
EXPERT'S REPORT ON POLICIES ON FOREIGN INVESTMENTS, TAXATION AND REPATRIATION OF PROFITS OF SINGAPORE

Virtus Law LLP
1 Raffles Place #18-61 Tower 2, Singapore 048616
T: +65 6737 1234 | F: +65 6339 4991
www.virtus-law.com

**STEPHENSON
HARWOOD**
(SINGAPORE) ALLIANCE

To:	Writer	Elaine Beh
The Board of Directors	Email	Elaine.Beh@shlegalworld.com
Mi Technovation Berhad	Direct line	+65 6661 6851
Suite 12-A, Level 12	Direct fax	+65 6339 4991
Menara Northam	Our reference	ELB/16-59-04703
No. 55 Jalan Sultan Ahmad Shah		
10050 Georgetown		
Penang		14 January 2021

Dear Sir,

**Mi TECHNOVATION BERHAD ("COMPANY")
- REPORT ON THE POLICIES ON FOREIGN INVESTMENTS, TAXATION AND REPATRIATION OF PROFITS FROM SINGAPORE**

Introduction

- 1 We are a firm of lawyers qualified to practise and practising in the Republic of Singapore ("**Singapore**"). We have been asked to provide a report on the policies on foreign investments, taxation and repatriation of profits from Singapore in connection with the proposed acquisition of 21,983,000 common shares in Accurus Scientific Co. Ltd. ("**Accurus Scientific**" or "**Target**"), representing approximately 99% equity interest in Accurus Scientific for a total purchase consideration of approximately NTD1,878,157,550 (equivalent to RM271,012,500) to be satisfied via the allotment and issuance of the 74,250,000 new ordinary shares in the Company ("**Consideration Share(s)**") at an issue price of RM3.65 per Consideration Share ("**Proposed Acquisition**"). The Target is a Taiwan private limited company which owns 80% shareholding interest in Accurus Scientific Pte. Ltd. ("**Target Subsidiary**"), a private limited company incorporated in Singapore.

Foreign Investment

- 2 Based on Bizfile searches extracted from the Accounting and Corporate Regulatory Authority of Singapore on 3 December 2020 and 14 January 2021 ("**Bizfile Searches**"), the principal business activities of the Target Subsidiary include the distribution of semiconductor equipment and materials and household electrical appliances and the manufacture of electrical machinery, apparatus, appliances and supplies (including sound or visual signalling apparatus, electrical insulators except porcelain or glass) ("**Businesses**"). Assuming that the Target Subsidiary

EXPERT'S REPORT ON POLICIES ON FOREIGN INVESTMENTS, TAXATION AND REPATRIATION OF PROFITS OF SINGAPORE (CONT'D)

Virtus Law LLP
1 Raffles Place #18-61 Tower 2, Singapore 048616
T: +65 6737 1234 | F: +65 6339 4991
www.virtus-law.com

**STEPHENSON
HARWOOD**
(SINGAPORE) ALLIANCE

does not engage or involve in any other businesses other than the Businesses, there are no restrictions under Singapore laws against foreign investment in the industries in which the Target Subsidiary operates its Businesses.

- 3 We have assumed that there are no restrictions in the specific approvals, licenses or permits granted to and agreements entered into by the Target Subsidiary which limits or restrict foreign investment in the Target Subsidiary.
- 4 Under Singapore law, the Constitution of a Singapore company may include shareholding limits that restrict ownership by foreigner. Based on a review of the Constitutions of the Target Subsidiary, there are no restrictions or limitations on foreign ownership in the Target Subsidiary.

Repatriation of Profits

- 5 There are no foreign exchange control restrictions imposed under Singapore laws and there are no exchange control formalities or approvals required for all forms of payments or capital transfers into or out of Singapore, so long as there is no breach of any rule for international monitoring for countering money-laundering and terrorism and subject to payment of withholding tax (if applicable).
- 6 Pursuant to Section 403 of the Companies Act (Chapter 50 of Singapore) ("**Companies Act**"), no dividend shall be payable to shareholders of a Singapore company except out of profits. Subject to this and the payment of corporate income tax on the profits by the Singapore company, there are, however, no restrictions on the payment of dividends by a Singapore company to a foreign shareholder.
- 7 A Singapore company is subject to restrictions on the modes and methods of returning capital to its shareholders. A Singapore company may buy back its own ordinary shares subject to the limits prescribed under the Companies Act and may only be undertaken if the company is expressly permitted to so by its constitution. Payment for such buybacks may be made out of distributable profits or capital so long as the company is solvent. A Singapore company can otherwise without any buyback of its own ordinary shares return capital to its shareholders if it carries out a valid capital reduction exercise in accordance with the Companies Act unless its constitution excludes or restricts such power to reduce its share capital.
- 8 There are generally no restrictions on (a) payment of the purchase price to a foreign shareholder in respect of a share buyback exercise and (b) payment of capital from a capital reduction exercise to a foreign shareholder.

EXPERT'S REPORT ON POLICIES ON FOREIGN INVESTMENTS, TAXATION AND REPATRIATION OF PROFITS OF SINGAPORE (CONT'D)

Virtus Law LLP
 1 Raffles Place # 18-61 Tower 2, Singapore 048616
 T: +65 6737 1234 | F: +65 6339 4991
 www.virtus-law.com

**STEPHENSON
 HARWOOD**
 (SINGAPORE) ALLIANCE

Taxation

The discussion below is not intended to be and does not constitute legal or tax advice. It sets out taxation policies which are of general applicability in Singapore and does not purport to be a comprehensive nor exhaustive description of all of the tax consequences relating to the acquisition, ownership and disposal of the shares in any Singapore company by any person. Tax treatment of any company should be considered on a case-by-case basis, on the prevailing circumstances.

The Income Tax Act (Chapter 134) of Singapore ("Income Tax Act")

- 9 Corporate taxpayers (both resident and non-resident) are subject to Singapore income tax on income accruing in or derived from Singapore and on income derived from sources outside Singapore, unless specifically exempted from income tax.
- 10 A company is regarded as tax resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore. "Control and management" is the making of decisions on strategic matters, such as those on company policy and strategy. Where the control and management of a company is exercised is a question of fact, typically the location of the company's board of directors' meetings, during which strategic decisions are made, is a key factor in determining where the control and management of a company is exercised.

While resident and non-resident companies are generally taxed in the same manner, resident companies enjoy certain benefits including tax exemption scheme for new start-up companies, tax benefits provided under double tax agreements between Singapore and other jurisdictions, foreign tax credits and tax exemption on specified foreign income.

A Singapore tax resident company can enjoy tax exemption on its specified foreign income (including foreign-sourced dividend, foreign branch profits and foreign-sourced service income) that is remitted into Singapore if the following prescribed conditions are met:

- (a) the income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which the income is received;
- (b) at the time the income is received in Singapore by the person resident in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%; and

Page 3

**EXPERT'S REPORT ON POLICIES ON FOREIGN INVESTMENTS, TAXATION AND
REPATRIATION OF PROFITS OF SINGAPORE (CONT'D)**

Virtus Law LLP
1 Raffles Place #18-61 Tower 2, Singapore 048616
T: +65 6737 1234 | F: +65 6339 4991
www.virtus-law.com

**STEPHENSON
HARWOOD**
(SINGAPORE) ALLIANCE

(c) the Singapore Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to the person resident in Singapore.

- 11 The corporate tax rate in Singapore is currently 17%. With effect from year of assessment 2020, 75% of up to the first S\$10,000, and 50% of up to the next S\$190,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income (after the tax exemption) will be fully taxable at the prevailing corporate tax rate. Furthermore, companies will be granted a corporate income tax rebate of 25% of the tax payable for the year of assessment 2020, subject to a cap of S\$15,000.

Dividend Distributions

- One Tier Corporate Taxation System

- 12 Singapore adopts the one-tier corporate taxation system, under which the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt dividends. Such dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

- Withholding Tax

- 13 Singapore does not impose withholding tax on dividends paid to resident or non-resident shareholders.
- 14 However, other payments of an income nature to non-tax resident persons (whether individual or corporate) may attract withholding taxes. A company incorporated in Singapore is required to withhold tax when it makes certain types of payments to non-resident persons, including but not limited to:
- (a) Interest, commission, fee in connection with any loan or indebtedness;
 - (b) Royalty or other payments for the use of or the right to use any movable property;
 - (c) Payments for the use of or the right to use scientific, technical, industrial or commercial knowledge or information or for the rendering of assistance or service in connection with the application or use of such knowledge or information;
 - (d) Payments of management fees;
 - (e) Rent or other payments for the use of any movable property;
 - (f) Payments for the purchase of real property from a non-resident property trader.

Page 4

Virtus Law LLP (T13LL0339K) is registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A) with limited liability and is a member of the Stephenson Harwood (Singapore) Alliance, a Formal Law Alliance with Stephenson Harwood LLP. A list of the partners may be inspected at the above address. The term "partner" is used to refer to a member of Virtus Law LLP.

**EXPERT'S REPORT ON POLICIES ON FOREIGN INVESTMENTS, TAXATION AND
REPATRIATION OF PROFITS OF SINGAPORE (CONT'D)**

Virtus Law LLP
1 Raffles Place #18-61 Tower 2, Singapore 048616
T: +65 6737 1234 | F: +65 6339 4991
www.virtus-law.com

**STEPHENSON
HARWOOD**
(SINGAPORE) ALLIANCE

- (g) Structured products (other than payments which qualify for tax exemption under Section 13(1)(zj) of the Income Tax Act (Chapter 134) of Singapore); and
- (h) Real estate investment trust distributions.
- 15 The withholding tax rate imposed generally falls between 10% and 22% unless lowered or exempt pursuant to prevailing regulations granting exceptions or pursuant to tax incentive schemes or concessions or otherwise specified in an applicable Avoidance of Double Taxation Agreement between Singapore and other tax jurisdictions.

