



Mi TECHNOVATION BERHAD

(Company No. 201701021661(1235827-D))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
	RM '000	RM '000	RM '000	RM '000
Revenue	111,432	96,616	463,455	355,962
Operating expenses	(92,254)	(75,159)	(362,440)	(290,447)
Depreciation and amortisation	(6,287)	(6,179)	(25,421)	(25,185)
Non-operating income/(loss), net	18,871	(683)	16,781	26,975
Finance costs	(603)	(393)	(1,692)	(1,784)
Profit before tax	<u>31,159</u>	<u>14,202</u>	<u>90,683</u>	<u>65,521</u>
Tax expense	(10,507)	(2,194)	(23,960)	(12,818)
Net profit for the financial period/year	<u>20,652</u>	<u>12,008</u>	<u>66,723</u>	<u>52,703</u>
Other comprehensive income, net of tax:				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translations	3,504	8,670	(39,142)	12,028
Remeasurements of defined benefit obligations	28	(445)	(822)	(445)
Total comprehensive income	<u>24,184</u>	<u>20,233</u>	<u>26,759</u>	<u>64,286</u>
Net profit attributable to:				
Owners of the parent	20,901	11,821	68,073	55,109
Non-controlling interests	(249)	187	(1,350)	(2,406)
	<u>20,652</u>	<u>12,008</u>	<u>66,723</u>	<u>52,703</u>
Total comprehensive income attributable to:				
Owners of the parent	24,394	20,083	27,930	66,815
Non-controlling interests	(210)	150	(1,171)	(2,529)
	<u>24,184</u>	<u>20,233</u>	<u>26,759</u>	<u>64,286</u>
Earnings per share attributable to owners of the parent:				
Basic (sen) ⁽²⁾	<u>2.34</u>	<u>1.32</u>	<u>7.61</u>	<u>6.16</u>
Diluted (sen) ⁽²⁾	<u>2.34</u>	<u>1.32</u>	<u>7.61</u>	<u>6.15</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.
- (2) Calculation of earnings per share are disclosed in explanatory note B11 attached to the interim financial report.

Unaudited Condensed Consolidated Statement of Financial Position ⁽¹⁾

	Unaudited As at 31-Dec-2024 RM'000	Audited As at 31-Dec-2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	181,492	195,978
Right-of-use assets	29,165	34,044
Investment properties	43,275	34,324
Intangible assets	72,838	78,352
Investment in associate	59,442	40,938
Goodwill on consolidation	110,098	120,635
Deferred tax assets	9,688	10,357
Lease receivable	2,974	3,597
Defined benefit asset	71	2,771
Total non-current assets	<u>509,043</u>	<u>520,996</u>
Current assets		
Inventories	157,420	130,626
Trade and other receivables	166,301	144,923
Lease receivable	1,547	1,416
Current tax assets	1,225	1,193
Other investments ⁽²⁾	68,458	98,174
Cash and bank balances	276,291	324,554
Total current assets	<u>671,242</u>	<u>700,886</u>
TOTAL ASSETS	<u>1,180,285</u>	<u>1,221,882</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	855,459	855,459
Treasury shares	(10,640)	(9,561)
Reserves	185,420	229,124
	<u>1,030,239</u>	<u>1,075,022</u>
Non-controlling interests	(1,496)	(325)
TOTAL EQUITY	<u>1,028,743</u>	<u>1,074,697</u>

Unaudited Condensed Consolidated Statement of Financial Position ⁽¹⁾ (Cont'd)

	Unaudited As at 31-Dec-2024 RM'000	Audited As at 31-Dec-2023 RM'000
LIABILITIES		
Non-current liabilities		
Borrowings	10,623	18,432
Government grants	3,188	3,549
Provisions	3,691	1,782
Lease liabilities	11,381	16,362
Deferred tax liabilities	16,166	16,809
Total non-current liabilities	<u>45,049</u>	<u>56,934</u>
Current liabilities		
Trade and other payables	60,353	50,125
Contract liabilities	5,716	6,846
Borrowings	21,346	17,916
Government grants	199	208
Provisions	2,094	2,732
Lease liabilities	3,679	2,679
Current tax liabilities	13,106	9,745
Total current liabilities	<u>106,493</u>	<u>90,251</u>
TOTAL LIABILITIES	<u>151,542</u>	<u>147,185</u>
TOTAL EQUITY AND LIABILITIES	<u>1,180,285</u>	<u>1,221,882</u>
Net assets per share (RM)	<u>1.15</u>	<u>1.20</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.
- (2) Other investments comprise the following:

	31-Dec-2024 RM'000	31-Dec-2023 RM'000
Other investments		
Money market funds	46,999	98,174
Short term investment	21,459	-
	<u>68,458</u>	<u>98,174</u>

INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

Unaudited Condensed Consolidated Statement of Changes in Equity ⁽¹⁾

	← Non-distributable			→ Distributable					
	Share capital RM'000	Treasury shares RM'000	Legal reserve RM'000	Share grant reserve RM'000	Exchange translation reserve RM'000	Reorganisation debit reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2024	855,459	(9,561)	8,158	1,969	2,188	(63,558)	280,367	(325)	1,074,697
Profit for the financial year	-	-	-	-	-	-	68,073	(1,350)	66,723
Other comprehensive income, net of tax	-	-	-	-	(39,142)	-	(1,001)	179	(39,964)
Share grant scheme ("SGS") expenses	-	-	-	705	-	-	-	-	705
Share vested under SGS	-	881	-	(1,677)	-	-	796	-	-
Transfer to legal reserve	-	-	2,292	-	-	-	(2,292)	-	-
Dividends paid	-	-	-	-	-	-	(71,458)	-	(71,458)
Purchase of treasury share	-	(1,960)	-	-	-	-	-	-	(1,960)
Balance as at 31 December 2024	855,459	(10,640)	10,450	997	(36,954)	(63,558)	274,485	(1,496)	1,028,743
Balance as at 1 January 2023	855,459	(4,700)	5,001	3,072	(9,840)	(63,558)	267,675	(4,434)	1,048,675
Profit for the financial year	-	-	-	-	-	-	55,109	(2,406)	52,703
Other comprehensive income, net of tax	-	-	-	-	12,028	-	(322)	(123)	11,583
Share grant scheme ("SGS") expenses	-	-	-	1,946	-	-	-	-	1,946
Share vested under SGS	-	1,466	-	(3,049)	-	-	1,583	-	-
Transfer to legal reserve	-	-	3,157	-	-	-	(3,157)	-	-
Dividends paid	-	-	-	-	-	-	(35,814)	-	(35,814)
Purchase of treasury share	-	(6,327)	-	-	-	-	-	-	(6,327)
Acquisition of equity interest of non-controlling interest	-	-	-	-	-	-	-	1,931	1,931
Accretion of equity interest of a subsidiary	-	-	-	-	-	-	(4,707)	4,707	-
Balance as at 30 December 2023	855,459	(9,561)	8,158	1,969	2,188	(63,558)	280,367	(325)	1,074,697

Note:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

Unaudited Condensed Consolidated Statement of Cash Flows ⁽¹⁾

	Unaudited 12 months ended 31-Dec-2024 RM '000	Audited 12 months ended 31-Dec-2023 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	90,683	65,521
Adjustments for:		
Amortisation of intangible assets	5,638	6,423
Depreciation of property, plant and equipment	13,774	14,839
Depreciation of right-of-use assets	5,141	3,281
Depreciation of investment properties	868	642
Interest expense	1,692	1,784
Gain on lease modification	-	(2)
Impairment loss on trade receivables	1,411	364
Defined benefit expenses	545	305
Interest income	(13,141)	(11,622)
Inventories written down	1,606	1,618
Loss/(gain) on disposal of property, plant and equipment	176	(1,480)
Property, plant and equipment written off	77	1,333
Provision for warranty replacement costs	3,497	2,138
Reversal of defined benefit plan	1,770	-
Reversal of impairment loss on trade receivables	(4)	(562)
Reversal of inventories written down	(604)	(2,244)
Reversal of provision for warranty replacement costs	(1,161)	(1,558)
Share grant expenses	705	1,946
Share of result of associates, net of tax	(707)	(312)
Unrealised loss/(gain) on foreign exchange	4,492	(4,714)
Operating profit before changes in working capital	116,458	77,700
Working capital changes:		
Inventories	(27,672)	12,986
Trade and other receivables	(24,505)	10,347
Trade and other payables	6,359	(6,373)
Contract liabilities	(1,130)	1,941
Cash generated from operations	69,510	96,601
Lease payment received	492	280
Defined benefit paid	(997)	(945)
Defined benefit refund received	539	-
Warranty paid	(590)	(487)
Tax paid	(22,853)	(18,040)
Net cash from operating activities	46,101	77,409

Unaudited Condensed Consolidated Statement of Cash Flows ⁽¹⁾ (Cont'd)

	Unaudited 12 months ended 31-Dec-2024 RM '000	Audited 12 months ended 31-Dec-2023 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of interests in associates	(21,135)	(14,540)
Acquisition of shares by non-controlling interests	-	1,931
Dividend received	65	-
Interest received	13,141	11,469
Placement of short term investment	(21,459)	-
Proceeds from disposal of property, plant and equipment	5,305	26,414
Purchase of intangible asset	(291)	(266)
Purchase of property, plant and equipment	(22,858)	(8,590)
Net cash (used in)/from investing activities	<u>(47,232)</u>	<u>16,418</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(71,458)	(35,814)
Interest paid	(874)	(1,534)
Drawdown of term loans	25,682	52,615
Repayment of term loans	(27,546)	(101,116)
Payment of lease liabilities	(5,959)	(3,842)
Repurchase of treasury shares	(1,960)	(6,327)
Withdrawn of deposits pledged to a licensed bank	-	131
Net cash used in financing activities	<u>(82,115)</u>	<u>(95,887)</u>
Net decrease in cash and cash equivalents	(83,246)	(2,060)
Effect on foreign exchange rates changes	(16,192)	6,393
Cash and cash equivalents at beginning of financial period	422,728	418,395
Cash and cash equivalents at end of financial period	<u><u>323,290</u></u>	<u><u>422,728</u></u>
Cash and cash equivalents at end of financial year comprises:		
Cash and bank balances	275,361	277,329
Money market funds	46,999	98,174
Deposits with a licensed banks	930	47,225
	<u><u>323,290</u></u>	<u><u>422,728</u></u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“**MFRS**”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“**MASB**”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

A2. Material Accounting Policies

The accounting policies adopted by the Group in the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following new MFRS, Amendments to MFRSs and Annual Improvements to MFRS Standards.

a) New MFRSs adopted during the financial year

The Group adopted the following Amendments to the Standards that are mandatory for annual periods beginning on or after 1 January 2024.

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (Cont'd)

A2. Material Accounting Policies (Cont'd)

b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group.

Title	Effective Date
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rate - <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards—Volume 11</i>	1 January 2026
<i>MFRS 18 Presentation and Disclosure in Financial Statements</i>	1 January 2027
<i>MFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and Its Associates or Joint Venture</i>	Deferred

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

A3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2023.

A4. Seasonal or Cyclical Factors

The business operation of the Group, in general, is subject to the cyclical trend of the global semiconductor and electronics industry.

A5. Material Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter under review.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and equity securities during the current quarter under review except for the repurchase and transfer of treasury shares. The details of the shares held as treasury shares for the financial year ended 31 December 2024 were as follows:

	Number of Treasury Shares ('000)	Total Cost Consideration RM'000
Balance as at 1 January 2024	6,414	9,561
Repurchased during the financial year	1,036	1,960
Transferred during the financial year	(582)	(881)
Balance as at 31 December 2024	6,868	10,640

A8. Dividends Paid

Dividend paid during current quarter and financial year under review are as follows:

- A second single-tier dividend of 2.0 sen per ordinary share amounting to RM17.9 million in respect of the financial year ended 31 December 2023 was paid on 25 March 2024.
- A first single-tier dividend of 2.5 sen per ordinary share amounting to RM22.3 million in respect of the financial year ended 31 December 2024 was paid on 18 September 2024.
- A second single-tier dividend of 3.5 sen per ordinary share amounting to RM31.3 million in respect of the financial year ended 31 December 2024 was paid on 30 December 2024.

A9. Segment Information

The Group reportable segments, aptly named Business Unit ("BU") which comprised its major operating segments. These business units are involved in different industry segments and separately managed by the BU Presidents who report directly to the Group Chief Executive Officer.

The major reportable segments of the Group are as follows:

(a) Semiconductor Equipment Business Unit ("SEBU")

Involved in the manufacturing and sales of the semiconductor manufacturing equipment, coupled with smart factory automation solutions, together with the provision of maintenance services and technical support for these machines, as well as the sale of related spare parts and components.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A9. Segment Information (cont'd)

(a) Semiconductor Equipment Business Unit ("SEBU") (cont'd)

No.	Entity	Product Portfolio
1	Mi Equipment (M) Sdn. Bhd. Penang, Malaysia	Mi Series (Assembly and Packaging Equipment) & Vi Series (Vision Inspection Equipment)
2	Mi Equipment Korea Co. Ltd. Gyeonggi, Korea	Ai Series (Bonding Equipment)
3	Suzhou Mi Equipment Co. Ltd. Suzhou, China	Si Series (Final Test Equipment)

(b) Semiconductor Material Business Unit ("SMBU")

Involved in the manufacturing and sale of solder spheres (also known as solder balls), a key assembly and packaging material widely used in advanced packaging in the semiconductor industry.

No.	Entity	Product Portfolio
1	Accurus Scientific Co. Ltd. Tainan, Taiwan	Solder Spheres (solder balls)
2	Accurus (Ningbo) Scientific Co. Ltd Ningbo, China	Solder Spheres (solder balls)

(c) Semiconductor Solution Business Unit ("SSBU")

Newly developed business unit targeted to position the Group in a wider scope of the semiconductor value chain through strategic business integration and technological development synergy.

No.	Entity	Product Portfolio
1	Mi Semiconductor (Hangzhou) Co. Ltd Hangzhou, China	High power devices, modules, and systems

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Inter-segment transactions have been accounted for on a basis that is consistent with the Group's accounting policies. Investment holding and other activities are not considered as reporting segment and the related financial information has been included under "Others".

