810)	0	0	(5,602,086)
- Provision for technical support services	(1,901,731)	0	0	0	0	(1,901,731)
- Provision for warranty replacement costs	(3,296,079)	0	0	0	0	(3,296,079)
- Reversal of provision for warranty replacement costs	4,986,948	0	0	0	0	4,986,948
- Unrealised loss on foreign exchange	<u>(2,377,662)</u>	<u>(121,129)</u>	<u>(1,502)</u>	<u>(10,463)</u>	<u>0</u>	<u>(2,510,756)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**25. OPERATING SEGMENTS (continued)**

	Machine RM	Spare parts RM	Services RM	Lease income RM	Eliminations RM	Consolidated RM
<b>2017 (continued)</b>						
<b>Additions to non-current assets other than financial instruments</b>	<b>29,748,365</b>	<b>1,515,516</b>	<b>18,796</b>	<b>130,901</b>	<b>0</b>	<b>31,413,578</b>
<b>Assets</b>						
Segment assets	100,573,597	3,170,765	37,355	132,548	0	103,914,265
Deferred tax assets						2,335
Current tax assets						78,200
Cash and bank balances						52,633,613
						<u>156,628,413</u>
<b>Liabilities</b>						
Segment liabilities	30,232,020	1,211,159	15,021	104,613	0	31,562,813
Deferred tax liabilities						57,310
Current tax liabilities						253,473
						<u>31,873,596</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. OPERATING SEGMENTS (continued)**

(a) Geographical information

Segment revenue is based on geographical location from which the sale transactions originated.

Segment assets are based on the geographical location of the assets of the Group.

	<b>Group</b>	
	<b>1.1.2018</b>	<b>1.1.2017</b>
	<b>to</b>	<b>to</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM</b>	<b>RM</b>
<b>Revenue from external customers</b>		
Southeast Asia	32,445,960	44,232,959
Northeast Asia	117,434,803	110,411,947
North Atlantic	10,511,289	18,677,070
	<u>160,392,052</u>	<u>173,321,976</u>

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>
<b>Non-current assets</b>		
Southeast Asia	56,736,934	25,980,459
Northeast Asia	857,657	977,847
North Atlantic	0	1,113
	<u>57,594,591</u>	<u>26,959,419</u>

(b) Major customers

The following are major customers with revenue equal or more than ten percent (10%) of revenue of the Group:

	<b>Group</b>	
	<b>1.1.2018</b>	<b>1.1.2017</b>
	<b>to</b>	<b>to</b>
	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM</b>	<b>RM</b>
Customer A	0	30,253,811
Customer B	46,212,983	0
Customer C	23,404,227	0
Customer D	0	24,543,360
	<u>69,617,210</u>	<u>54,797,171</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. FINANCIAL INSTRUMENTS**

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2018 and 31 December 2017.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group has a target gearing ratio of ten percent (10%) to fifty percent (50%) determined as the proportion of net debt to equity. The Group includes within net debt, provisions, borrowing, trade and other payables, less short term funds and cash and bank balances. Capital represents equity attributable to the owners of the parent.

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Provisions	5,532,714	6,457,937	0	0
Borrowing	6,752,681	0	0	0
Trade and other payables	35,769,100	25,104,876	568,494	38,636
Total liabilities	48,054,495	31,562,813	568,494	38,636
Less:				
Short term funds	(183,605,895)	0	(139,064,899)	0
Cash and bank balances	(19,799,116)	(52,633,613)	(1,445,901)	(977)
Net (cash)/debt	<u>(155,350,516)</u>	<u>(21,070,800)</u>	<u>(139,942,306)</u>	<u>37,659</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. FINANCIAL INSTRUMENTS (continued)**

(a) Capital management (continued)

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Total capital	330,849,160	124,754,817	256,183,530	65,765,294
Net (cash)/debt	<u>(155,350,516)</u>	<u>(21,070,800)</u>	<u>(139,942,306)</u>	<u>37,659</u>
Equity	<u><u>175,498,644</u></u>	<u><u>103,684,017</u></u>	<u><u>116,241,224</u></u>	<u><u>65,802,953</u></u>
Gearing ratio	*	*	*	<1%

\* No gearing ratio is presented as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 December 2018.

The Group is not subject to any other externally imposed capital requirements.

(b) Categories of financial instruments

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>				
<b>Amortised cost</b>				
Trade and other receivables (excluding prepayments)	72,523,377	39,522,096	49,345,606	0
Cash and bank balances	<u>19,799,116</u>	<u>52,633,613</u>	<u>1,445,901</u>	<u>977</u>
	<u>92,322,493</u>	<u>92,155,709</u>	<u>50,791,507</u>	<u>977</u>
<b>Fair value through profit or loss</b>				
Short term funds	<u>183,605,895</u>	<u>0</u>	<u>139,064,899</u>	<u>0</u>
	<u><u>275,928,388</u></u>	<u><u>92,155,709</u></u>	<u><u>189,856,406</u></u>	<u><u>977</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**26. FINANCIAL INSTRUMENTS (continued)**

(b) Categories of financial instruments (continued)

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Trade and other payables	35,769,100	25,104,876	568,494	38,636
Borrowing	6,752,681	0	0	0
	<u>42,521,781</u>	<u>25,104,876</u>	<u>568,494</u>	<u>38,636</u>

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair values and whose carrying amounts are a reasonable approximation of fair values

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, borrowing and trade and other payables are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

- (ii) Short term funds

The fair values of short term funds are calculated using quoted prices at the end of the reporting period.