Capital Gains Tax

- 16 Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterization of whether a gain is income or capital in nature. Gains arising from the disposal of shares in a Singapore company may be construed to be of an income nature and subject to Singapore income tax if they arise from activities which are regarded by the Comptroller of Income Tax as the carrying on of a trade or business and the gains are sourced in Singapore.
- 17 For non-dealers in securities and subject to certain exceptions, gains derived from the disposal of equity investments made during the period from 1 June 2012 to 31 December 2027 (both dates inclusive) will be exempted from Singapore tax if the divesting company holds a minimum shareholding of at least 20% in the company whose shares are being disposed; and such shareholding has been held for a continuous minimum period of 24 months prior to the disposal.

Stamp Duty

- 18 Stamp duty is payable on dutiable documents relating to stocks and shares, and any immovable property in Singapore. In respect of transfer of shares in a Singapore incorporated company, stamp duty at the prevailing rate of 0.2% is payable on the purchase price for, or the value of the shares, whichever is higher. The purchaser or transferee is liable for stamp duty, unless there is an agreement to the contrary.

Goods and Services Tax ("GST")

- 19 GST at a prevailing rate of 7% is levied on nearly all supplies of goods and services in Singapore, as well as the importation of goods into Singapore. GST-registered businesses must charge GST on all sales of goods and services made in Singapore, except for exported goods, international services and exempt supplies.

**EXPERT'S REPORT ON POLICIES ON FOREIGN INVESTMENTS, TAXATION AND
REPATRIATION OF PROFITS OF SINGAPORE (CONT'D)**

Virtus Law LLP
1 Raffles Place #18-61 Tower 2, Singapore 048616
T: +65 6737 1234 | F: +65 6339 4991
www.virtus-law.com

**STEPHENSON
HARWOOD**
(SINGAPORE) ALLIANCE

Assumptions and Qualifications

- 20 We have with your consent and without any further enquiry assumed that the information disclosed by the Bizfile Searches on the Target Subsidiary is accurate, complete and up-to-date in all respects and that such searches did not fail to disclose any information which had been submitted for filing or registration but was not disclosed or, as the case may be, did not appear in the searches.
- 21 The statements made in this Report regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines issued by the relevant authorities in Singapore in force as at the date of this Report and are subject to any changes in the relevant tax laws and administrative guidelines, or in the interpretation of the laws or guidelines, occurring after such date, which changes could be made on a retrospective basis.

Benefit of Report

- 22 This report is addressed to the Company and is solely for the Company's own benefit in relation to the Proposed Acquisition, and, except with our prior written consent, is not to be transmitted or disclosed to or used or relied upon by any other person or used or relied upon by you for any other purpose, save that a copy of this report is permitted to be enclosed in the circular to shareholders of the Company to be issued in connection with the Proposed Acquisition. This report does not however constitute a recommendation to any shareholder of the Company as to how any shareholder should vote in respect of the Proposed Acquisition.

Yours sincerely



Virtus Law LLP

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA



FHMH Corporate Advisory Sdn Bhd
Company No. 200701016946 (774955-D)
(CMSL / A0212 / 2007)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur, Malaysia

T +603 2297 1150
F +603 2282 9982
E ferrier@fhmh.com.my
www.ferrierhodgson.com

14 January 2021

The Board of Directors
Mi TECHNOVATION BERHAD
No 20, Medan Bayan Lepas Technoplex
MK 12, Taman Perindustrian Bayan Lepas
11900, Bayan Lepas, Pulau Pinang

Strictly Private & Confidential

Dear Sirs

INDEPENDENT FAIRNESS OPINION IN RELATION TO THE PROPOSED ACQUISITION OF 21,983,000 COMMON SHARES IN ACCURUS SCIENTIFIC CO LTD ("ACCURUS SCIENTIFIC") ("ACCIRUS SCIENTIFIC SHARE(S)"), REPRESENTING APPROXIMATELY 99% EQUITY INTEREST IN ACCURUS SCIENTIC FOR A PURCHASE CONSIDERATION OF APPROXIMATELY NTD1.88 BILLION (EQUIVALENT TO APPROXIMATELY RM271.01 MILLION) ("PURCHASE CONSIDERATION") TO BE SATISFIED VIA THE ALLOTMENT AND ISSUANCE OF 74,250,000 NEW ORDINARY SHARE(S) IN MI TECHNOVATION BERHAD ("CONSIDERATION SHARES(S)") AT AN ISSUE PRICE OF RM3.65 PER CONSIDERATION SHARE ("ISSUE PRICE") ("PROPOSED ACQUISITION") ("EVALUATION")

1.0 INTRODUCTION

On 18 December 2020, on behalf of the Board of Directors of Mi Technovation Berhad ("Mi Technovation") ("Board"), Affin Hwang Investment Bank Berhad had announced that Mi Technovation, Accurus Scientific and the vendors of Accurus Scientific had on even date entered into a share exchange agreement ("Agreement") for the Proposed Acquisition.

FHMH Corporate Advisory Sdn Bhd ("FHCA") has been appointed by the Board on 28 October 2020 as an Independent Adviser to assess and opine on the fairness of the Purchase Consideration in relation to the Proposed Acquisition ("Letter").

2.0 BACKGROUND INFORMATION ON ACCURUS SCIENTIFIC

Accurus Scientific was incorporated in Taiwan on 3 July 1998 as a company limited by shares under the laws of Republic of China (Taiwan). Accurus Scientific and its subsidiaries are principally involved in the manufacturing and sale of solder spheres (also known as solder balls), a semiconductor packaging material for the semiconductor industry as well as related material and products. As at the date of this Letter, Accurus Scientific has the following subsidiaries and the details of the subsidiaries are set out below:-

Name	Country of Incorporation	Equity Interest (%)	Principal Activities
Accurus (Ningbo) Scientific Co Ltd	China	100	- Manufacture and sale of materials and equipment for electronics and semiconductor integrated circuits.



**EXPERT’S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY
FHCA (CONT’D)**



CORPORATE FINANCE

Name	Country of Incorporation	Equity Interest (%)	Principal Activities
			- Provision of related technical consultation service and after sales service.
Accurus Scientific Pte Ltd	Singapore	80	Wholesale trade of a variety of goods without a dominant product (distribution of semiconductor equipment/ materials and household electrical appliances).

(Accurus Scientific and its subsidiaries are collectively referred to as the “**Accurus Scientific and its Subsidiaries**”)

Upon completion of the Proposed Acquisition, Accurus Scientific and its Subsidiaries will become subsidiaries of Mi Technovation.

3.0 TERMS OF REFERENCE

The basis of our opinion is the fair market value which is defined as the arms’ length price at which such asset would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell, in an open and unrestricted market and both having reasonable knowledge of relevant facts. The concept of market value means the cash equivalent price of an asset being valued assuming the transaction took place under conditions existing at the date of valuation of the assets. The amount would not be considered market value if it was influenced by special motivations or characteristic of a typical buyer or seller.

Sources of Information

The sources of information which we have used to form our opinion on the fairness of the Purchase Consideration are as follows: -

- (i) Audited report for the consolidated financial statements of Accurus Scientific and its Subsidiaries for the financial year ended 31 December (“**FYE**”) 2017, FYE 2018 and FYE 2019 prepared by Messrs Ernst & Young (“**Audited Report**”);
- (ii) Agreement;
- (iii) Representation and explanation by the directors and management of Mi Technovation and Accurus Scientific and its Subsidiaries (“**Management**”); and
- (iv) Other publicly available information in respect of the industry that Accurus Scientific and its Subsidiaries are involved in.

We have made all reasonable enquiries and conducted our own review, where possible, with regards to the information provided to us. We have also relied on the Management to exercise due care to ensure that all information and documents provided to us and that all relevant facts, information and representations necessary for our evaluation have been disclosed to us and that such information is accurate, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate.

**EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY
FHCA (CONT'D)**

**Ferrier
Hodgson**

CORPORATE FINANCE

Based on the reviews and enquiries made by us, we are satisfied that the information and documents provided by the Management to us are sufficient and we have no reason to believe that any such information provided to us is untrue, inaccurate or misleading or the disclosure of which might reasonably affect our Evaluation and opinion as set out in this Letter. The Management has, individually and collectively, accepted full responsibility that all material facts, financial and other information in this Letter, and for the accuracy of the information in respect of the Proposed Acquisition (save for those in relation to our evaluation and opinion pertaining to the same) as prepared herein and confirmed that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein incomplete, false and/or misleading.

We have not undertaken an independent investigation into the business of Mi Technovation, Accurus Scientific and its Subsidiaries. We have also assumed that the Proposed Acquisition will be implemented based on the terms as set out in the Agreement without material waiver or modification. It should be noted that the valuation in itself is highly dependent on, amongst others, the prevailing economic, market and other conditions that may change significantly over a relatively short period of time.

Date of Opinion

The date of our opinion is 14 December 2020 (herein also referred to as the “**Date of Opinion**”).

Scope and Limitation of Review

FHCA was not involved in the formulation or any deliberation and negotiation on the terms and conditions of any corporate exercise intended to be undertaken by Mi Technovation or Accurus Scientific and its Subsidiaries. Our role as the Independent Adviser does not extend to expressing an opinion on the commercial merits of any corporate exercise intended to be undertaken by Mi Technovation or Accurus Scientific and its Subsidiaries and this remains solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion.

As such, where comments or points of consideration are included on matters, which may be commercially oriented, these are incidental to our overall evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Evaluation and/or any corporate exercise contemplated by the parties.

The Management are responsible to make available to us all relevant information pertaining to the Evaluation, including informing us of any material changes in the subject matters which may have an impact on our opinion.

Our work includes holding discussions with and making enquiries on the Management regarding representations made on Accurus Scientific and its Subsidiaries. We rely on the Management's oral and written representations and in no event shall we, our partners, principals, directors, shareholders, agents or employees be liable for any misrepresentations by the Management.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



CORPORATE FINANCE

Our procedures and inquiries did not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Letter. Further, certain information relied upon are only representation of the Management. Accordingly, we make no representations as to the accuracy or completeness of the information provided.

The preparation of this Letter is based upon market, economy, industry and other conditions prevailing as at the Date of Opinion, as well as publicly available information and information provided to us by Mi Technovation and Accurus Scientific and its Subsidiaries. Such conditions may change significantly over a relatively short period of time. No representation or warranty, whether expressed or implied, is given by FHCA that the information and documents provided will remain unaltered subsequent to the issuance of this Letter.

However, should FHCA become aware of any significant change affecting the information contained in this Letter; being informed of any material changes in the subject matters which may have an impact on FHCA's opinion or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive that there are material omission in this Letter, we will immediately notify the Board. If circumstances require, a supplementary Letter will be issued to the Board.

We have obtained a responsibility statement from the Management that all material facts, financial and other information essential to our Evaluation have been disclosed to us and that they have seen this Letter and they, individually and collectively, accept full responsibility for the accuracy of such information contained in this Letter, and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

4.0 SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of Accurus Scientific and its Subsidiaries based on the Audited Report is set out below:

	Audited Report		
	FYE 2017	FYE 2018	FYE 2019
Revenue (NTD'000)	695,950	658,059	733,929
Profit before tax ("PBT") (NTD'000)	61,402	63,339	146,334
Profit after tax ("PAT") (NTD'000)	46,875	54,090	116,193
Paid-in Capital (NTD'000)	222,056	222,056	222,056
Shareholders' funds/Net Asset ("NA") (NTD'000)	416,477	411,221	512,095
Total borrowing (NTD'000)	318,960	266,300	271,990
No of Accurus Scientific Shares in issue ('000)	22,205	22,205	22,205
Earnings per Accurus Scientific Share ("EPS") (NTD)	2.11	2.44	5.23
NA per Accurus Scientific Share (NTD)	18.76	18.52	23.06
Current ratio (times)	1.87	2.32	1.68
Gearing ratio (times)	0.77	0.65	0.53

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)

**Ferrier
Hodgson**

CORPORATE FINANCE

There were no exceptional and/or extraordinary items reported in the Audited Report for the financial years under review. There have been no peculiar accounting policies adopted by these companies and there have been no audit qualifications reported in the Audited Report during the financial years under review.

Commentary:**FYE 2017 vs FYE 2018**

For the FYE 2018, the revenue of Accurus Scientific and its Subsidiaries decreased by approximately NTD37.89 million or 5.44% as compared to the preceding financial year mainly due to lower demand of solders sphere from Accurus Scientific and its Subsidiaries' customers in Taiwan, China and Malaysia.

Despite the drop in revenue, Accurus Scientific and its Subsidiaries' PBT in FYE 2018 increased by approximately NTD1.94 million or 3.15% as compared to the FYE 2017. This was mainly due to foreign exchange gains of approximately NTD 7.05 million in FY2018 as opposed to foreign exchange losses of approximately NTD 7.32 million recorded in FYE 2017.

The gearing ratio decreased significantly from 0.77 times (FYE 2017) to 0.65 times (FYE 2018), mainly due to lower borrowing in FYE 2018. The total borrowing of Accurus Scientific and its Subsidiaries decreased by approximately NTD52.66 million or 16.51% in FYE 2018 compared to FYE 2017.

FYE 2018 vs FYE 2019

For the FYE 2019, the revenue of Accurus Scientific and its Subsidiaries increased significantly by approximately NTD75.87 million or 11.53% as compared to the preceding financial year, mainly due to higher demand of solder sphere from Accurus Scientific and its Subsidiaries' customers in Taiwan and China.

Accurus Scientific and its Subsidiaries' PBT increased by approximately NTD83.00 million or 131.03% compared to the FYE 2018, which is in tandem with the increase in revenue of Accurus Scientific and its Subsidiaries.

The decrease in gearing ratio from 0.65 times (FYE 2018) to 0.53 times (FYE 2019) was mainly due to the increase in shareholders' fund resulting from higher PAT generated by Accurus Scientific and its Subsidiaries in FYE 2019.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



CORPORATE FINANCE

5.0 INDUSTRY OUTLOOK**Overview of the Global Economy**

With the COVID-19 pandemic continuing to threaten jobs, businesses and the health and well-being of millions amid exceptional uncertainty, building confidence will be crucial to ensure that economies recover and adapt.

After an unprecedented collapse in the first half of the year, economic output recovered swiftly following the easing of containment measures and the initial re-opening of businesses, but the pace of recovery has lost some momentum more recently. New restrictions being imposed in some countries to tackle the resurgence of the virus are likely to have slowed growth, the report says.

Uncertainty remains high and the strength of the recovery varies markedly between countries and between business sectors. Prospects for an inclusive, resilient and sustainable economic growth will depend on a range of factors including the likelihood of new outbreaks of the virus, how well individuals observe health measures and restrictions, consumer and business confidence, and the extent to which government support to maintain jobs and help businesses succeeds in boosting demand.

The Interim Economic Outlook projects global gross domestic product ("GDP") to fall by 4.5% in 2020, before growing by 5% in 2021. The forecasts are less negative than those in Organisation for Economic Co-operation and Development's ("OECD") June Economic Outlook, due primarily to better-than-expected outcomes for the People's Republic of China ("China") and the United States of America ("US") in the first half of 2020 and a response by governments on a massive scale. However, output in many countries at the end of 2021 will still be below the levels at the end of 2019, and well below what was projected prior to the pandemic.

If the threat from COVID-19 fades more quickly than expected, improved business and consumer confidence could boost global activity sharply in 2021. But a stronger resurgence of the virus, or more stringent lockdowns could cut 2%-3% from global growth in 2021, with even higher unemployment and a prolonged period of weak investment.

The report warns that many businesses in the service sectors most affected by shutdowns, such as transport, entertainment and leisure, could become insolvent if demand does not recover, triggering large-scale job losses. Rising unemployment is also likely to worsen the risk of poverty and deprivation for millions of informal workers, particularly in emerging-market economies.

The rapid reaction of policymakers in many countries to buffer the initial blow to incomes and jobs prevented an even larger drop in output. The Interim Outlook says it is essential for governments not to repeat mistakes of past recessions but to continue to provide fiscal, financial and other policy support at the current stage of the recovery and for 2021. Such measures should be flexible enough to adapt to changing conditions and become more targeted.

(Source: <https://www.oecd.org/newsroom/building-confidence-crucial-amid-an-uncertain-economic-recovery.htm>)

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



CORPORATE FINANCE

Overview and outlook of Malaysia Economy

The Malaysian economy is being heavily affected by the COVID-19 pandemic. A partial lockdown in place since mid-March has reduced domestic economic activity, and the pandemic has also undermined export earnings from commodities, manufacturing and intermediate goods, and tourism receipts. There is high uncertainty about the extent of the deterioration in economic growth and public finances, and the pace at which the pandemic will unwind. Recent political volatility may affect governance standards, which had been improving in the past two years.

The International Monetary Fund (“IMF”) has revised its Malaysia 2020 gross domestic product forecast to a 3.8% year-on-year contraction from the previously estimated 1.7% contraction as the COVID-19 pandemic has had a more negative impact on global activity in the first half of 2020 than anticipated. When necessary containment measures are eased and the domestic Movement Control Order is lifted, economic activity is expected to gradually improve in second half of 2020. The sizeable fiscal, monetary and financial measures and progress in transport-related public infrastructure projects will provide further support to growth in second half of 2020.

Asian Development Bank (“ADB”) further mentioned that Malaysia’s external demand is likely to be weak as trade partners continue to grapple with the effects of COVID-19.

As the pandemic affected global supply chains in first quarter (“Q1”) 2020, exports of goods and services shrank by 7.1% and investments also declined as public and private investments fell by 11.3% and 2.3% respectively. Nevertheless, it noted that consumption remained as a bright spot in the economy, growing by 6.5% as stronger public consumption offset weaker private consumption. ADB anticipates growth to revive in the Malaysian economy as a result of the Government’s fiscal stimulus and liquidity support is expected to boost domestic demand.

Fitch forecasts a 1% contraction in economic activity in 2020 and a rebound to 5.8% growth in 2021, from 4.3% growth in 2019. These forecasts are subject to significant downside risks, depending on the length of the partial lockdown and evolution of the pandemic. The government announced a large stimulus package on 27 March 2020, which should mitigate the decline in growth in 2020 by 2.8%, according to the authorities’ estimates. The package includes additional government spending on health, transfers to low-income individuals and relief measures for businesses, much of it temporary in nature. Non-fiscal measures include deferment of all bank loan and financing repayments for six (6) months, and allowing withdrawals from the Employees Provident Fund.

Weaker growth, lower oil prices and stimulus spending have weakened the outlook for Malaysia’s public finances. The government raised its 2020 fiscal deficit target to 4.0% of GDP, from 3.4%, itself an increase on the 3.2% target in the initial 2020 budget following an earlier stimulus package.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)

**Ferrier
Hodgson**

CORPORATE FINANCE

The extent of the economic impact arising from this pandemic would be contingent on the severity and duration of the outbreak in various economies and the corresponding measures undertaken to contain this global health crisis. Weakness in the real economy could be further weighed down by prolonged tightening of global financial conditions.

(Source: (a) Fitch Ratings: Fitch revises Malaysia's outlook to negative; Affirms at 'A-' dated 9 April 2020; (b) IMF: World Economic Outlook Update (June 2020); and (c) ADB: Asian Development Outlook 2020 (April 2020))

Overview of the Taiwan Economy

Taiwan's economy currently faced a low economic growth due to lower demand from trade partners, as well as because of tensions took place between China and the US. GDP grew at 2.7% in 2019, while *Compagnie Française d'Assurance pour le Commerce Extérieur* forecasts 2.0% in 2019. According to their analysis, the slowdown is due to trade tensions, massive relocations, lack of competitiveness in the service sector and a growing isolation from the global diplomatic scene. However, Taiwan enjoys a good financial position, is the 4th electronic producer in the world and support research and development. According to the updated IMF forecasts from 14 April 2020, due to the outbreak of the COVID-19, GDP growth is expected to fall to -4.0% in 2020 and pick up to 3.5% in 2021, subject to the post-pandemic global economic recovery.

According to IMF estimates, public debt closed at 33.6% of GDP in 2019 and is expected to reduce at 32.3% and 30.7% of GDP in 2020 and 2021. Respectively; the budget was in deficit at -1.3% in 2019 and is expected to decrease in the following years. Inflation remained low at 0.5% in 2019. It should remain stable in 2020 and increase to 1.5% in 2021. Taiwan industries are affected by the international trade tensions, which include electronics (40% of Taiwan's exports), machinery, and chemicals. Chinese restrictions on travel from mainland China to Taiwan have also affected this sector. Other economic challenges include massive relocations that weaken industrial employment, uncompetitive service sector, insufficient infrastructure, and diplomatic isolation. Nevertheless, growth will be aided by infrastructure spending in healthcare and energy. The Infrastructure Development Plan will also modernise the rail network and water distribution. While budget deficits are expected, taxes were increase on income and financial transactions. Most public debt is domestic and owed in New Taiwanese dollars.

The unemployment rate remained steady at 3.8% in 2019 and it is expected to increase slightly to 4.4% in 2020 and decrease to 4% in 2021, because of the outbreak of the COVID-19 pandemic. According to national statistics, unemployment rate reached 3.67% in December 2019. Labor force participation rate was equal to 59.22% during the same period. Social challenges include an ageing population, low birth rates, and a tense political agenda about elections in 2020, in which expected to focus on Taiwanese independence vs reunification with mainland China.

(Source: <https://www.nordeatrade.com/no/explore-new-market/taiwan/economical-context>)

**EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY
FHCA (CONT'D)**

**Ferrier
Hodgson**

CORPORATE FINANCE

Overview of the Singapore Economy

The Singapore economy contracted by 13.2% percent on a year-on-year basis. The fall in GDP was due to the Circuit Breaker measures implemented from 7 April to 1 June 2020 to slow the spread of COVID-19 in Singapore, as well as weak external demand amidst a global economic downturn caused by the COVID-19 pandemic. All sectors except for the finance & insurance sector suffered a contraction.

By sectors, the manufacturing sector contracted by 0.7% year-on-year in the second quarter ("Q2"), a pullback from the 7.9% growth in the previous quarter. Manufacturing output was weighed down by output declines in the transport engineering, general manufacturing and chemicals clusters. By contrast, output in the biomedical manufacturing, electronics and precision engineering clusters expanded. The services producing industries shrank by 13% year-on-year in Q2, a steeper drop than the 2.3% decline recorded in the previous quarter. On the other hand, the finance & insurance sector grew by 3.4% year-on-year. Among the services sectors that contracted, the accommodation & food services (-41%) and transportation & storage (-39%) sectors recorded the largest contractions. The construction sector contracted sharply by 59% year-on-year in Q2, far worse than the 1.2% contraction in the previous quarter.

Construction output during the quarter was weighed down by declines in both private and public sector construction output as almost all construction activities came to a halt during the Circuit Breaker period. The top three (3) contributors to the GDP decline in Q2 were the business services, transportation & storage and construction sectors.

Resident and citizen unemployment rates rose in June 2020 as compared to March 2020, retrenchment in Q2 were double that in the preceding quarter. Total unemployment declined by 131,500 on a quarter-on-quarter basis, the sharpest quarterly contraction on record.

The subdued external economic environment will continue to pose a drag on several of Singapore's outward-oriented sectors such as transportation & storage and wholesale trade. Second, due to the protracted COVID-19 situation worldwide, the reopening of international borders is expected to take place more gradually than earlier anticipated. This is likely to weigh on the outlook of sectors that are reliant on tourism (e.g., accommodation, tour operators and MICE organisers) and air travel (e.g., air transport and aerospace). Also, the resumption of activity for sectors that are reliant on foreign workers who reside in dormitories has been slower than expected due to the longer time taken to clear these workers for work, as well as the challenges faced by firms in meeting the safe management measures required at workplaces for a safe restart. In particular, the downturn in the construction and marine & offshore engineering sectors is projected to be deeper and more protracted than previously anticipated. A sharper slowdown in these sectors is also expected to have negative spill-over effects on firms in supporting industries, such as professional services firms providing architectural & engineering services for construction projects.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



CORPORATE FINANCE

Nonetheless, there are several areas of strength in the Singapore economy. In particular, the outlook for the electronics and precision engineering clusters has improved, as the stronger-than-expected demand for semiconductors and semiconductor equipment seen in Q2 is expected to be sustained in the second half of 2020. The biomedical manufacturing cluster is also expected to continue to grow, supported by the production of pharmaceutical and biological products. Likewise, the finance & insurance and information & communications sectors are projected to expand this year. The former will be supported in part by the strong demand for digital payment processing services, while the latter will benefit from firms' continued demand for IT and digital solutions.

Taking into account the global and domestic economic environment, as well as the performance of the Singapore economy in the first half of the year, the GDP growth forecast for Singapore for 2020 is narrowed to "-7.0% to -5.0%", from "-7.0% to -4.0%". Notwithstanding the narrowing of the forecast range, there continues to be significant uncertainty over how the COVID-19 situation will evolve in the coming quarters, and correspondingly, the trajectory of the economic recovery in both the global and domestic economies.

(Source: Ministry of Trade and Industry Singapore ("MTI"): Economic survey of Singapore: second quarter 2020)

Overview of the China Economy

The COVID-19 pandemic has taken a severe human toll, caused by the deepest global recession in eight (8) decades, and inflicted enormous damage on job and welfare worldwide. The World Bank forecasts a sharp slowdown of growth for China to 1.6% this year, which would mark the slowest expansion since 1976. While supply side constraints have eased and economic activity has started to rebound, domestic and external demand remain fragile and restrain the pace of recovery despite the swift measures taken to contain the economic fallout. Even as economic activity rebounds, the shock is likely to leave the economy scarred. The pace of poverty reduction is expected to slow, reflecting labor dislocation and slower growth in household incomes. Our projections show that without additional policy measures, 8-20 million fewer people are projected to escape poverty in 2020, compared to the pre-pandemic scenario. Self-employed workers and those in less secure, informal jobs, particularly migrant workers, are being especially hard hit.

However, the National Bureau of Statistics of China announced a 3.2% rise in Q2 2020 from a year earlier, reversing a 6.8% decline in Q1 2020 as lockdown measures ended and policymakers ramped up stimulus to combat the virus-led downturn. The IMF projected China to grow at 8.2% in 2021, which has already been revised downward compared to pre-crisis projections.

Further, according to Global Economic Prospects January 2021 published by World Bank Group, the growth is forecast to pick up to 7.90% in 2021, above previous projections due to the release of pent-up demand, and moderate to 5.20% in 2022 as deleveraging efforts resume.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)

**Ferrier
Hodgson**

CORPORATE FINANCE

Even as GDP returns to its pre-pandemic level in 2021, it is still expected to be about 2.00% below its pre-pandemic projections by 2022, with the crisis accentuating preexisting vulnerabilities and imbalances.

(Source: <https://www.worldbank.org/en/country/china/publication/china-economic-update-july-2020>; <https://news.cgtn.com/news/2020-07-16/China-s-GDP-declines-1-6-in-first-half-of-2020-up-3-2-in-Q2-SalyAYgOrK/index.html>; <https://www.imf.org/en/News/Articles/2020/07/10/sp071020-speech-on-the-global-and-asia-economic-outlook>; Global Economic Prospects January 2021; <https://www.worldbank.org/en/publication/global-economic-prospects>)

Fitch rating raised its forecast for China's GDP to 8.0% growth next year, up from the 7.7% rate predicted in September, due to expectations for greater recovery in domestic demand and a better global environment as the COVID-19's vaccine is deployed more widely in the second half of 2021.

(Source: <https://www.cnn.com/2020/12/10/fitch-upgrades-its-china-growth-forecast-for-2021.html>)

Overview and outlook of the semiconductor industry

Taiwan

Taiwan is forecasted to remain the largest semiconductor production material buyer in the world in 2020 and 2021, with its major foundry operators and integrated circuit packaging and testing service providers keen to expand capacity and upgrade technology. It is expected that purchases of semiconductor material by Taiwan are expected to hit USD11.83 billion in 2020, up 3.05% from 2019, helping the country remain the largest buyer in the world. On the other hand, semiconductor material purchases from Taiwan are expected to hit USD12.56 billion, up 6.17% from 2019.

The forecasts came as Taiwan now houses many integrated circuit makers and IC packaging and testing services suppliers. Among them, Taiwan Semiconductor Manufacturing Co is the world's largest pure foundry operator.

(Semiconductor Equipment and Materials International ("SEMI") Industry Research & Statistics: News Conference at SEMITO Taiwan 2020, <https://focustaiwan.tw/sci-tech/202009220024>)

The aggregated shipment value of the Taiwanese semiconductor manufacturing industry - comprising mainly of foundry, Dynamic Random-Access Memory, flash memory, and Integrated Device Manufacturing sectors reached USD12.6 billion, growing 3.1% sequentially and 36.2% year-on-year in the first quarter of 2020. The shipment value of the industry is expected to have grown 0.2% sequentially and 28.8% year-on-year in the second quarter of 2020. The market demand is forecast to gain momentum from the surging demand for 5 Generation ("G") applications and 8K TVs in the second half of 2020.

(Source: 2018-2019 Recap and 2020 Forecast for the Semiconductor Industry, <https://www.globenewswire.com/news-release/2020/07/31/2071108/0/en/Recap-2020-Forecast-for-the-Semiconductor-Industry.html>)

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



CORPORATE FINANCE

Taiwan's overall export growth and production growth has been led mainly by the electronics sector. Growth in electronic parts exports is mainly due to the growth in exports to China. Chinese companies have had to find substitutes for the US advanced semiconductor chips, and Taiwan semiconductor companies have helped to fill the void. It is expected that investments from semiconductors and related equipment factories to increase, as there are escalated orders from China to support the expansion of their operations. This could be the major economic growth engine for Taiwan in 2020.

The main bright spot for Taiwan comes from its semiconductor companies filling the gap left by US companies (due to US-China Trade War). Put simply, Taiwan has been affected by COVID-19 like other economies and faces weak global demand for its products. But it also has additional business with the Chinese technology companies because the US has slapped sanctions on Chinese companies and placed several firms on its so-called 'entity list', which are essentially blacklisted companies on national security grounds.

(Source: ING Group: Taiwan Quarterly, Semiconductors take charge, <https://think.ing.com/articles/taiwan-quarterly-semiconductors-take-charge/>)

Singapore

The areas of strength in the Singapore economy includes in particular, the electronics and precision engineering clusters.

The semiconductor segment grew by 1.7% in first half of 2020 on the back of a robust expansion in output in 2Q 2020 at 9.6%. The improve performance of the semiconductors segment in 2Q 2020 was primarily because of strong demand for semiconductors from the 5G market, data centres and cloud services, driven in turn by the increased adoption of telecommuting and remote learning arrangements, as well as the accelerated digitalisation of business globally amidst the pandemic.

These factors more than offset the fall in demand for semiconductors for end applications such as automotive and smartphones. Reflecting the net effect of these demand drivers, global semiconductor sales rose by 5.1% in 2Q 2020, extending the 6.9% growth in the preceding quarter. There is a stronger-than-expected demand for semiconductors and semiconductor equipment and is expected to be sustained in the second half of 2020.

According to the SEMI, the billings of North America-based semiconductor equipment manufacturers - an indicator commonly used to track global demand for semiconductor equipment - surged by 18% in first half of 2020. The strong demand for semiconductor equipment was largely due to continued investments by leading foundries in advanced manufacturing technologies in anticipation of 5G demand. This has, in turn benefitted Singapore-based semiconductor equipment manufacturers in the machinery & systems segment.

(Source: MTI: Economic Survey of Singapore Second Quarter 2020, MTI Narrows 2020 GDP Growth Forecast to "-7.0 to -5.0 percent")

**EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY
FHCA (CONT'D)**



CORPORATE FINANCE

China

The growth and development of China's semiconductor industry is the product of two related trends. First, the Chinese government incentivized companies to locate in China while simultaneously lowering the barriers to entry for foreign participants in China's domestic semiconductor production. Second, Taiwanese investors and semiconductor executives moved their manufacturing operations to China, which provided for the initial foundation of China's semiconductor industry.

China's semiconductor market is the largest in the world. Annually, China consumes more than 50% of all semiconductors, both for internal use and eventual export. As such, the rapid growth of Chinese demand lifted the entire industry worldwide. However, domestic Chinese manufacturers are still only capable of meeting approximately 30% of their own demand. Therefore, to rebalance China's reliance on external semiconductor demand, the Chinese government has urged its national champions and leading digital businesses to improve their domestic semiconductor manufacturing capabilities.

(Source: Daxue Consulting: China's Semiconductor Industry: 60% of the global semiconductor consumption. <https://daxueconsulting.com/chinas-semiconductor-industry>)

China's rising investment in the semiconductor industry is growing for local equipment makers. Based on the tracked projects, investments in capacity expansion are expected to exceed USD160 billion in China over the coming 5-7 years; this will drive an increase in China's equipment spending to more than USD40 billion in 2025. It is anticipated that the expansion of product offerings by local equipment companies will result in significant growth opportunities over the coming five (5) years.

China has made some progress in developing its domestic fabless industry, though is still dependent on importing the final manufactured product in several cases. It has also reduced its import dependence in some areas by encouraging global producers to set up manufacturing within China to serve both its local demand as well as use China as an export base. Most noticeably in recent years has been the setting up of memory plants by Samsung, Hynix, and Intel in China that has resulted in a strong Compound Annual Growth Rate ("CAGR") of memory exports from China.

While the focus on developing a domestic semiconductor industry has borne some fruit - local semis production has been growing at a 20% CAGR in recent years (including semi production by global players out of their China-based facilities) - China, as discussed in the previous section, remains a large importer of semiconductors, and hence, the need to continue to focus on developing the local industry. Geopolitical developments in recent years, particularly the inclusion of several Chinese entities (notably Huawei, Hikvision amongst others) by the US on its restricted Entity List, further adds urgency to China's initiatives to localize the tech industry and reduce its import dependence.

(Source: Mainland China's Semiconductor and Equipment Markets: Analysis and Manufacturing Trends.)
(<https://www.businesswire.com/news/home/20201013005599/en/China-Mainland-Semiconductor-and-Equipment-Market-Analysis-and-Manufacturing-Trends-Report-2020> ResearchAndMarkets.com)

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



CORPORATE FINANCE

6.0 JUSTIFICATION OF ISSUE PRICE

In assessing the fairness and reasonableness of the Issue Price pursuant to the Proposed Acquisition, we have compared said Issue Price against:

- (i) the last transacted price of Mi Technovation Shares of RM3.63 as at 17 December 2020, being the last trading day prior to the date of the Agreement (“LTD”); and
- (ii) The respective volume weighted average price (“VWAP”) of Mi Technovation Shares as set out in the table below:-

Basis of comparison base on	VWAP/ Closing Price	Premium/ (discount) over VWAP/closing price	
	RM	RM	%
Last transacted price as at LTD	3.63	0.02	0.55
VWAP for the five (5)-day up to and including the LTD	3.71	(0.06)	(1.62)
VWAP for the one (1)-month up to and including LTD	3.89	(0.24)	(6.17)
VWAP for the three (3)-month up to and including LTD	4.16	(0.51)	(12.26)
VWAP for the six (6)-month up to and including LTD	3.76	(0.11)	(2.93)
VWAP for the twelve (12)-month up to and including LTD	2.75	0.90	32.73

(Source: Bloomberg)

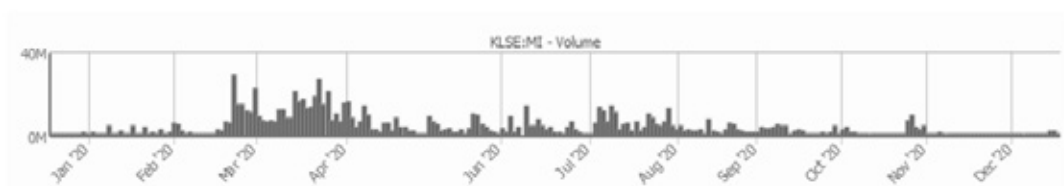
Based on the table above, we noted that the Issue Price pursuant to the Proposed Acquisition, represent a premium of 0.55% over the closing market price of Mi Technovation Shares of RM3.63 as at LTD but at a discount of 1.62%, 6.17%, 12.26% and 2.93% over the VWAP for the five (5)-day, one (1)-month and three (3)-month and six (6)-month up to and including the LTD but at a premium of 32.73% over the VWAP for the twelve (12)-month up to and including the LTD.

Set out in the chart below are the daily closing market prices of Mi Technovation Share for the historical 12-month up to the date and including the LTD (“Review Period”). We consider that the Review Period which covers a full year prior to the LTD represents a reasonable period to provide a general overview of the historical trend of Mi Technovation Shares price when assessing the Issue Price.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)

**Ferrier
Hodgson**

CORPORATE FINANCE



As shown in the chart above, the closing price of Mi Technovation Shares ranged from RM1.38 per Mi Technovation Share to RM4.68 per Mi Technovation Share, with a simple average closing price of approximately RM3.02 per Mi Technovation Share during the Review Period, and the Issue Price:-

- (i) represents a premium of approximately 20.86% to the simple average closing price;
- (ii) represents a discount of approximately 22.01% to the highest closing price during the Review Period; and
- (iii) represents a premium of approximately 164.49% to the lowest closing price during the Review Period.

Commentary

The steady increase in the market price of Mi Technovation may be due to the positive action of the market towards the semiconductor industry as well as higher revenue of RM161.44 million recorded for the financial period ended 30 September 2020 as compared to cumulative preceding financial period of RM122.92 million.

We further note that the Issue Price is higher than the NA per Mi Technovation Share based on its audited financial statements as at 31 December 2019 and its third quarter consolidated financial statements as at 30 September 2020 of RM0.51 and RM0.53 respectively.

Based on the above analysis, we are of the opinion that the Issue Price is fair.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)


7.0 VALUATION METHOD
Basis and Method Used to Form an Opinion on the Evaluation

In establishing our opinion on the evaluation of the Purchase Consideration, which is the subject matter, FHCA has considered various methodologies, which are commonly used for valuation, to arrive at our opinion on the fairness of the Purchase Consideration, taking into consideration Accurus Scientific and its Subsidiaries' future earnings generating capabilities, projected future cash flows, its sustainability as well as various business considerations and risk factors affecting its business.

The following valuation methodologies were considered and selected by FHCA to determine the fairness of the Purchase Consideration:

- (i) Relative Valuation Analysis ("**RVA**"); and
- (ii) Comparable Transaction Analysis ("**CTA**")

The primary valuation methodology considered and selected by FHCA to evaluate the fairness of the Purchase Consideration is based on the RVA as it seeks to compare a company's implied trading multiple to that of comparable companies to determine the firm's financial worth based on a set of valuation metrics derived from commonly used financial indicators and applied on the subject company's historical financial records. FHCA has also taken into consideration the CTA as the secondary methodology to assess the fairness of the Purchase Consideration as the methodology reflects a reasonable estimate of multiples that others have paid for similar companies in the past.

Further, FHCA has also considered the other valuation methodologies and found that the following methodologies are not suitable in establishing our opinion on the fairness of the Purchase Consideration based on the following factors:

Valuation Methodologies	Discussion
Discounted Cash Flow Methodology	<p>Discounted Cash Flow Methodology is an investment appraisal technique which considers both the time value of money and the projected net cash flow generated discounted at a specified discount rate to derive at the valuation of the subject matter.</p> <p>Typically, the future cash flow would rely on a variety of external factors, such as, amongst others, market demand, economic environment, unforeseen obstacles and competitions and would be even more difficult to estimate amid this current market conditions. Further, the historical revenue and profit of Accurus Scientific and its Subsidiaries fluctuated significantly and would be strenuous to assume that profit will continue to grow at the same rate in the future.</p>

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



CORPORATE FINANCE

Valuation Methodologies	Discussion
	<p>Despite the long-term relationships and recurring orders with their customers, the production of Accurus Scientific and its Subsidiaries is based on purchase orders and not long-term contracts. As such it is difficult to ascertain the reliability of the future revenue generated by Accurus Scientific and its Subsidiaries.</p> <p>Hence, FHCA has concluded that this methodology is not suitable in assessing the fairness of the Purchase Consideration.</p>
Revalued Net Asset Valuation ("RNAV")	<p>RNAV method seeks to adjust the net asset value of a company to take into consideration the valuation of assets of a company to determine the adjusted value of the firm's financial value.</p> <p>Considering that Accurus Scientific and its Subsidiaries' core business is principally involved in the manufacturing and sale of solder spheres, the value of Accurus Scientific and its Subsidiaries is more likely to be derived from the continuance of its business operations instead of its underlying assets (property, plant and equipment for the FYE 2019 attributed to approximately 28.8% of total assets), hence the RNAV may not accurately reflect the future potential of Accurus Scientific and its Subsidiaries.</p>

RVA

RVA seeks to compare a company's implied trading multiple to that of comparable companies to determine the firm's financial worth. Under the RVA, reference was made to the valuation statistics of companies listed on regional exchanges with principal activities that we consider broadly comparable to Accurus Scientific and its Subsidiaries ("**Comparable Companies**") to get an indication of the current market expectation with regards to the implied value of the entire equity interest in Accurus Scientific and its Subsidiaries.

For the purposes of the RVA, FHCA had attempted to search for publicly listed comparable companies in Taiwan Stock Exchange ("**TSE**") that are principally involved in the manufacturing and sale of soldering and semiconductor packaging material. Considering the search based on the criteria above had resulted in only one (1) comparable company, reference was made to the valuation statistic of public listed companies listed in Asia and found additional two (2) comparable companies that are listed on the Korean Securities Dealers Automated Quotations ("**KOSDAQ**"), where majority of its businesses are involved in the manufacturing and sale of soldering and semiconductor packaging material.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



CORPORATE FINANCE

It is important to note that the Comparable Companies tabulated herein are by no means exhaustive and may differ from Accurus Scientific and its Subsidiaries in terms of, inter alia, composition of business activities, scale of operations, geographical location of operations, profit track record, financial profile, risk profile, future prospects, capital structure, marketability of their securities and other criteria.

One should also note that any comparisons made with respect to the Comparable Companies are merely to provide an indication to the implied valuation of Accurus Scientific and its Subsidiaries and the selection of Comparable Companies and adjustments made are highly subjective and judgmental and the selected companies may not be entirely comparable due to various factors.

The Comparable Companies based on the above parameters that were selected are as follows:

Comparable Companies	Exchange	Principal activities
Shenmao Technology Inc ("Shenmao")	TSE	Manufactures and sells solder materials for the electronic industry worldwide. It offers Surface Mount Technology assembly materials, including tin lead, lead-free, water soluble, package on package, low temperature, and halogen free solder pastes, as well as adhesives; and semiconductor packaging materials, such as Ball Grid Array spheres and bumping solder pastes.
MK Electron Co., Ltd ("MKE")	KOSDAQ	Develops, manufactures, and markets semiconductor packaging materials in Korea, Taiwan, China, and Southeast Asia. The company offers bonding wires and solders balls, including gold bonding wires, copper bonding wires, silver based wires, and advanced Au-Ag-alloy bonding wires, as well as sputtering target products made of gold-based alloy, and evaporation materials
Duksan Hi Metal Co., Ltd ("Duksan")	KOSDAQ	Manufactures and sells soldering materials for use in semiconductor packaging primarily in South Korea. Duksan offers solder ball, a semiconductor packaging technology that transmits electric signals by connecting chips and boards; solder paste, a substance for surface mounting technology and formation of flip chip bump, which solders technology as electronic component keep being developed; and solder powder, a substance of solder paste that is used for soldering printed circuit boards and devices.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)

**Ferrier
Hodgson**

CORPORATE FINANCE

The following valuation multiples were applied to arrive at the valuation statistics:

Valuation Multiple	General Description
PE Multiple	The Price to Earnings ("PE") multiple is an earnings-based valuation method and represents the ratio of a company's market capitalisation to its historical net profit (attributable to shareholders after interest, taxation, depreciation and amortisation expenses).
EV/EBITDA	Enterprise Value ("EV") is the sum of a company's market capitalisation, preferred equity, minority interest, short and long term debt less its cash and cash equivalents. The EV/Earnings before interest, taxation, depreciation and amortisation ("EBITDA") multiple illustrates the market value of a company's business relative to its historical and forecast pre-tax operational cash flow performance, taking into consideration the company's debt and cash levels in addition to its market capitalisation.

The exclusion of non-cash items such as depreciation and amortisation from the calculation of EBITDA will allow this method to be more reflective of the company's pre-tax operating cash flow. In addition, the exclusion of taxation will eliminate the effects of differing taxation policies of the countries in which the Comparable Companies operate in.

We have also considered the Price to Book ("PB") multiple and has concluded that this valuation multiple is not suitable in the determination of the fairness of the Purchase Consideration as the PB multiple values a company based on the value of its assets, net of all liabilities at a specific point in time and does not take into consideration the future income stream of a company.

The table below sets out the valuation statistics of the Comparable Companies based on the closing market prices as at the Date of Opinion as extracted from S&P Capital IQ:-

Comparable Companies	Market Capitalisation ^[1] (RM' million)	PE Multiple ^{[2][3]} (times)	EV/EBITDA Multiple ^{[2][3]} (times)
Shenmao	498.27	29.42	17.57
MKE	758.98	46.13	7.78
Duksan	573.48	21.01	17.41
Median of the Comparable Companies		29.42	17.41

[1] Calculated based on the closing market prices as at the Date of Opinion as extracted from S&P Capital IQ.

[2] Calculated based on the closing market prices and the trailing twelve (12) months financial results as at the Date of Opinion as extracted from S&P Capital IQ.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)

**Ferrier
Hodgson**

CORPORATE FINANCE

[3] *The trading multiples of the Comparable Companies are perceived to be the value of a liquid minority stake as at the Date of Opinion. On the other hand, this Evaluation involves the valuation of the entire equity interest in a private company, hence it is perceived to be illiquid but having a control premium. As such, we are of the opinion that for the purpose of this Evaluation, when the effect (if any) of the immediate-term illiquidity of the shares is considered in totality with the premium accorded by control, a net zero adjustment would be appropriate to reflect the implied equity value of Accurus Scientific and its Subsidiaries.*

The implied PE Multiple and the EV/EBITDA Multiple of Accurus Scientific based on the Purchase Consideration are as follows:-

	PE Multiple (times)	EV/EBITDA Multiple (times)
Purchase Consideration	NTD1.88 billion	
Implied ratio derived from:		
Accurus Scientific and its Subsidiaries' PAT and EBITDA for the FYE 2019	16.33 ^[1]	12.33 ^[2]
Comparable Companies		
High	46.13	17.57
Low	21.01	7.78
Average	32.19	14.25
Median	29.42	17.41

Note:

[1] *Calculated based on the Purchase Consideration of NTD1.88 billion divided by Accurus Scientific and its Subsidiaries' PAT of NTD115.03 million (calculated based on 99% of NTD116.19 million for the FYE 2019).*

[2] *Calculated based on Accurus Scientific and its Subsidiaries' EV which is derived from the Purchase Consideration of NTD1.88 billion add total debt of NTD269.27 million less cash of NTD126.41 million (calculated based on 99% of the total debt of NTD271.99 million and cash of NTD127.69 million as per the audited financial statements for the FYE 2019); and divided by Accurus Scientific and its Subsidiaries' EBITDA of NTD163.96 million (calculated based on 99% of the EBITDA for the FYE 2019 of NTD165.62 million).*

Based on the above analysis, the followings are noted:-

- (i) **Implied PE Multiple of 16.33 times is lower than the median, average and the range of PE Multiple of Comparable Companies; and**
- (ii) **Implied EV/EBITDA Multiple of 12.33 times is lower than the median and average and is within the range of EV/EBITDA Multiple of Comparable Companies.**

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)

**Ferrier
Hodgson**

CORPORATE FINANCE

We have also benchmarked the range of PE Multiple and EV/EBITDA Multiple of Accurus Scientific against all companies listed in TSE that are involved in manufacturing and trading business in the semiconductor industry with the market capitalisation less than RM10.0 billion. We note that these companies may not comprise the exact business activities as Accurus Scientific and its Subsidiaries or may not fit our criteria for screening and therefore may not form part of the Comparable Companies, except for Shenmao. The benchmarked companies are as follows:

Description		Range of PE Multiple (times)	Range of EV/EBITDA Multiple (times)
TSE - Manufacturing and trading business > semiconductor industry computed multiple	The companies listed as are follows: <ul style="list-style-type: none"> - ChipMos Technologies Inc - Jih Lin Technology Co., Ltd - Opto Tech Corporation; - Powertech Technology; - Sigurd Microelectronics Corporation; - Shenmao; - Taiwan Mask Corporation; - Taliang Technology Co., Ltd; and - Tong Hsing Electronic Industries Ltd 	10.64 - 75.52 (Median: 20.98) (Average:25.74)	4.25 - 28.36 (Median: 12.29) (Average:12.75)

(Source: S&P Capital IQ as at Date of Opinion)

The purpose of the broad-based multiples discussed above is to reflect the general market expectations for the semiconductor industry in Taiwan and also to act as a cross-check to the multiples of the Comparable Companies against industry expectations. We note that the implied PE Multiple 16.33 times computed above is lower than the median and average of the PE Multiple indicated above; the implied EV/EBITDA Multiple 12.33 times computed above is higher than the median but is lower than the average and is within the range of the EV/EBITDA Multiple indicated above.

Premised on the above, we are of the opinion that the Purchase Consideration is FAIR.

CTA

CTA is a valuation method whereby it seeks to compare the Purchase Consideration against other recent comparable transactions of broadly similar industry of Accurus Scientific and its Subsidiaries. FHCA has considered the implied PE Multiple and EV/EBITDA Multiple of Accurus Scientific and its Subsidiaries and compared it to recently announced transactions involving the acquisition of companies in the semiconductor industry in East Asia for the past three (3) years as extracted from S&P Capital IQ.

**EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY
FHCA (CONT'D)**
**Ferrier
Hodgson**

CORPORATE FINANCE

PE Multiple

Date of Acquisition (MM-YY)	Acquirer	Target	Country of Target	Equity Stake Acquired	Implied equity value (million)	Target's PAT (million)	Implied PE Multiple
Dec-17	Shanghai Belling Co., Ltd	RenergyMicro-Technologies (ShenZhen) Co., Ltd	China	100%	RMB590.00	RMB28.24	20.89
Jan -18	Yangzhou Yangjie Electronic Technology Co., Ltd	Chengdu Qingyang Electronic Material Co., Ltd	China	60%	RMB120.00	RMB5.81	20.65
April - 18	Advanced Semiconductor Engineering Inc	Siliconware Precision Industries Co., Ltd	Taiwan	67%	NTD159,557.69	NTD8,000.99	19.94
July - 18	Jinglong Group Co., Ltd	JA Solar Holdings Co., Ltd	China	74%	USD360.48	USD47.66	7.56
Jan - 19	GTA Semiconductor Co., Ltd	Advance Semiconductor Manufacturing Corporation Limited	China	100%	RMB2,040.52	RMB91.13	22.39
Aug - 19	Macnica Chungju Co., Ltd	Answer Technology Co., Ltd	Taiwan	50%	NTD2,689.49	NTD179.78	14.96
April - 20	Ingenic Semiconductor Co., Ltd	Beijing Xicheng Semiconductor Co., Ltd	China	60%	RMB7,200.02	RMB245.02	29.39
April - 20	AKMMeadville Electronics (Xiamen) Co., Ltd	Guangzhou Meadville Electronics Co., Ltd, Shanghai Meadville Electronics Co., Ltd, Shanghai Meadville Science & Technology Co. Ltd, Shanghai Kaiser Electronics Co., Ltd	China	100%	USD550.00	USD11.74	46.84
Sep - 20	TCL Technology Group Corporation	Tianjin Zhonghuan Electronic and Information (Group) Co., Ltd	China	100%	RMB11,000.00	RMB844.28	13.03

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY
FHCA (CONT'D)



CORPORATE FINANCE

Date of Acquisition (MM-YY)	Acquirer	Target	Country of Target	Equity Stake Acquired	Implied equity value (million)	Target's PAT (million)	Implied PE Multiple
Nov - 20	Diodes Incorporated	Lite-On Semiconductor Corp	Taiwan	100%	NTD2,706.82	NTD864.83	3.13
						High	46.84
						Low	3.13
						Average	19.88
						Median	20.30

EV/EBITDA Multiple

Date of Acquisition (MM-YY)	Acquirer	Target	Country of Target	Equity Stake Acquired	Implied EV (million)	Target's EBITDA (million)	Implied EV/EBITDA Multiple
Dec-17	Shanghai Belling Co., Ltd	RenergyMicro-Technologies (ShenZhen) Co., Ltd	China	100%	RMB526.67	RMB18.93	27.82
Jan -18	Yangzhou Yangjie Electronic Technology Co., Ltd	Chengdu Qingyang Electronic Material Co., Ltd	China	60%	Not Available	Not Available	NM
April - 18	Advanced Semiconductor Engineering Inc	Siliconware Precision Industries Co., Ltd	Taiwan	67%	NTD161,229.03	NTD24,664.26	6.54
July - 18	Jinglong Group Co., Ltd	JA Solar Holdings Co., Ltd	China	74%	USD1,266.54	USD282.03	4.49
Jan - 19	GTA Semiconductor Co., Ltd	Advance Semiconductor Manufacturing Corporation Limited	China	100%	RMB1,485.39	RMB147.71	10.06
Aug - 19	Macnica Chungju Co., Ltd	Answer Technology Co., Ltd	Taiwan	50%	NTD2,979.99	NTD293.53	10.15
April - 20	Ingenic Semiconductor Co., Ltd	Beijing Xicheng Semiconductor Co., Ltd	China	60%	Not Available	Not Available	NM
April - 20	AKMMeadville Electronics (Xiamen) Co., Ltd	Guangzhou Meadville Electronics Co., Ltd, Shanghai Meadville Electronics Co., Ltd, Shanghai Meadville Science &	China	100%	USD550.00	USD90.51	6.08

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



CORPORATE FINANCE

Date of Acquisition (MM-YY)	Acquirer	Target	Country of Target	Equity Stake Acquired	Implied EV (million)	Target's EBITDA (million)	Implied EV/EBITDA Multiple
Sep - 20	TCL Technology Group Corporation	Technology Co. Ltd, Shanghai Kaiser Electronics Co., Ltd Tianjin Zhonghuan Electronic and Information (Group) Co., Ltd	China	100%	RMB39,810.97	RMB2,995.43	13.29
Nov - 20	Diodes Incorporated	Lite-On Semiconductor Corp	Taiwan	100%	NTD4,779.89	NTD2,151.17	2.22
						High	27.82
						Low	2.22
						Average	10.08
						Median	8.30

Note:

NM - Not meaningful

Not Available - The information is not available as per S&P Capital IQ

Based on the above analysis, the followings are noted:-

- (i) Implied PE Multiple of 16.33 times is lower than the median and average and is within the range of PE Multiple of recent transactions; and
- (ii) Implied EV/EBITDA Multiple of 12.33 times is higher than the median and average but is within the range of EV/EBITDA Multiple of recent transactions.

Premised on the above, we are of the opinion that the Purchase Consideration is FAIR.

8.0 LIMITATIONS

One should also recognise that there is no publicly listed company which may be considered to be identical to Accurus Scientific and its Subsidiaries in terms of, inter-alia, composition of business activities, scale of business operations, risk, profile, accounting and tax policies, track record, future prospects, competitive environment, financial positions and that such business may have fundamentally difference profitability objectives. One should also note that any comparison made with respect to the Comparable Companies are merely to provide a comparison to the implied valuation of Accurus Scientific and its Subsidiaries and the selection of Comparable Companies are highly subjective and judgemental and the selected Comparable Companies may not be entirely comparable due to various factor.

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)

**Ferrier
Hodgson**

CORPORATE FINANCE

Impact of the COVID-19 pandemic

The global economic growth is affected due to the outbreak of COVID-19 and its rapid spread across the globe. Inevitably, social and economic conditions across the globe will be affected by the COVID-19 pandemic, particularly, if governments extend or implement additional orders/policies ("Policies") which further restrict business activities. Therefore, there could potentially be disruption to the business progress of Accurus Scientific and its Subsidiaries and progress are expected to be slower during this outbreak period amidst market uncertainty.

Given the evolving circumstances, the Management currently is unable to quantify nor determine the extent of the impact of the Policies and COVID-19 on the earnings and financial performance of Accurus Scientific and its Subsidiaries for the medium to long term and as such the impact has not been considered in the above evaluation.

9.0 CONCLUSION

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgement. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our opinion on the fairness of the Purchase Consideration, FHCA has considered various valuation methodologies, which are commonly used for valuation, to arrive at its opinion on the fairness of the Purchase Consideration, taking into consideration Accurus Scientific and its Subsidiaries' future earnings generating capabilities and its sustainability as well as various business considerations and risk factors affecting its business.

FHCA had used the RVA and CTA as the valuation methodologies to assess the fairness of the Purchase Consideration and has considered the followings:-

- (i) Based on the RVA:-
 - Implied PE Multiple of 16.133 times is lower than the median, average and the range of PE Multiple of Comparable Companies; and
 - Implied EV/EBITDA Multiple of 12.33 times is lower than the median and average and is within the range of EV/EBITDA Multiple of Comparable Companies;
- (ii) Based on the CTA,
 - Implied PE Multiple of 16.33 times is lower than the median and average and is within the range of PE Multiple of recent transactions; and

EXPERT'S REPORT ON THE FAIRNESS OF THE PURCHASE CONSIDERATION PREPARED BY FHCA (CONT'D)



- Implied EV/EBITDA Multiple of 12.33 times is higher than the median and average but is within the range of EV/EBITDA Multiple of recent transactions.

Premised on the above, FHCA is of the opinion that the Purchase Consideration is FAIR.

10.0 RESTRICTIONS

Save for the purpose stated herein, this Letter cannot be relied upon by any party other than Mi Technovation. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Letter, in whole or in part. We are not required to give testimony or to be in attendance in court with reference to the opinion herein provided.

Neither FHCA nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Letter, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Letter, or any part hereof.

Should FHCA become aware of any significant change affecting the information contained in this Letter or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive or have reasonable grounds to believe that there is material omission in this Letter, we will immediately notify the Board. If circumstances require, a supplementary Letter will be issued to the Board.

Yours faithfully

FHMH CORPORATE ADVISORY SDN BHD



NG WOON LIT
Director



ANDREW HENG
Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this Circular, and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular. The Board confirms that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

All information relating to Accurus Scientific and its subsidiaries as well as the Vendors are extracted from information provided by the directors/management of Accurus Scientific and its subsidiaries and information provided by the Vendors. As such, the responsibility of the Board is restricted to ensuring that such information had been accurately reproduced in this Circular.

2. CONSENTS AND DECLARATIONS OF CONFLICT OF INTEREST**2.1 Affin Hwang IB**

Affin Hwang IB, being the Principal Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Affin Hwang IB, being the Principal Adviser for the Proposed Acquisition, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the Principal Adviser for the Proposed Acquisition.

2.2 FHCA

FHCA, being the expert for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, its expert's report on the fairness of the Purchase Consideration and all references thereto in the form and context in which they appear in this Circular.

FHCA, being the expert for the Proposed Acquisition, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the expert for the Proposed Acquisition.

2.3 LCS & Partners

LCS & Partners, being the Taiwan legal counsel for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, its legal opinion on ownership of title to securities or assets in Taiwan, enforceability of agreements, representations and undertakings given by foreign counter-parties under the relevant laws of Taiwan as well as its expert's report on policies on foreign investments, taxation and repatriation of profits of Taiwan and all references thereto in the form and context in which they appear in this Circular.

LCS & Partners, being the Taiwan legal counsel for the Proposed Acquisition, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the Taiwan legal counsel to provide the abovementioned legal opinion and expert's report in relation to the Proposed Acquisition.

FURTHER INFORMATION (CONT'D)

2.4 JunZeJun Law Offices

JunZeJun Law Offices, being the China legal counsel for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, its legal opinion on ownership of title to securities or assets in China, enforceability of agreements, representations and undertakings given by foreign counter-parties under the relevant laws of China as well as its expert's report on policies on foreign investments, taxation and repatriation of profits of China and all references thereto in the form and context in which they appear in this Circular.

JunZeJun Law Offices, being the China legal counsel for the Proposed Acquisition, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the China legal counsel to provide the abovementioned legal opinion and expert's report in relation to the Proposed Acquisition.

2.5 Virtus Law LLP

Virtus Law LLP, being the Singapore legal counsel for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, its legal opinion on ownership of title to securities or assets in Singapore, enforceability of agreements, representations and undertakings given by foreign counter-parties under the relevant laws of Singapore as well as expert's report on policies on foreign investments, taxation and repatriation of profits of Singapore and all references thereto in the form and context in which they appear in this Circular.

Virtus Law LLP, being the Singapore legal counsel for the Proposed Acquisition, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the Singapore legal counsel to provide the abovementioned legal opinion and expert's report in relation to the Proposed Acquisition.

2.6 Smith Zander

Smith Zander, being the Independent Market Researcher for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Smith Zander, being the Independent Market Researcher for the Proposed Acquisition, hereby declares that there is no situation of conflict of interest that exists or likely to exist in relation to its role as the Independent Market Researcher for the Proposed Acquisition.

3. MATERIAL LITIGATION

As at the LPD, Mi Technovation Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Mi Technovation Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the business or financial position of the Mi Technovation Group.

FURTHER INFORMATION (CONT'D)

4. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is not aware of any other material commitments incurred or known to be incurred by Mi Technovation Group, which upon becoming enforceable may have a material effect on the business or financial position of Mi Technovation Group:

	RM'000
Capital expenditure in respect of purchase of property, plant and equipment:	
▪ Approved but not contracted for	19,086
▪ Contracted but not provided for	11,095
	<u>30,181</u>

5. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Mi Technovation Group, which upon becoming enforceable may have a material effect on the business or financial position of the Mi Technovation Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM of the Company, at the Registered Office of the Company at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Penang:

- (i) the Constitution of the Company;
- (ii) the Constitution of Accurus Scientific;
- (iii) the Agreement as referred to in Appendix II of this Circular;
- (iv) the audited consolidated financial statements of Mi Technovation for the past two (2) FYEs 31 December 2018 and 2019 as well as the latest unaudited consolidated financial statements of Mi Technovation for the FPE 30 September 2020;
- (v) the audited consolidated financial statements of Accurus Scientific for the FYEs 31 December 2017, 2018 and 2019;
- (vi) Director's report on Accurus Scientific dated 14 January 2021 as referred to in Appendix V of this Circular;
- (vii) legal opinion on ownership of title to securities or assets in Taiwan, enforceability of agreements, representations and undertakings given by foreign counter-parties under the relevant laws of Taiwan as referred to in Appendix VI of this Circular;
- (viii) legal opinion on ownership of title to securities or assets in China, enforceability of agreements, representations and undertakings given by foreign counter-parties under the relevant laws of China as referred to in Appendix VII of this Circular;

FURTHER INFORMATION (CONT'D)

- (ix) legal opinion on ownership of title to securities or assets in Singapore, enforceability of agreements, representations and undertakings given by foreign counter-parties under the relevant laws of Singapore as referred to in Appendix VIII of this Circular;
- (x) expert's report on policies on foreign investments, taxation and repatriation of profits of Taiwan as referred to in Appendix IX of this Circular;
- (xi) expert's report on policies on foreign investments, taxation and repatriation of profits of China as referred to in Appendix X of this Circular;
- (xii) expert's report on policies on foreign investments, taxation and repatriation of profits of Singapore as referred to in Appendix XI of this Circular;
- (xiii) expert's report on the fairness of the Purchase Consideration prepared by FHCA as referred to in Appendix XII of this Circular; and
- (xiv) the letters of consent as referred to in Section 2 of this Appendix.

(The rest of this page has been intentionally left blank)



Mi TECHNOVATION BERHAD
(Registration No. 201701021661 (1235827-D))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of Mi Technovation Berhad (“**Mi Technovation**” or “**Company**”) will be held as a fully virtual general meeting at a broadcast venue at the Boardroom of the Company, No. 20, Medan Bayan Lepas Technoplex, MK 12, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Pulau Pinang on Tuesday, 2 February 2021, at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without any modifications the following resolution:

ORDINARY RESOLUTION

PROPOSED ACQUISITION OF 21,983,000 COMMON SHARES IN ACCURUS SCIENTIFIC CO LTD (“ACCURUS SCIENTIFIC”), REPRESENTING APPROXIMATELY 99% EQUITY INTEREST IN ACCURUS SCIENTIFIC FOR A TOTAL PURCHASE CONSIDERATION OF APPROXIMATELY NTD1,878,157,550 (EQUIVALENT TO RM271,012,500) TO BE SATISFIED VIA THE ALLOTMENT AND ISSUANCE OF 74,250,000 NEW ORDINARY SHARE(S) IN Mi TECHNOVATION (“CONSIDERATION SHARE(S)”) AT AN ISSUE PRICE OF RM3.65 PER CONSIDERATION SHARE (“PROPOSED ACQUISITION”)

“**THAT**, subject to and conditional upon the approvals of all relevant regulatory authorities and/or relevant parties being obtained, and the satisfaction of the conditions to closing as stated in the share exchange agreement dated 18 December 2020 (“**Agreement**”) entered into between Mi Technovation, Accurus Scientific and the shareholders of Accurus Scientific for the Proposed Acquisition, approval be and is hereby given to Mi Technovation to acquire 21,983,000 common shares in Accurus Scientific, representing approximately 99% equity interest in Accurus Scientific for a total purchase consideration of approximately NTD1,878,157,550 (equivalent to RM271,012,500) to be satisfied via the allotment and issuance of the Consideration Shares to be issued to the shareholders of Accurus Scientific at the issue price of RM3.65 per Consideration Share, subject to the terms and conditions contained in the Agreement;

THAT the Consideration Shares will, upon allotment and issuance, rank equally in all respects with the existing Mi Technovation Shares, save and except that the Consideration Shares will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid, the entitlement date of which is before the date of allotment and issuance of the Consideration Shares;

AND THAT the Board of Directors of Mi Technovation be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Acquisition with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required and to deal with all matters relating thereto and to take all such steps as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Acquisition.

By order of the Board

CH’NG LAY HOON (MAICSA 0818580)
SSM Practising No.: 201908000494
Company Secretary
Penang

18 January 2021

Notes:

1. *For the purpose of determining a member of the Company who shall be entitled to attend and vote at this EGM, the Company shall be requesting the record of depositors as at 22 January 2021. Only a depositor whose name appears on the record of depositors as at 22 January 2021 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*
2. *Proxy:*
 - (a) *A member of the Company (except an exempt authorised nominee) shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
 - (b) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
 - (c) *The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.*
 - (d) *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than forty-eight (48) hours before the time set for holding the extraordinary general meeting or any adjournments thereof.*
 - (e) *Members'/proxies' login to the virtual meeting will commence at 9.30 a.m. on the day of the meeting and shall remain open until the conclusion of the EGM or such time as may be determined by the Chairman of the EGM.*



Mi TECHNOVATION BERHAD
(Registration No. 201701021661 (1235827-D))
(Incorporated in Malaysia)

PROXY FORM

CDS ACCOUNT NO.	NO. OF SHARES HELD

I/We, _____
Full name in capital letters as per Identity Card ("MYKAD")/Passport/Certificate of Incorporation

MYKAD/Passport No./ Company No. _____ of _____

(Full address)

telephone no. _____, being a member of **Mi TECHNOVATION BERHAD** ("Company") hereby

appoint _____
(Full name in capital letters)

MYKAD/Passport No. _____ of _____

(Full address)

And/or failing him _____
(Full name in capital letters)

MYKAD/Passport No. _____ of _____

(Full address)

or failing the abovenamed proxies, the Chairman of the Extraordinary General Meeting ("**EGM**"), as *my/our proxy to vote for *me/us on *my/our behalf at the EGM of the Company, to be held as a fully virtual general meeting at a broadcast venue at the Boardroom of the Company, No. 20, Medan Bayan Lepas Technoplex, MK 12, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Pulau Pinang on Tuesday, 2 February 2021, at 10.00 a.m. or any adjournment thereof. My/our proxy/proxies is to be vote as indicated below:

No.	ORDINARY RESOLUTION	FOR	AGAINST
1.	PROPOSED ACQUISITION		

*Strike out whichever is inapplicable

(Please indicate with "X" in the spaces on how you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain from voting at his discretion.)

Dated this _____ day of _____ 2021

The proportions of my/our holding to be represented by my/our proxies are as follows: -		
	No. of Shares	Percentage
First Proxy		
Second Proxy		
Total		100%

Signature(s)/Common Seal of Member(s)

Notes:

- For the purpose of determining a member of the Company who shall be entitled to attend and vote at this EGM, the Company shall be requesting the record of depositors as at 22 January 2021. Only a depositor whose name appears on the record of depositors as at 22 January 2021 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.
- Proxy:
 - A member of the Company (except an exempt authorised nominee) shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
 - Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
 - The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointer. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
 - The instrument appointing a proxy must be deposited at the Registered Office of the Company at Suite 12-A, Level 12, Menara Northam, No. 55, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than forty-eight (48) hours before the time set for holding the extraordinary general meeting or any adjournments thereof.
 - Members'/proxies' login to the virtual meeting will commence at 9.30 a.m. on the day of the meeting and shall remain open until the conclusion of the EGM or such time as may be determined by the Chairman of the EGM.

Then fold here

**AFFIX
STAMP**

The Company Secretary
Mi TECHNOVATION BERHAD
(Registration No. 201701021661(1235827-D))

SUITE 12-A, LEVEL 12, MENARA NORTHAM
NO. 55 JALAN SULTAN AHMAD SHAH
10050 GEORGETOWN
PENANG

1st fold here