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A9. Segment Information (cont'd)

Results for the financial year ended 31 December 2024⁽¹⁾

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
Revenue from external customers	247,225	213,283	2,947	-	-	463,455
Inter-segment revenue	499	-	-	265,667	(266,166)	-
Total revenue	247,724	213,283	2,947	265,667	(266,166)	463,455
Interest income	4,261	567	3,171	5,142	-	13,141
Interest expense	(1,814)	(775)	(361)	(95)	1,353	(1,692)
Net interest income/(expense)	2,447	(208)	2,810	5,047	1,353	11,449
Share of result of an associate						707
Segment profit/(loss) before tax	42,070	55,718	(3,316)	1,218	(5,007)	90,683
Tax expense						(23,960)
Other material non-cash items:						
- Depreciation of property, plant and equipment	(5,239)	(7,931)	(339)	(265)	-	(13,774)
- Depreciation of right-of-use assets	(2,377)	(69)	(1,611)	(1,084)	-	(5,141)
- Depreciation of investment properties	(643)	-	-	(225)	-	(868)
- Amortisation of intangible assets	(1,203)	(4,261)	-	(174)	-	(5,638)
- Inventories written down	(1,379)	(227)	-	-	-	(1,606)
- Reversal of inventories written down	-	604	-	-	-	604
- Unrealised (loss)/gain on foreign exchange	(7,906)	2,943	1,026	(555)	-	(4,492)
- Provision for warranty replacement costs	(3,497)	-	-	-	-	(3,497)
- Reversal of provision for warranty replacement costs	1,161	-	-	-	-	1,161

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A9. Segment Information (cont'd)

Results for the financial year ended 31 December 2024⁽¹⁾ (cont'd)

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
Assets						
Segment assets	326,920	371,215	26,491	321,775	(281,291)	765,110
Investment in associate						59,442
Deferred tax assets						9,688
Defined benefit asset						71
Current tax assets						1,225
Short term funds						46,999
Cash and bank balances						297,750
						<u>1,180,285</u>
Liabilities						
Segment liabilities	358,592	63,825	10,426	4,740	(315,313)	122,270
Deferred tax liabilities						16,166
Current tax liabilities						13,106
						<u>151,542</u>

Notes:

- (1) The segment information should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023, under Note 34 *Operating Segments*.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A9. Segment Information (cont'd)

Results for the financial year ended 31 December 2023 ⁽¹⁾

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
Revenue from external customers	174,188	181,774	-	-	-	355,962
Inter-segment revenue	-	-	-	41,966	(41,966)	-
Total revenue	174,188	181,774	-	41,966	(41,966)	355,962
Interest income	2,789	432	1,820	10,134	(3,553)	11,622
Interest expense	(3,880)	(1,228)	(70)	(125)	3,519	(1,784)
Net interest (expense)/income	(1,091)	(796)	1,750	10,009	(34)	9,838
Share of results of an associate						312
Segment profit/(loss) before tax	29,071	30,686	(1,496)	49,006	(41,746)	65,521
Tax expense						(12,818)
Other material non-cash items:						
- Depreciation of property, plant and equipment	(6,809)	(7,629)	(6)	(395)	-	(14,839)
- Depreciation of right-of-use assets	(1,971)	(82)	(272)	(956)	-	(3,281)
- Depreciation of investment properties	(642)	-	-	-	-	(642)
- Amortisation of intangible assets	(1,973)	(4,276)	-	(174)	-	(6,423)
- Inventories written down	(1,618)	-	-	-	-	(1,618)
- Reversal of inventories written down	-	2,244	-	-	-	2,244
- Unrealised gain/(loss) on foreign exchange	3,410	(741)	(1,790)	3,835	-	4,714
- Provision for warranty replacement costs	(2,138)	-	-	-	-	(2,138)
- Reversal of provision for warranty replacement costs	1,558	-	-	-	-	1,558

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A9. Segment Information (cont'd)

Results for the financial year ended 31 December 2023 ⁽¹⁾ (cont'd)

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
Assets						
Segment assets	297,538	416,399	13,274	77,843	(61,159)	743,895
Investment in an associate						40,938
Deferred tax assets						10,357
Defined benefit asset						2,771
Current tax assets						1,193
Short term funds						98,174
Cash and bank balances						324,554
						<u>1,221,882</u>
Liabilities						
Segment liabilities	114,243	55,595	8,088	3,434	(60,729)	120,631
Deferred tax liabilities						16,809
Current tax liabilities						9,745
						<u>147,185</u>

Notes:

(1) The segment information should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023, under Note 34 *Operating Segments*.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A10. Material Events Subsequent to the end of the Quarter

There were no material events subsequent to the end of current quarter that have not been reflected in the interim financial report.

A11. Changes in the Composition of the Group

Investment in an associated company

The Group had on 15 March 2024, via its wholly owned subsidiary, Mi Semiconductor (Ningbo) Co. Ltd., acquired approximately 5.21% of the equity interest in Talentek Microelectronics (Hefei) Limited ('Talentek'), for a purchase consideration of CNY27.0 million (equivalent to RM17.8 million). Accordingly, the Group hold 30.75% of total equity interest in Talentek and Talentek remains an associated company of the Group. The settlement for the purchase consideration was completed on 16 April 2024.

The Group had on 31 May 2024, via its wholly owned subsidiary, Mi Semiconductor Pte. Ltd., acquired a 20% of the equity interest in Victron Technology Co ('Victron'), for a purchase consideration of TWD24.0 million (equivalent to RM3.35 million). The settlement for the purchase consideration was completed on 28 August 2024.

The Group had on 24 September 2024, via its wholly owned subsidiary, Mi Semiconductor (Hangzhou) Co., Ltd. entered into an agreement to acquire 11% of the equity interest in Hangzhou Threetek Microelectronics Co., Ltd. ('Threetek'), for a purchase consideration of CNY11.0 million (equivalent to RM6.7 million). The settlement for the purchase consideration was completed on 16 January 2025.

Voluntary liquidation of dormant subsidiary

The Company's wholly owned subsidiary which is dormant, namely Mi Autobotics Sdn Bhd ('MiASB') has been placed under members' voluntary winding-up procedures. On 20 March 2024, MiASB had wound up and duly dissolved.

The financial result of the abovementioned subsidiaries and associated company is insignificant and will not have any material impact on the earnings and net assets of the Group for the financial year ended 31 December 2024.

Save for the above, there were no other changes in the composition of the Group that have not been reflected in the interim financial report.

A12. Contingent Liabilities and Contingent Assets

Saved as disclosed under B9 Material Litigation, there were no material contingent liabilities or contingent assets to be disclosed as at the date of this interim financial report.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A13. Material Capital Commitment

Save as disclosed below, as of 31 December 2024, the Group does not have any material capital commitment:

	RM'000
Material capital expenditure in respect of purchase of property, plant and equipment:	
- Approved but not contracted for	18,356
- Contracted but not provided for	17,963
	36,319

A14. Significant Related Party Transactions

There were no significant related party transactions during the current quarter under review.

A15. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current quarter under review.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Performance

Individual Quarter:

Comparison with corresponding quarter in previous financial year (Q4 2024 vs Q4 2023)

	INDIVIDUAL QUARTER 3 months ended		Changes RM'000 %	
	31-Dec-2024 RM'000	31-Dec-2023 RM'000		
Revenue	111,432	96,616	14,816	15.3%
Profit before tax	31,159	14,202	16,957	119.4%
PBT Margin	28.0%	14.7%		
Net profit attributable to owners of the parent	20,901	11,821	9,080	76.8%
Net profit margin	18.8%	12.2%		
Diluted earnings per share (sen)	2.34	1.32	1.02	77.2%

The Group recorded a revenue of RM111.4 million for the current quarter, an increase of 15.3% year-on-year.

SEBU contributed RM51.3 million to the Group's top line during the current quarter, representing 46.0% of total revenue. The revenue increased by 20.2% from RM42.7 million last year due to an increase in machine deliveries especially in Taiwan and China market.

SMBU contributed RM60.1 million to the Group's top line during the current quarter, representing 54.0% of total revenue. The revenue increased by 11.4% from RM54.0 million last year due to sustainable demand especially in China and Korea market.

SSBU recorded a revenue of RM44 thousand during the current quarter.

The Group reported a profit before tax (PBT) of RM31.2 million, increased by 119.4% year-on-year while the PBT margin increased by 13.3 percentage points. The increase in both the PBT and PBT margin was mainly due to higher revenue and foreign exchange gain resulted from the strengthening US Dollars against Ringgit.

The Group's net profit attributable to owners of the parent ("Net Profit") increased by 76.8% year-on-year from RM11.8 million to RM20.9 million, resulting in 77.2% increase in diluted EPS from 1.32 sen to 2.34 sen.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B1. Review of Performance (cont'd)

Cumulative Quarter: Comparison with preceding financial year (FY2024 vs FY2023)

	CUMULATIVE QUARTER 12 months ended		Changes RM'000 %	
	31-Dec-2024 RM'000	31-Dec-2023 RM'000		
Revenue	463,455	355,962	107,493	30.2%
Profit before tax	90,683	65,521	25,162	38.4%
PBT Margin	19.6%	18.4%		
Net profit attributable to owners of the parent	68,073	55,109	12,964	23.5%
Net profit margin	14.7%	15.5%		
Diluted earnings per share (sen)	7.61	6.15	1.46	23.7%

The Group recorded a revenue of RM463.5 million for the current financial year ended 31 December 2024, an increase by 30.2% from RM356.0 million in the previous year. The growth in revenue is mainly due to sustainable demand especially from our key customers in Taiwan and Southeast Asia market.

In tandem with the revenue growth, the Group posted a higher PBT of RM90.7 million, an increase by 38.4% as compared to the previous year. The PBT margin increased slightly by 1.2 percentage point, mainly due to better capacity utilization during the current financial year.

The Group's net profit attributable to owners of the parent ("Net Profit") increased 23.5% year-on-year from RM55.1 million to RM68.1 million. Despite the higher Net Profit, the Net Profit margin decreased slightly by 0.8 percentage points to 14.7% for the current financial year. This is due to a higher tax provision on the non-tax-exempted income generated from the non-pioneer products and services based on the new pioneer status approval granted to Mi Equipment (M) Sdn. Bhd.

The Group's Diluted EPS for the current financial year ended 31 December 2024 closed at 7.61 sen, up by 23.7% from 6.15 sen in the previous year.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B2. Comparison with Immediate Preceding Quarter (Q4 2024 vs Q3 2024)

	INDIVIDUAL QUARTER 3 months ended		Changes RM'000 %	
	31-Dec-2024 RM'000	30-Sep-2024 RM'000		
Revenue	111,432	117,715	(6,283)	-5.3%
Profit/(loss) before tax	31,159	(4,344)	35,503	>100%
PBT/(LBT) Margin	28.0%	-3.7%		
Net profit/(loss) attributable to owners of the parent	20,901	(7,199)	28,100	>100%
Net profit/(loss) margin	18.8%	-6.1%		
Diluted Earnings per share (sen)	2.34	0.08	2.26	>100%

The Group recorded a lower revenue of RM111.4 million as compared to RM117.7 million in the previous quarter, a decrease of 5.3%.

SEBU posted a 18.2% decrease in revenue, at RM51.3 million as compared to RM62.7 million the previous quarter. SMBU posted a 9.4% increase in revenue to RM60.1 million due to sustainable demand from China and Korean market. SSBU recorded a lower revenue of RM44 thousand during the current quarter compared with RM61 thousand in the previous quarter.

The Group reported a profit before tax and net profit at RM31.2 million and RM20.9 million respectively, against a loss before tax and net loss of RM4.3 million and RM7.2 respectively in the previous quarter. This is primarily due to currency fluctuation resulting in a foreign exchange gain in the current quarter compared with a foreign exchange loss in the previous quarter.

The Group's Diluted EPS for the current quarter closed at 2.34 sen.

B3. Prospects for the Financial Year Ending 31 December 2025

The Group anticipates another challenging year full of volatility as it navigates a complex global environment in FY2025. The management is committed to addressing internal challenges with a proactive and strategic approach. Efforts will focus on optimizing the Group's organizational structure, enhancing operational efficiency, reducing costs, and maximizing profitability. In response to external uncertainties, the management will remain vigilant and adaptable, implementing measures to mitigate potential risks and minimize any adverse impacts on the Group's performance.

SEBU will continue to prioritize its three main market segments: Mobility & Wearables, featuring our industry-leading Mi Series products; High Performance Computing (HPC) and Memory, targeted by our Ai Series products (LAB, ZLAB, and LCB); and the Automotive & Renewable Energy segment, where we are making inroads with our Si Series Known Good Die (KGD) test platform.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B3. Prospects for the Financial Year Ending 31 December 2025 (cont'd)

In SMBU, we foresee flat growth in the Mobility and Wearables segment driven by AI-related offerings from our key customers. The HPC and Memory segment expects heightened demand for High Bandwidth Memory. We anticipate flat growth in the Power and Automotive segments towards the latter half of the year.

Meanwhile, SSBU is making significant progress in establishing its first in-house Power Module Pilot production line, which is projected to be ready for prototype builds by mid-2025. BU management is working towards achieving BU's products development roadmap in FY2025.

B4. Profit Forecast

The Group did not provide any revenue or profit forecast in any public document.

B5. Taxation

The Group's taxation together with the comparison between the effective and statutory tax rates for the current quarter under review are set out below:

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 12 months ended	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
	RM '000	RM '000	RM '000	RM '000
Tax Expense (RM'000)	10,855	2,553	23,242	9,866
Deferred Tax (RM'000)	(1,586)	(486)	(2,221)	(1,121)
Withholding Tax (RM'000)	1,238	127	2,939	4,073
Total (RM'000)	10,507	2,194	23,960	12,818
Effective Tax Rate (%)	33.7	15.3	26.4	19.6
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The Group's effective tax rate for the current quarter and the cumulative quarter under review is above the statutory tax rate of 24%. The provision of income tax for the current quarter includes the tax expenses in relation to certain non-business income and additional tax provision on the non-tax-exempted income generated from the non-pioneer products and services based on the new pioneer status approval granted to Mi Equipment (M) Sdn. Bhd. Additionally, there is also withholding tax paid in relation to the dividend receivable from our Taiwan subsidiary in the current quarter, which represents a 12.5% withholding tax on the gross dividend.

Mi Equipment (M) Sdn. Bhd. was granted pioneer status for its promoted principal activities, the statutory income of which is 100% tax-exempted for a total period of 10 years which expired on 17 January 2024. On 2 December 2024, Mi Equipment (M) Sdn. Bhd. was granted a new pioneer status for its artificial intelligence-enabled wafer-level advanced packaging die sorting machines for semiconductor industry, the statutory income of which is 70% tax-exempted for a period of 5 years effective 31 January 2024 and expiring 30 January 2029.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B6. Status of Corporate Proposals

There were no corporate proposals announced and not completed as at the date of this interim financial report.

B7. Utilization of Proceeds from the Private Placement

There were no proceeds from new Private Placement during the current quarter under review.

B8. Group Borrowings and Debt Securities

The detail of the Group's borrowings are as follows:

	Unaudited As at 31-Dec-2024 RM '000	Audited As at 31-Dec-2023 RM '000
<u>Borrowings (Secured)</u>		
Short term portion	21,346	17,916
Long term portion	10,623	18,432
Total	31,969	36,348

The Group's borrowings comprise the following:

- Revolving credit and term loan denominated in New Taiwan Dollar ("NTD"), which were drawn down by Accurus Scientific Co. Ltd. to finance the operating expenses and capex spending.
- Term loan denominated in Chinese Yuan ("CNY"), which was drawn down by Accurus (Ningbo) Scientific Co. Ltd. to partly finance the construction of factory building in Ningbo, China.
- Term loan denominated in Chinese Yuan ("CNY"), which was drawn down by Suzhou Mi Equipment Co. Ltd. to partly finance the operating expenses.

B9. Material Litigation

As at the date of this interim financial report, the Group is engaged in the following litigation or arbitration proceedings as plaintiff. However, the Directors are not aware of any such proceedings pending or threatened against the Group, which may materially and adversely affect the financial position or business performance of the Group.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B9. Material Litigation (cont'd)

(a) Mi Technovation Berhad has on 14 May 2023 filed a writ in the Penang High Court against Mr. Chin Yong Keong, the former Chief Operation Officer cum General Manager of the Company, primarily for breach of employment contract, abuse of legal process and the false or misleading statements contained in Mr. Chin Yong Keong's profile stated in the prospectus dated 9 May 2023 published by Edeltech Holdings Berhad pertaining to his employment history in the Company ("Writ"). The Company has on 16 May 2023 received the sealed Writ from the Penang High Court and effected service of the Writ on Mr. Chin Yong Keong on 18 May 2023. On 28 July 2023, the Company's solicitors were served with the defence and counterclaim of Mr. Chin Yong Keong in response to the writ filed by the Company in the Penang High Court on 14 May 2023. The Company has sought legal advice on the counterclaim and the Company's solicitors are of the view that the Company has a strong defence to the counterclaim. The Company filed and served reply to defence and defence to counterclaim on 11 August 2023. On 9 October 2023, the Company's solicitors were served with reply to defence to counterclaim of Mr. Chin Yong Keong. The matter proceeded for trial on 9-10 September, 10-11 October 2024. It is presently fixed for continued trial on 16-17, 19 and 20 June and 8-11 July 2025.

(b) Mi Technovation Berhad and its wholly owned subsidiary, Mi Equipment (M) Sdn. Bhd. ("the Companies") has on 19 July 2023 filed a writ in the Penang High Court against 9 defendants, namely:

- Chin Yong Keong (former employee of Mi Technovation Berhad),
- Lee Kim Loon (former employee of Mi Equipment (M) Sdn. Bhd.),
- Edeltech Holdings Berhad (Co. No. 201901033362(1342692-X)),
- Edeltech Technologies Sdn. Bhd. (Co. No. 201901010509(1319837-U)),
- Edel Technology (M) Sdn. Bhd. (Co. No.200401018737(657240-T)),
- Edeltech Ventures Sdn. Bhd. (Co. No.201901012483(1321811-T)),
- Camyang Enterprise Sdn. Bhd. (Co. No.200601005398(725147-T)),
- Dysteq Technique Sdn. Bhd. (Co. No.201901013390(1322718-W)),
- Tan Joo Hung (former employee of Mi Technovation Berhad),

inter-alia for Breach of Confidential Information, Copyright Infringement, Patent Infringement, Conspiracy to Injure and Unlawful Interference with Trade. The relief sought for in the writ includes general damages and injunction orders. The trial dates of this action are yet to be fixed.

We refer to the earlier disclosures in the previous Interim Financial Reports in relation to the litigation and furnish further information as below.

On 12 September 2023, the Companies took out an ex-parte application for leave to commit:- (1) Edeltech Venture Sdn. Bhd.; (2) Chin Yong Keong; (3) Khong Chee Seong; and (4) Ang Shi Jie, for disobeying the Anton Piller Order dated 27 July 2023 granted by the High Court ("APO") and/or interfering with or obstructing the due administration of justice. On 25 October 2023, the leave order was granted by the High Court (the "Leave Order"). On 1 November 2023, the Companies then took out the inter-parte application to commit Edeltech Venture Sdn. Bhd., Chin Yong Keong, Khong Chee Seong and Ang Shi Jie ("the Application"). The Application arose from two (2) incidents which occurred during the execution of the APO as below:

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B9. Material Litigation (cont'd)

(b) (cont'd)

- a. Digital files stored in a laptop belonging to Edelteq Venture Sdn. Bhd. (the "Said Laptop"), which was under the control and possession of Ang Shi Jie at all material times, were deleted. This occurred on 31 July 2023, after the Search Party (as defined in the APO) arrived at the premises of Edelteq Venture Sdn. Bhd, but before the Search Party commenced the execution process.
- b. After the execution of the APO was adjourned in the evening of 31 July 2023 and prior to the continuance of the same on the next day, further digital files stored in the Said Laptop were deleted.

In response to the Application, the four (4) parties filed three separate applications to set aside the order the High Court granting the Leave Order. These applications were also called up for hearing on 25 April 2024. After considering the written submissions and oral submissions of counsel for the parties, the High Court dismissed the three (3) applications filed by the four (4) parties to set aside the Leave Order, as well as the Companies' application for committal, both with no orders as to costs. The defendants and the Companies appealed against the said decisions of the High Court to the Court of Appeal which appeals are now pending to be heard on 28 March 2025.

Notwithstanding the dismissal of the Companies' application for contempt, the High Court ordered Ang Shi Jie to affirm an affidavit within fourteen (14) days from 25 April 2024 disclosing to the best of his abilities, the particulars and details of the digital files which he had deleted.

The High Court set down the matter for Case Management before the Deputy Registrar on 15 July 2024, 26 August 2024 and 25 October 2024 respectively. The parties updated the Court that the analysis exercise is still being carried out. The analysis exercise is now on-going and the High Court fixed a next case management on 17 February 2025 for parties to update the status.

Following the decision of the High Court given on 25 April 2024, the Companies on 16 May 2024 lodged an appeal to the Court of Appeal against the decision of the High Court which dismissed the Companies' application for a committal order given on 25 April 2024.

On 17 May 2024, (i) Edelteq Venture Sdn. Bhd. and Chin Yong Keong; (ii) Khong Chee Seong and (iii) Ang Shi Jie also lodged 3 appeals to the Court of Appeal against the decision of the High Court which dismissed their respective applications to set aside the Leave Order.

The Registrar of the Court of Appeal has fixed 14 May 2025 for hearing of both the three (3) appeals filed by the four (4) parties to set aside the Leave Order, as well as the appeal filed by the Companies' application for committal.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B10. Dividend Declared

Dividend declaration in respect of the financial year ending 31 December 2024 as follows:

- (a) A first single-tier interim dividend of 2.5 sen per ordinary share declared on 16 August 2024, with the book closure and payment dates on 30 August 2024 and 18 September 2024 respectively.
- (b) A second single-tier interim dividend of 3.5 sen per ordinary share declared on 25 November 2024, with the book closure and payment dates on 10 December 2024 and 30 December 2024 respectively.

B11. Earnings Per Share ("EPS")

The basic and diluted EPS for the current quarter is computed as below:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
Net profit attributable to owners of the parent (RM'000)	20,901	11,821	68,073	55,109
Weighted average number of ordinary shares in issue ('000)	895,021	893,507	894,220	894,896
Adjusted weighted average no. of ordinary shares in issue ('000)	896,407	894,443	894,570	895,832
Basic EPS (sen) ⁽¹⁾	2.34	1.32	7.61	6.16
Diluted EPS (sen) ⁽²⁾	2.34	1.32	7.61	6.15

Notes:

- (1) Basic EPS is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period under review, after deducting for treasury shares.
- (2) Diluted EPS is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period after deducting for treasury shares and adjusted for the effects of dilutive potential ordinary shares due to share grant scheme.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B12. Profit Before Tax

Profit before tax is arrived at after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
	RM '000	RM '000	RM '000	RM '000
Interest income	(2,864)	(3,715)	(13,141)	(11,622)
Interest expense	603	393	1,692	1,784
Amortisation of intangible asset	1,327	1,644	5,638	6,423
Depreciation of property, plant and equipment	3,425	3,311	13,774	14,839
Depreciation of right-of-use asset	1,320	1,064	5,141	3,281
Depreciation of investment properties	215	160	868	642
Realised gain on foreign exchange	(174)	(2,630)	(2,622)	(5,248)
Unrealised loss/(gain) on foreign exchange	(15,616)	10,684	4,492	(4,714)

Save as disclosed above, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.

BY ORDER OF THE BOARD
21 February 2025