- (iii) Non-current amount owing by subsidiaries

The fair value of non-current amount owing by subsidiaries are estimated by discounting expected future cash flows of market incremental lending rate for similar types of lending at the end of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, foreign currency risk and interest rate risk. Information on the management of the related exposures is detailed below.

**(a) Credit risk**

Exposure to credit risk arises mainly from sales made on credit terms, short term funds and deposits with licensed banks. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Company.

Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. Information regarding credit enhancement for trade and other receivables is disclosed in Note 7 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(a) Credit risk (continued)**

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring the geographical location profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group and the Company at the end of the reporting period are as follows:

**Group**

	<b>2018</b>		<b>2017</b>	
	<b>RM</b>	<b>% of total</b>	<b>RM</b>	<b>% of total</b>
<b>By geographical location</b>				
Southeast Asia	11,896,975	17%	8,710,008	24%
Northeast Asia	54,062,509	80%	23,377,052	66%
North America	1,925,364	3%	3,584,789	10%
	<u>67,884,848</u>	<u>100%</u>	<u>35,671,849</u>	<u>100%</u>

At the end of each reporting period, approximately 39% (2017: 45%) of the trade receivables of the Group were due from two (2) major customers.

**Company**

At the end of the reporting period, trade receivable of the Company is solely from its subsidiary.

**(b) Liquidity and cash flow risk**

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(b) Liquidity and cash flow risk (continued)**

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

	<b>On demand or within one (1) year RM</b>	<b>One (1) to five (5) years RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>As at 31 December 2018</b>			
<b>Financial liabilities</b>			
Trade and other payables	35,769,100	0	35,769,100
Borrowing	2,632,183	4,546,174	7,178,357
Total undiscounted financial liabilities	<u>38,401,283</u>	<u>4,546,174</u>	<u>42,947,457</u>
<b>As at 31 December 2017</b>			
<b>Financial liability</b>			
Trade and other payables	25,104,876	0	25,104,876
Total undiscounted financial liability	<u>25,104,876</u>	<u>0</u>	<u>25,104,876</u>
<b>Company</b>			
<b>As at 31 December 2018</b>			
<b>Financial liability</b>			
Trade and other payables	568,494	0	568,494
Total undiscounted financial liability	<u>568,494</u>	<u>0</u>	<u>568,494</u>
<b>As at 31 December 2017</b>			
<b>Financial liability</b>			
Trade and other payables	38,636	0	38,636
Total undiscounted financial liability	<u>38,636</u>	<u>0</u>	<u>38,636</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(c) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of entities within the Group and the Company. The currency giving rise to this risk is primarily in United States Dollar ('USD').

The following table demonstrates the sensitivity analysis of the profit after tax of the Group and of the Company to a reasonably possible changes in the USD, Singapore Dollar ('SGD') and Swiss Franc ('CHF') exchange rates against the functional currency of the Group and of the Company, with all other variables held constant:

		<b>Effect on profit after tax</b>	
		<b>Increase/(Decrease)</b>	
		<b>2018</b>	<b>2017</b>
		<b>RM</b>	<b>RM</b>
<b>Group</b>			
USD/RM	- strengthen by 10% (2017: 10%)	5,975,838	4,756,720
	- weaken by 10% (2017: 10%)	<u>(5,975,838)</u>	<u>(4,756,720)</u>
SGD/RM	- strengthen by 10% (2017: 10%)	(519)	(110,750)
	- weaken by 10% (2017: 10%)	<u>519</u>	<u>110,750</u>
CHF/RM	- strengthen by 10% (2017: 10%)	(24,149)	(85,397)
	- weaken by 10% (2017: 10%)	<u>24,149</u>	<u>85,397</u>
<b>Company</b>			
USD/RM	- strengthen by 10% (2017: 10%)	307,947	0
	- weaken by 10% (2017: 10%)	<u>(307,947)</u>	<u>0</u>

Sensitivity analysis of other foreign currencies are not disclosed as they are not material to the Group and the Company.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2018**

**27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**(d) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates. The exposure to market risk of the Group for changes in interest rates relates primarily to the borrowing and deposits placed with licensed banks of the Group.

