



Mi TECHNOVATION BERHAD

(Company No. 201701021661(1235827-D))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30-Jun-2025	30-Jun-2024	30-Jun-2025	30-Jun-2024
	RM '000	RM '000	RM '000	RM '000
Revenue	154,121	127,183	273,668	234,308
Operating expenses	(112,803)	(94,043)	(202,579)	(178,872)
Share of results of associates, net of tax	(158)	(67)	(905)	(32)
Foreign currency (loss)/gain, net	(16,783)	1,318	(18,095)	11,838
Other operating income, net	2,089	1,976	2,400	3,104
Profit before interest, tax depreciation and amortisation	26,466	36,367	54,489	70,346
Depreciation and amortisation	(7,214)	(6,453)	(14,202)	(13,025)
Profit before interest and tax	19,252	29,914	40,287	57,321
Interest income	1,893	3,564	3,869	7,294
Finance costs	(366)	(382)	(722)	(747)
Profit before tax	20,779	33,096	43,434	63,868
Tax expense	(4,729)	(5,984)	(10,087)	(10,415)
Net profit for the financial period	16,050	27,112	33,347	53,453
Other comprehensive income, net of tax:				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translations, net of tax	4,305	(3,598)	835	(4,203)
Share of other comprehensive income of an associate	-	-	192	-
Total comprehensive income	20,355	23,514	34,374	49,250
Net profit/(loss) attributable to:				
Owners of the parent	15,569	27,577	33,157	54,371
Non-controlling interests	481	(465)	190	(918)
	16,050	27,112	33,347	53,453
Total comprehensive income attributable to:				
Owners of the parent	19,924	23,957	34,225	50,137
Non-controlling interests	431	(443)	149	(887)
	20,355	23,514	34,374	49,250
Earnings per share attributable to owners of the parent:				
Basic (sen) ⁽²⁾	1.75	3.09	3.72	6.08
Diluted (sen) ⁽²⁾	1.75	3.08	3.72	6.08

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 2024 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 30-Jun-2025 RM'000	Audited As at 31-Dec-2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	194,080	181,492
Right-of-use assets	26,123	29,165
Investment properties	42,893	43,275
Intangible assets	70,346	72,838
Investment in associates	56,358	59,442
Other investment ⁽²⁾	6,467	-
Goodwill on consolidation	110,098	110,098
Deferred tax assets	7,807	7,840
Defined benefit asset	32	71
Total non-current assets	<u>514,204</u>	<u>504,221</u>
Current assets		
Inventories	175,049	157,420
Trade and other receivables	200,253	167,951
Lease receivable	3,950	4,521
Other investments ⁽²⁾	103,294	68,458
Cash and bank balances	223,582	276,291
Total current assets	<u>706,128</u>	<u>674,641</u>
TOTAL ASSETS	<u>1,220,332</u>	<u>1,178,862</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	855,459	855,459
Treasury shares	(15,312)	(10,640)
Reserves	219,297	185,420
	1,059,444	1,030,239
Non-controlling interests	(1,348)	(1,497)
TOTAL EQUITY	<u>1,058,096</u>	<u>1,028,742</u>

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

	Unaudited As at 30-Jun-2025 RM'000	Audited As at 31-Dec-2024 RM'000
LIABILITIES		
Non-current liabilities		
Borrowings	10,474	10,623
Government grants	2,962	3,188
Provisions	4,049	3,165
Lease liabilities	8,303	10,528
Deferred tax liabilities	13,905	14,318
Total non-current liabilities	<u>39,693</u>	<u>41,822</u>
Current liabilities		
Trade and other payables	72,029	61,102
Contract liabilities	6,487	5,716
Borrowings	28,373	21,144
Government grants	191	199
Provisions	2,849	2,621
Lease liabilities	4,069	4,532
Current tax liabilities	8,545	12,984
Total current liabilities	<u>122,543</u>	<u>108,298</u>
TOTAL LIABILITIES	<u>162,236</u>	<u>150,120</u>
TOTAL EQUITY AND LIABILITIES	<u>1,220,332</u>	<u>1,178,862</u>
Net assets per share (RM)	<u>1.19</u>	<u>1.15</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 2024 and the accompanying explanatory notes attached to the interim financial report.
- (2) Other investments comprise the following:

	30-Jun-2025 RM'000	31-Dec-2024 RM'000
Other investments		
Non-current		
Unquoted shares	<u>6,467</u>	<u>-</u>
Current		
Money market funds	74,891	46,999
Quoted shares	4,887	-
Short term fund	23,516	21,459
	<u>103,294</u>	<u>68,458</u>

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

Unaudited Condensed Consolidated Statement of Changes in Equity ⁽¹⁾

Group				Non-distributable			Distributable		Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
	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				
Balance as at 1 January 2025	855,459	(10,640)	10,451	998	(36,955)	(63,558)	274,484		1,030,239	(1,497)	1,028,742
Profit for the financial period	-	-	-	-	-	-	33,157		33,157	190	33,347
Other comprehensive income, net of	-	-	-	-	876	-	192		1,068	(41)	1,027
Total comprehensive income	-	-	-	-	876	-	33,349		34,225	149	34,374
Transactions with owners:											
Share Grant Scheme ("SGS") expenses	-	-	-	351	-	-	-		351	-	351
Share vested under SGS	-	699	-	(1,349)	-	-	650		-	-	-
Purchase of treasury share	-	(5,371)	-	-	-	-	-		(5,371)	-	(5,371)
Total transactions with owners	-	(4,672)	-	(998)	-	-	650		(5,020)	-	(5,020)
Balance as at 30 June 2025	855,459	(15,312)	10,451	-	(36,079)	(63,558)	308,483		1,059,444	(1,348)	1,058,096
Balance as at 1 January 2024	855,459	(9,561)	8,158	1,969	2,188	(63,558)	280,367		1,075,022	(325)	1,074,697
Profit for the financial period	-	-	-	-	-	-	54,371		54,371	(918)	53,453
Other comprehensive income, net of	-	-	-	-	(4,234)	-	-		(4,234)	31	(4,203)
Total comprehensive income	-	-	-	-	(4,234)	-	54,371		50,137	(887)	49,250
Transfer to legal reserve	-	-	2,292	-	-	-	(2,292)		-	-	-
Transactions with owners:											
Share Grant Scheme ("SGS") expenses	-	-	-	355	-	-	-		355	-	355
Share vested under SGS	-	522	-	(1,155)	-	-	633		-	-	-
Dividends paid	-	-	-	-	-	-	(17,872)		(17,872)	-	(17,872)
Total transactions with owners	-	522	-	(800)	-	-	(17,239)		(17,517)	-	(17,517)
Balance as at 30 June 2024	855,459	(9,039)	10,450	1,169	(2,046)	(63,558)	315,207		1,107,642	(1,212)	1,106,430

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 2024 and the accompanying explanatory notes attached to the interim financial report.

Unaudited Condensed Consolidated Statement of Cash Flows ⁽¹⁾

	6 months ended 30-Jun-2025 RM '000	6 months ended 30-Jun-2024 RM '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	43,434	63,868
Adjustments for:		
Amortisation of intangible assets	2,661	2,975
Depreciation of property, plant and equipment	8,510	7,073
Depreciation of right-of-use assets	2,601	2,540
Depreciation of investment properties	430	437
Dividend income	(24)	-
Interest expense	722	747
Impairment loss on trade receivables	569	180
Defined benefit expenses	132	261
Interest income	(3,869)	(7,294)
Inventories written down	811	178
Fair value loss on other investments	88	-
Gain on disposal of other investments	(135)	-
Loss on disposal of property, plant and equipment	21	180
Property, plant and equipment written off	110	-
Provision for warranty replacement costs	2,371	1,961
Reversal of inventories written down	(419)	(471)
Reversal of provision for warranty replacement costs	(831)	(668)
Share grant expenses	351	355
Share of result of associates, net of tax	905	32
Unrealised loss/(gain) on foreign exchange	12,716	(7,588)
Operating profit before changes in working capital	71,154	64,766
Working capital changes:		
Inventories	(18,022)	(20,835)
Trade and other receivables	(43,909)	(21,941)
Trade and other payables	17,583	14,968
Contract liabilities	772	(960)
Cash from operations	27,578	35,998
Lease payment received	571	331
Defined benefit paid	(93)	(491)
Warranty paid	(60)	(376)
Tax paid	(14,949)	(12,888)
Net cash from operating activities	13,047	22,574

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

	6 months ended 30-Jun-2025 RM '000	6 months ended 30-Jun-2024 RM '000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of shares by non-controlling interests	-	(17,785)
Dividend income received	24	-
Interest received	3,869	7,220
Net of short term funds	(2,646)	-
Purchase of other investments	(13,845)	-
Proceeds from disposal of property, plant and equipment	1,408	5,283
Proceeds from disposal of other investments	2,245	-
Purchase of intangible assets	(255)	(88)
Purchase of property, plant and equipment	(24,322)	(8,646)
Withdrawal of deposits with maturity more than three (3) months	30,909	-
Net cash used in investing activities	<u>(2,613)</u>	<u>(14,016)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(17,872)
Interest paid	(402)	(747)
Drawdown of term loans	15,510	11,196
Repayment of term loans	(8,760)	(14,552)
Payment of lease liabilities	(2,649)	(2,489)
Repurchase of treasury shares	(5,371)	-
Net cash used in financing activities	<u>(1,672)</u>	<u>(24,464)</u>
Net decrease in cash and cash equivalents	8,762	(15,906)
Effect on foreign exchange rates changes	(2,670)	1,954
Cash and cash equivalents at beginning of financial period	292,381	422,728
Cash and cash equivalents at end of financial period	<u>298,473</u>	<u>408,776</u>
Cash and cash equivalents at end of financial year comprises:		
Cash and bank balances	195,223	308,945
Deposits with a licensed banks	28,359	684
Money market funds	74,891	99,147
	<u>298,473</u>	<u>408,776</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 2024 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 2024 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 2024, 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 2025.

Title	
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Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rate - <i>Lack of Exchangeability</i>	
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	1 January 2025
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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 2026

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 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
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>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 2024.

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 period ended 30 June 2025 were as follows:

	Number of Treasury Shares (‘000)	Total Cost Consideration RM’000
Balance as at 1 January 2025	6,868	10,640
Repurchased during the financial period	3,087	5,371
Transferred during the financial period	(435)	(699)
Balance as at 30 June 2025	9,520	15,312

A8. Dividends Paid

No dividend paid during the current quarter under review.

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”)

This business unit involved in design, manufacturing and sales of semiconductor manufacturing equipment, coupled with integrated Artificial Intelligence (“AI”) technologies and smart factory automation solutions, as well as provides post-sales maintenance services and technical support for the machines and sales of related spare parts and components.

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) & Mi Series (Assembly and Packaging Equipment)

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

A9. Segment Information (Cont'd)

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

This business unit involved in design, manufacturing and sales of solder spheres ("solder balls"), which are crucial components to electrically interconnect flip chip semiconductors and are widely used in advanced packaging and wafer level packaging in 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")

This business unit is targeted to position the Group in a wider scope of the semiconductor value chain through strategic business integration and technological development strategy, involved in research, development and manufacturing facility for power modules, devices and application systems, which target for automotive and renewable energy segments

No.	Entity	Product Portfolio
1	Mi Semiconductor (Hangzhou) Co., Ltd Hangzhou, China	High power modules, devices, and application 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 period ended 30 June 2025⁽¹⁾

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
Revenue from external customers	161,493	112,082	93	-	-	273,668
Inter-segment revenue	-	14	-	2,106	(2,120)	-
Total revenue	161,493	112,096	93	2,106	(2,120)	273,668
Interest income	1,152	276	1,004	1,437	-	3,869
Interest expense	(44)	(358)	-	(15)	(305)	(722)
Net interest income/(expense)	1,108	(82)	1,004	1,422	(305)	3,147
Share of result of associates						(905)
Segment profit/(loss) before tax	39,633	20,340	(10,599)	(4,029)	(1,911)	43,434
Tax expense						(10,087)
Other material non-cash items:						
- Depreciation of property, plant and equipment	(3,413)	(3,941)	(1,066)	(161)	71	(8,510)
- Depreciation of right-of-use assets	(1,123)	(34)	(858)	(586)	-	(2,601)
- Depreciation of investment properties	(321)	-	-	(109)	-	(430)
- Amortisation of intangible assets	(447)	(2,128)	-	(86)	-	(2,661)
- Fair value loss on other investments	-	-	-	(88)	-	(88)
- Inventories written down	(671)	(140)	-	-	-	(811)
- Reversal of inventories written down	212	207	-	-	-	419
- Unrealised loss on foreign exchange	(5,241)	(2,231)	(2,157)	(3,087)	-	(12,716)
- Provision for warranty replacement costs	(2,371)	-	-	-	-	(2,371)
- Reversal of provision for warranty replacement costs	831	-	-	-	-	831

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

A9. Segment Information (Cont'd)

Results for the financial period ended 30 June 2025⁽¹⁾ (cont'd)

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
Assets						
Segment assets	360,040	381,583	41,172	276,110	(236,113)	822,792
Investment in associates						56,358
Deferred tax assets						7,807
Defined benefit asset						32
Other investments						109,761
Cash and bank balances						223,582
						<u>1,220,332</u>
Liabilities						
Segment liabilities	332,047	56,774	8,907	3,570	(261,512)	139,786
Deferred tax liabilities						13,905
Current tax liabilities						8,545
						<u>162,236</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 2024, 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 period ended 30 June 2024 ⁽¹⁾

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
Revenue from external customers	133,254	98,212	2,842	-	-	234,308
Inter-segment revenue	-	-	-	1,967	(1,967)	-
Total revenue	133,254	98,212	2,842	1,967	(1,967)	234,308
Interest income	2,272	317	1,646	3,059	-	7,294
Interest expense	(1,173)	(416)	(193)	(46)	1,081	(747)
Net interest (expense)/income	1,099	(99)	1,453	3,013	1,081	6,547
Share of results of an associate						(32)
Segment profit before tax	35,280	25,995	727	3,881	(2,015)	63,868
Tax expense						(10,415)
Other material non-cash items:						
- Depreciation of property, plant and equipment	(2,849)	(4,048)	(34)	(142)	-	(7,073)
- Depreciation of right-of-use assets	(1,189)	(35)	(822)	(494)	-	(2,540)
- Depreciation of investment properties	(321)	-	-	(116)	-	(437)
- Amortisation of intangible assets	(756)	(2,131)	-	(88)	-	(2,975)
- Inventories written down	-	(178)	-	-	-	(178)
- Reversal of inventories written down	-	471	-	-	-	471
- Unrealised gain on foreign exchange	1,668	2,933	1,612	1,375	-	7,588
- Provision for warranty replacement costs	(1,961)	-	-	-	-	(1,961)
- Reversal of provision for warranty replacement costs	668	-	-	-	-	668

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

A9. Segment Information (Cont'd)

Results for the financial period ended 30 June 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	338,093	380,210	17,756	51,158	(8,422)	778,795
Investment in an associate						58,676
Deferred tax assets						10,109
Defined benefit asset						2,927
Current tax assets						1,819
Short term funds						99,147
Cash and bank balances						309,629
						<u>1,261,102</u>
Liabilities						
Segment liabilities	104,248	49,825	7,437	3,375	(34,908)	129,977
Deferred tax liabilities						16,373
Current tax liabilities						8,322
						<u>154,672</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 2024, 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 were not reflected in the interim financial report.

A11. Changes in the Composition of the Group

The Group had on 3 July 2025 via its wholly-owned subsidiary, Mi Semiconductor Pte. