

MI TECHNOVATION BERHAD (“Mi TECHNOVATION” OR “COMPANY”)

PROPOSED PRIVATE PLACEMENT

1. INTRODUCTION

On behalf of the Board of Directors of Mi Technovation (“**Board**”), Affin Hwang Investment Bank Berhad (“**Affin Hwang IB**”) wishes to announce that the Company proposes to undertake a private placement of up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) to third party investor(s) to be identified at a later date and at an issue price to be determined later (“**Placement Shares**”) (“**Proposed Private Placement**”).

Further details of the Proposed Private Placement are set out in the ensuing sections of this Announcement.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Proposed Private Placement

As at 25 June 2021, being the latest practicable date prior to this announcement (“**LPD**”), the issued share capital of Mi Technovation is RM564,465,378 comprising 820,250,000 ordinary shares in Mi Technovation (“**Mi Technovation Share(s)**” or “**Share(s)**”) (excluding 4,000,000 Shares held as treasury shares).

The Proposed Private Placement will entail the issuance of up to 82,025,000 Placement Shares, representing ten percent (10%) of the total number of issued shares of Mi Technovation (excluding treasury shares). For avoidance of doubt, the Company does not intend to sell, cancel or distribute any of its Shares currently held as treasury shares and it does not intend to vest any Shares which may be granted under its employees’ share grant scheme established on 2 December 2019 to any eligible employees prior to the completion of the Proposed Private Placement.

The Placement Shares are intended to be issued under the general mandate approved by the shareholders of Mi Technovation at the Company’s 4th annual general meeting (“**AGM**”) held on 4 June 2021 pursuant to Section 75 of the Companies Act 2016 (“**Existing Mandate**”). The Existing Mandate which is valid until the conclusion of the next AGM of the Company, empowers the Board to allot and issue new Mi Technovation Shares at any point of time, upon such terms and conditions and for such purposes as the Board may, deem fit, provided that the aggregate number of Shares to be issued pursuant to the Existing Mandate does not exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares).

2.2 Basis of and justification for the issue price of the Placement Shares

The issue price of the Placement Shares shall be determined by way of book-building exercise and announced by the Board at a later date after the receipt of all relevant approvals for the Proposed Private Placement (“**Price-Fixing Date**”).

In accordance with Paragraph 6.04(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the Placement Shares shall not be priced at more than ten percent (10%) discount to the five (5)-day volume weighted average market price (“**VWAP**”) of Mi Technovation Shares immediately preceding the Price-Fixing Date.

For illustrative purposes only, the Placement Shares are assumed to be issued at RM3.30 per Placement Share, representing a discount of approximately 5.44% or RM0.19 to the five (5)-day VWAP of Mi Technovation Shares up to and including the LPD of RM3.49 per Mi Technovation Share.

2.3 Placement arrangement

The Placement Shares will be placed out to third party investor(s) to be identified at a later date, where such investor(s) shall be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007.

In accordance with Paragraph 6.04(c) of the Listing Requirements, the Placement Shares will not be placed out to the following persons:

- (i) a Director, major shareholder or chief executive of the listed issuer or a holding company of listed issuer ("**Interested Person**");
- (ii) a person connected with the Interested Person; or
- (iii) nominee corporation, unless the names of the ultimate beneficiaries are disclosed.

The final terms and conditions of the Proposed Private Placement, including details in relation to the identity of the placees, the allocation of the Placement Shares and the issue price of the Placement Shares, will only be determined upon the completion of the book-building exercise in respect of the Proposed Private Placement.

The Proposed Private Placement may be implemented in tranches within six (6) months from the date of approval from Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities and until the conclusion of the next AGM of the Company or any extended period as may be approved by the shareholders of the Company in the forthcoming AGM. As such, the implementation of the Proposed Private Placement could potentially be in multiple tranches with several Price-Fixing Dates. This will provide the Company with flexibility to procure interested investors and optimise proceeds to be raised, taking into consideration prevailing market conditions.

2.4 Ranking of the Placement Shares

The Placement Shares shall, upon issuance and allotment, rank equally in all respects with the existing Mi Technovation Shares.

2.5 Listing of and quotation for the Placement Shares

An application will be made to Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

3. UTILISATION OF PROCEEDS

Based on the illustrative issue price of RM3.30 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM270.68 million. The proceeds to be raised from the Proposed Private Placement are expected to be utilised by Mi Technovation and its subsidiaries ("**Mi Technovation Group**" or "**Group**") in the following manner:

Utilisation purposes	Amount RM'000	*Expected timeframe for the utilisation
Expansion of the Group's businesses ⁽ⁱ⁾	187,000	Within thirty (30) months
Repayment of bank borrowings ⁽ⁱⁱ⁾	15,000	Within six (6) months
Working capital ⁽ⁱⁱⁱ⁾	64,183	Within eighteen (18) months
Estimated expenses in relation to the Proposed Private Placement ^(iv)	4,500	Within one (1) month
Total estimated proceeds	270,683	

Notes:

* From the date of receipt of the placement proceeds.

(i) *Mi Technovation Group plans to utilise approximately RM187.00 million of the proceeds towards businesses expansion which includes potential acquisitions and/or investments in companies and/or assets and/or strategic collaborations, joint-ventures or alliances that are largely complementary to the existing businesses of the Group i.e. the semiconductor equipment and the semiconductor materials business units. The decision to acquire and/or invest in any such asset or business would involve having to consider criteria such as valuation, capital requirement, business synergies, potential value creation to the existing business of the Group as well as the expected return on investment. Nevertheless, these businesses or assets should generate sustainable revenue and earnings that will contribute to incremental growth of the Group.*

The Company is currently in discussions to explore potential acquisitions and/or investment opportunities that are expected to create synergies and add value to the Group's existing business. In the event of any material development, the Company will make the necessary announcements, if required, in accordance with the Listing Requirements. If the transaction requires shareholders' approval pursuant to the Listing Requirements, the Company will seek the necessary approval from the shareholders of the Company at an extraordinary general meeting to be convened.

The proceeds allocated for the expansion of the Group's businesses will provide financial flexibility to the Group to fund the cost of such acquisitions and/or investments together with bank borrowings and/or internally generated funds of the Group, if required.

(ii) *As at the LPD, the total borrowings of the Group amounted to approximately RM113.60 million. The Company intends to utilise approximately RM15.00 million of the proceeds to partially repay the following borrowing:*

Type of facility	Purpose of facility	Interest rate per annum %	Amount outstanding as at LPD RM'000
Term loan	To finance the construction cost of the new manufacturing facility in Ningbo, China of Accurus Scientific Co Ltd (" Accurus Scientific ")	4.65	28,500

Based on the interest rate of approximately 4.65% per annum, the repayment of the said bank borrowing is expected to result in an estimated interest savings of approximately RM0.70 million per annum.

Any variance from the repayment amount stated above and the actual amount payable for the bank borrowings will be adjusted against the amount allocated for working capital of the Group.

- (iii) *The proceeds allocated for working capital will be utilised to finance the expansion of the Group's businesses, as and when the need arises as follows:*

	% of the allocated proceeds
<i>Operating related expenses such as purchases of materials, staff costs and factory overheads</i>	75.00
<i>Non-operating related expenses such as sales, marketing, research and development expenses</i>	25.00
Total	100.00

The actual breakdown of the proceeds to be utilised for each component of working capital as disclosed above cannot be determined at this juncture and will be dependent on the operating and funding requirements of the Group at the time of utilisation.

- (iv) *The estimated expenses for the Proposed Private Placement consist of professional fees (including estimated placement fee), fee payable to relevant authorities as well as other miscellaneous expenses to be incurred. Any variation to the estimated expenses for the Proposed Private Placement will be adjusted against the amount allocated for working capital of the Group.*

The actual gross proceeds to be raised from the Proposed Private Placement will depend on the final issue price and the actual number of Placement Shares to be issued. Any variation between the actual and intended gross proceeds to be raised from the Proposed Private Placement will be adjusted against the amount allocated for the working capital of the Group.

Pending utilisation of the proceeds from the Proposed Private Placement for the abovementioned purposes, the proceeds will be placed in deposits with licenced financial institutions or short-term money market instruments, as the Board may deem fit. Any interest income earned from such deposits or any gains arising from instruments will be utilised as additional working capital for the Group.

4. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement:

- (i) enables the Company to accelerate its plans to acquire good quality, strategic and attractive companies, businesses and/or assets that is largely complementary to the existing business of the Group, i.e. the semiconductor equipment and semiconductor materials business units;
- (ii) allows the Company to raise funds expeditiously as opposed to other forms of fund raising such as rights issue since the Existing Mandate has already been obtained;
- (iii) enables the Company to raise additional funds without having to incur finance cost or service principal repayment as compared to raising funds by way of borrowings. This would allow the Company to preserve cash flow for reinvestment and/or operational purposes for future growth; and
- (iv) enables the Company to strengthen its equity base which in turn may potentially increase the liquidity and marketability of Mi Technovation Shares.

Mi Technovation had not undertaken any equity fund-raising exercise during the past twelve (12) months preceding the date of this announcement.

5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS OF THE GROUP

5.1 Overview and outlook of the global economy

The global economy is projected to contract by 4.4% in 2020 (2019: 2.8%). This anticipated negative growth is due to unfavourable performance in both the advanced economies and the emerging market and developing economies (“**EMDEs**”), mainly resulting from the adverse impact of the coronavirus disease 2019 (“**COVID-19**”) pandemic. On the contrary, robust growth in the advanced economies and the EMDEs is expected to spearhead global growth by 5.2% in 2021.

In 2021, the advanced economies are forecast to rebound by 3.9%, spurred by improved domestic demand and increased trade activities. Growth in the US is expected to improve by 3.1%, backed by a recovery in private consumption and favourable investment. The gross domestic products (“**GDP**”) in the euro area is anticipated to turn around by 5.2% in 2021, supported by improved domestic demand following accommodative fiscal and monetary policies. The economy of the United Kingdom is envisaged to record a stellar growth of 5.9%, driven by a recovery in the services sector. The GDP of Japan is projected to pick up by 2.3%, boosted by an increase in private consumption and a recovery in exports.

The GDP of the EMDEs in 2021 is expected to bounce back by 6%, buoyed by solid domestic demand and higher exports. China is envisaged to lead the recovery in the region, with a sturdy growth of 8.2%. Likewise, the economy of India is projected to rebound by 8.8% on the back of strong consumer demand. The GDP of ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam) is anticipated to turn around by 6.2%, on account of robust domestic consumption, higher investment and a favourable trade environment.

Risks to the global outlook are mainly due to the impact and severity of the COVID-19 crisis. A protracted economic slowdown may result in a vicious cycle, where financial distress may expose borrowers to vulnerabilities. Subsequently, this will drag economies into debt crises and decelerate activities even more. In addition, cross-border spill overs from weaker external demand could further magnify the impact of country or region-specific shocks on global growth.

After a dismal economic performance in 2020 due to the COVID-19 pandemic, the Malaysian economy is expected to rebound firmly in 2021, in line with the expectation of a more synchronised global recovery. At the same time, domestic demand is projected to record a steady growth, supported by improvements in labour market conditions, low inflation and favourable financing conditions as well as the revival of major infrastructure projects. All sectors in the economy are expected to turnaround, with services and manufacturing sectors continuing to spearhead growth.

Nevertheless, downside risks to the growth outlook remain, arising from the resurgence of COVID-19 cases and the duration of containment measures domestically and globally. Geopolitical tensions, volatility in financial and commodity markets as well as prolonged trade and tech war may dampen the recovery pace. Against this background, the Malaysian Government will continue to promote resilient and sustainable economic growth, while safeguarding the welfare of the people. Efforts will be enhanced to accelerate the shift to digitalisation, skilled workforce, quality foreign direct investment and strengthening environmental, social and governance principles to ensure sustainable and inclusive growth.

(Source: Economic Outlook 2021, Ministry of Finance)

5.2 Overview and outlook of the global semiconductor industry

The worldwide semiconductor market is expected to increase by 19.7% in 2021, continuing to grow by 8.8% in 2022. The World Semiconductor Trade Statistics (“**WSTS**”) expects worldwide semiconductor market growth to rise from 6.8% in 2020 to outstanding 19.7% in the year 2021, which corresponds to a market size of USD527 billion.

The largest growth contributors are memory with 31.7%, followed by sensors with 22.4% and analog with 21.7%. All other major product categories are also expected to show double-digit growth-rates, with the exceptions of optoelectronics with 9.8% and metal-oxide-semiconductor (MOS) micro with 8.1%.

In 2021, Asia Pacific (including China) is forecasted to show the strongest growth rate with 23.5%, followed by Europe with 21.1%, Japan 12.7% and Americas with 11.1%.

For 2022, the global semiconductor market is projected to grow to by 8.8% to USD573 billion, driven by a double-digit growth of the memory category. All regions are expected again to show positive growth rates.

(Source: WSTS Semiconductor Market Forecast Spring 2021, 8 June 2021, World Semiconductor Trade Statistics, <https://www.wsts.org/76/Recent-News-Release>)

The semiconductor industry landscape is expected to register a healthy compounded annual growth rate (“**CAGR**”) of over 6% during the forecast period (2021 - 2026). Technical advancements across the semiconductor industry are continuously evolving along with increased investments in memory devices and semiconductor component.

The consumer electronics market is expected to generate about 50% of its revenue from the sales of TVs, video-game consoles and handhelds, and digital set-top boxes, where wearables are expected to grow at a very high rate by the end of 2022, thereby driving the growth of the semiconductor market landscape.

The semiconductor technology is consistently scaling down to smaller sizes and geometries, where a single chip is able to house more and more devices, thereby implying more functionalities per chip, due to which a number of previously-used chips are now being merged into a single chip, by providing highly-integrated solutions. Recent advancements in silicon wafer materials have allowed the process of wafer level packaging, where an integrated circuit (“**IC**”) is packaged, resulting in a component that is practically the same size as that of the die, increasing the usage of semiconductor ICs across the consumer electronics components.

The growth of the semiconductor industry landscape in the region correlates with the end-user growth across the region, being one of the significant markets for smartphones, and is witnessing rising investments in renewable, automotive (electronic vehicles specifically), among various others. With the rise in electronic equipment production across the region, the largest country market across the Asia Pacific region is China. According to the WSTS and Semiconductor Industry Association estimates, China is the single largest country of Asia Pacific Accreditation Cooperation region, thereby accounting for 56% of the Asia Pacific market and is capturing 34% of the total global market.

The consumption of semiconductor components is rapidly increasing in China, Japan, South Korea as compared to other countries, owing to the continuing transfer of diverse electronic equipment to China. Also, China is home to three of the top five largest consumer electronics sector in the world, posing tremendous opportunities for semiconductor adoption across the region during the forecast period.

Also, the region boasts of the highest investment in the electrical and electronics segment, for instance in 2018, Taiwan-based Powertech Technology announced an investment of more than USD1.68 billion, in an advanced factory, to ride on the next technology wave of artificial intelligence, high-performance computing, and connected cars. This is set to fuel innovation in the semiconductor industry in the aforementioned applications.

(Source: Global Semiconductor Market Landscape (2021 to 2026) - Growth, Trends, COVID-19 Impact, and Forecasts, 26 April 2021, Research and Markets, <https://www.globenewswire.com/en/news-release/2021/04/26/2216871/28124/en/Global-Semiconductor-Market-Landscape-2021-to-2026-Growth-Trends-COVID-19-Impact-and-Forecasts.html>)

5.3 Overview and outlook of the global semiconductor materials industry

The global semiconductor materials market grew 4.9% in 2020 to USD55.3 billion in revenue, surpassing the previous market high of USD52.9 billion set in 2018.

Wafer fabrication materials and packaging materials revenues totalled USD34.9 billion and USD20.4 billion, respectively, in 2020 for year-over-year increases of 6.5% and 2.3%. The photoresist and photoresist ancillaries, wet chemicals, and chemical mechanical polishing segments accounted for the strongest growth in wafer fabrication materials, while the packaging materials expansion was driven by organic substrates and bonding wire market growth.

For the eleventh consecutive year, Taiwan, at USD12.4 billion, was the world's largest market for semiconductor materials on the strength of its large foundry capacity and advanced packaging base. With its aggressive capacity build-up, China surpassed Korea to claim the second spot. Both China and Taiwan registered stronger growth, while the South Korea, Japan and rest of the world markets also expanded. The North America and Europe markets saw declines due to the COVID-19 pandemic.

(Source: Global Semiconductor Materials Market Set New High of USD55.3 billion with 5% expansion in 2020, 22 March 2021, SEMI, <https://www.semi.org/en/news-media-press/semi-press-releases/global-semiconductor-materials-market>)

5.4 Prospects of Mi Technovation Group

Mi Technovation Group is principally involved in the semiconductor equipment business. In 2021, the global semiconductor equipment market has seen a continued expansion where China, Taiwan, and Korea are projected to lead the regional capital expenditure investments. With the presence of the Group's overseas engineering centres in China, Taiwan, and Korea, the Group is well positioned to capture growth and build its intellectual capital for future adaptation and relevance in the industry.

On 21 April 2021, the Company had completed the acquisition of 99% equity interest in Accurus Scientific ("**99% Acquisition**"). Subsequently, on 31 May 2021, the Company had also completed the acquisition of the balance 1% equity interest in Accurus Scientific via cash ("**1% Acquisition**"). The 99% Acquisition and 1% Acquisition are collectively referred to as the "**Acquisition**". Pursuant to the completion of the Acquisition, Accurus Scientific has become a wholly-owned subsidiary of the Company.

The Acquisition has allowed Mi Technovation Group to expand into a different product segment within the semiconductor industry, i.e. semiconductor materials and thereby offering a wider product portfolio within the same distribution channel and value chain to further grow its business and market share in the semiconductor industry. The Acquisition has also allowed the combined business of both companies to capture a wider customer portfolio through product cross-selling. With both the semiconductor equipment and semiconductor materials business units in place, the Group stands at a better position for future growth pursuant to its transformation into a total solution provider and with the synergy from combined strengths of the equipment and material technology.

Presently, the Group has two (2) business units:

(i) Semiconductor Equipment Business Unit

With the strategy to get closer to customers and participate in early development stage, the Group has successfully scaled up its operations in Malaysia, Taiwan, Korea and China with diversified portfolios within the semiconductor value chain. This business unit has been the main revenue contributor to the Group and is expected to deliver approximately 70% of the Group's consolidated revenue for the financial year ending 31 December 2021 ("**FYE 2021**").

Recently, the automation and robotics business unit has been integrated with the semiconductor equipment business unit to spur the development activities and to gain better cost efficiency on investment. The first unit of its fully integrated system of Mi, automation (Oto series) and robotic (Kobot series) for wafer level package die sorting process which offered “man free” manufacturing solution in the industry for die sorting process was delivered to its customer in April 2021.

(ii) Semiconductor Materials Business Unit

The semiconductor materials and chemical is one of the important segments in the semiconductor value chain with steady demand. This segment is expected to enhance the stability of the Group’s revenue against cyclical effect in the semiconductor equipment segment. The Group’s semiconductor equipment and materials business units provide total solution to its customers for better cost structure, seamless technology development as well as innovation in both equipment and materials. This business unit is expected to deliver approximately 30% of the Group’s consolidated revenue in FYE 2021.

To propel the Group’s prospects in the semiconductor industry, the Group is adopting a two-pronged strategy to sustain its revenue growth, i.e. organic growth with optimisation of processes, reallocation of resources and new product offerings coupled with inorganic growth through mergers and acquisitions.

Premised on the overview and outlook of the global semiconductor industry and the global semiconductor materials industry as set out in Sections 5.2 and 5.3 of this announcement respectively as well as the Group’s plans and strategies for its business, the Board remains optimistic about the Group’s business prospects moving forward.

(Source: Management of Mi Technovation)

6. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

6.1 Issued share capital

For illustrative purposes only, the pro forma effects of the Proposed Private Placement on the issued share capital of Mi Technovation as at the LPD are as follows:

	No. of Mi Technovation Shares	RM
Issued share capital as at the LPD ⁽ⁱ⁾	820,250,000	564,465,378
To be issued pursuant to the Proposed Private Placement	82,025,000	⁽ⁱⁱ⁾ 270,682,500
Enlarged issued share capital	902,275,000	835,147,878

Notes:

(i) Excluding 4,000,000 Mi Technovation Shares held as treasury shares.

(ii) Assuming the Placement Shares are issued at an illustrative issue price of RM3.30 per Placement Share.

6.2 Net assets (“NA”), NA per Share and gearing

For illustrative purposes only, the pro forma effects of the Proposed Private Placement on the NA, NA per Share and gearing of Mi Technovation Group based on the latest audited consolidated statements of financial position of Mi Technovation as at 31 December 2020 are as follows:

	Audited as at 31 December 2020 RM	Adjusted for the Acquisition RM	After the Proposed Private Placement RM
Share capital	252,615,378	^{(ii)(a)} 564,465,378	⁽ⁱⁱⁱ⁾ 835,147,878
Treasury shares	(5,246,963)	(5,246,963)	(5,246,963)
Legal reserve	147,958	147,958	147,958
Exchange translation reserve	(484,776)	(484,776)	(484,776)
Reorganisation debit reserve	(63,557,909)	(63,557,909)	(63,557,909)
Retained earnings	204,853,645	204,853,645	^(iv) 200,353,645
Equity attributable to the owners of the Company / NA	388,327,333	700,177,333	966,359,833
Number of Mi Technovation Shares in issue (excluding treasury shares) ⁽ⁱ⁾	746,000,000	820,250,000	902,275,000
NA per Share (RM)	0.52	0.85	1.07
Total borrowings (RM)	5,096,946	^{(ii)(b)} 77,532,278	^(v) 62,532,278
Gearing ratio (times)	0.01	0.11	0.06

Notes:

- (i) Excluding 4,000,000 Mi Technovation Shares held as treasury shares.
- (ii) After adjusting for the following in relation to the Acquisition:
- (a) issuance of 74,250,000 consideration shares to the vendors at the issue price of RM3.65 per consideration share pursuant to the share exchange agreement dated 18 December 2020 for the 99% Acquisition. However, for the purpose of accounting, the fair value of RM4.20 per Mi Technovation Share was recorded for the consideration shares based on the date of allotment of the consideration shares to the vendors on 19 April 2021 instead of the issue price of RM3.65.
- (b) consolidating the total borrowings of Accurus Scientific and its subsidiaries of approximately RM72.44 million.
- (iii) Assuming 82,025,000 Placement Shares are issued at an illustrative issue price of RM3.30 per Placement Share.
- (iv) After deducting the estimated expenses of approximately RM4.50 million for the Proposed Private Placement.
- (v) After adjusting for utilisation of proceeds arising from the Proposed Private Placement amounting to RM15.00 million which is earmarked for the repayment of bank borrowings.

6.3 Earnings and earnings per Share (“EPS”)

The Proposed Private Placement is not expected to have any material impact on the earnings of the Group for FYE 2021, save for the potential dilution in the EPS of the Group as a result of the increase in the number of Shares in issue arising from the Proposed Private Placement.

Nevertheless, the Proposed Private Placement is expected to contribute positively to the future earnings of the Group when the benefits from the utilisation of proceeds raised from the Proposed Private Placement are realised.

6.4 Substantial shareholder's shareholdings

For illustrative purposes only, the pro forma effects of the Proposed Private Placement on the shareholdings of the substantial shareholder of Mi Technovation as at the LPD are as follows:

	As at the LPD				After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Mi Technovation Shares	% ⁽ⁱ⁾	No. of Mi Technovation Shares	% ⁽ⁱ⁾	No. of Mi Technovation Shares	% ⁽ⁱⁱ⁾	No. of Mi Technovation Shares	% ⁽ⁱⁱ⁾
Oh Kuang Eng	501,000,000	61.08	-	-	501,000,000	55.53	-	-

Notes:

- (i) Computed based on 820,250,000 Mi Technovation Shares in issue (excluding 4,000,000 treasury shares).
- (ii) Computed based on 902,275,000 Mi Technovation Shares in issue (excluding 4,000,000 treasury shares).

6.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

7. APPROVALS REQUIRED

The Proposed Private Placement is subject to the approvals being obtained from the following:

- (i) Bursa Securities, for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities; and
- (ii) any other relevant authorities/parties, if required.

As set out in Section 2.1 of this announcement, the Existing Mandate has been obtained by the Company from its shareholders at its AGM held on 4 June 2021. Such authority shall continue to be in force until the conclusion of the next AGM of the Company.

8. INTER-CONDITIONALITY

The Proposed Private Placement is not conditional or inter-conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of Mi Technovation and/or persons connected with them have any interest, either direct or indirect, in the Proposed Private Placement.

10. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interest of the Company.

11. ADVISER AND PLACEMENT AGENTS

Affin Hwang IB has been appointed as the Adviser for the Proposed Private Placement.

Affin Hwang IB and Maybank Investment Bank Berhad have been appointed as the Joint Placement Agents for the Proposed Private Placement.

12. APPLICATION TO THE RELEVANT AUTHORITIES

The application to Bursa Securities for the Proposed Private Placement is expected to be made within two (2) months from the date of this announcement.

13. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Private Placement is expected to be completed by the third (3rd) quarter of 2021.

This announcement is dated 5 July 2021.