The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

<b>Group</b>	<b>Note</b>	<b>Weighted average effective interest rate %</b>	<b>Within one (1) year RM</b>	<b>1 - 2 years RM</b>	<b>2 - 3 years RM</b>	<b>Total RM</b>
<b>2018</b>						
<b>Fixed rate</b>						
Deposits with licensed banks	10	0.57	2,356,356	0	0	2,356,356
<b>Floating rate</b>						
Borrowing	13	4.40	2,382,736	2,489,717	1,880,228	6,752,681
<b>2017</b>						
<b>Fixed rate</b>						
Deposits with licensed banks	10	0.46	2,925,939	0	0	2,925,939

**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF REPORTING PERIOD**

- (a) On 28 January 2019, a subsidiary of the Group, Mi International Pte. Ltd., incorporated a wholly-owned subsidiary, Mi Sales & Services (S) Pte. Ltd. in Singapore with an issued and paid-up share capital of SGD2.00 (equivalent to RM6.07). The purpose of incorporating Mi Sales & Services (S) Pte. Ltd., is to set up a platform to undertake sales and services business activities.
- (b) On 1 February 2019, the Company acquired additional 900,000 ordinary shares at SGD1.00 each in Mi International Pte. Ltd., for a total cash consideration of SGD900,000 (equivalent to RM2,726,550).
- (c) On 18 February 2019, a subsidiary of the Group, Mi International Pte. Ltd., has increased its equity investment in Mi Equipment (Taiwan) Co., Ltd., by way of cash at TWD8,000,000 (equivalent to RM1,060,168).
- (d) On 16 April 2019, a subsidiary of the Group, Mi International Pte. Ltd., has increased its equity investment in Suzhou Mi Equipment Co., Ltd., by way of cash at USD240,000 (equivalent to RM991,320).

**NOTES TO THE FINANCIAL STATEMENTS**  
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**29. COMPARATIVE FIGURES**

Certain comparative figures of the Group have been reclassified to conform with the current year's presentation so as to reflect appropriate presentation of the financial statements of the Group.

	<b>As previously reported RM</b>	<b>Reclassi- fication RM</b>	<b>As reclassified RM</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
Revenue	173,321,976	0	173,321,976
Cost of sales	(79,988,058)	4,550,714	(75,437,344)
Gross profit	93,333,918	4,550,714	97,884,632
Other operating income	693,117	0	693,117
Sales and marketing expenses	(6,507,266)	793,028	(5,714,238)
General and administrative expenses	(26,738,502)	(5,343,742)	(32,082,244)
Profit from operations	60,781,267	0	60,781,267
Finance costs	0	0	0
Profit before tax	60,781,267	0	60,781,267
Tax expense	(1,476,861)	0	(1,476,861)
Profit for the financial year, attributable to owners of the parent	59,304,406	0	59,304,406
Other comprehensive loss, net of tax:			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translations, net of tax	(85,147)	0	(85,147)
Total comprehensive income, attributable to owners of the parent	<u>59,219,259</u>	<u>0</u>	<u>59,219,259</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**30. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs**

**(a) New MFRSs adopted during the financial year**

The Group and Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfer of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of MFRS 9 described in the following section.

**MFRS 9 *Financial Instruments***

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, encompassing all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied MFRS 9 prospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under MFRS 139.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**30. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)**

**(a) New MFRSs adopted during the financial year (continued)**

**MFRS 9 *Financial Instruments* (continued)**

**(i) Classification of financial assets and financial liabilities**

The Group and the Company classify their financial assets into the following measurement categories depending on the business model of the Group and the Company for managing the financial assets and the terms of contractual cash flows of the financial assets:

- (a) Those to be measured at amortised cost; and
- (b) Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss.

The following summarises the key changes:

- (a) The Available-For-Sale (AFS), Held-To-Maturity (HTM) and Loans and Receivables (L&R) financial asset categories were removed.
- (b) A new financial asset category measured at Amortised Cost (AC) was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- (a) Amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income; and
- (b) The remaining amount of change in the fair value is presented in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2018**

**30. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)**

**(a) New MFRSs adopted during the financial year (continued)**

**MFRS 9 *Financial Instruments* (continued)**

**(ii) Impairment of financial assets**

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Group by replacing the incurred loss approach of MFRS 139 with a forward-looking expected credit loss approach. MFRS 9 requires the Group to record an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within general and administrative expenses in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for receivables from related parties are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve months expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

**NOTES TO THE FINANCIAL STATEMENTS  
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**30. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)**

**(a) New MFRSs adopted during the financial year (continued)**

**MFRS 9 *Financial Instruments* (continued)**

(iii) Classification and measurement

The following table summarises the reclassification and measurement of the financial assets and financial liabilities of the Group and of the Company as at 1 January 2018:

	Classification		Carrying amount	
	Existing under MFRS 139	New under MRFS 9	Existing under MFRS 139 RM	New under MRFS 9 RM
<b>Group</b>				
<b>Financial assets</b>				
Trade and other receivables (net of prepayments)	L&R	AC	39,522,096	39,522,096
Cash and bank balances	L&R	AC	52,633,613	52,633,613
<b>Financial liabilities</b>				
Trade and other payables	OFL	AC	25,104,876	25,104,876
<b>Company</b>				
<b>Financial assets</b>				
Cash and bank balances	L&R	AC	977	977
<b>Financial liabilities</b>				
Trade and other payables	OFL	AC	38,636	38,636

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2018**

**30. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)**

**(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019**

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been early adopted by the Group and the Company:

<b>Title</b>	<b>Effective Date</b>
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-Term Interest in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for the future financial years.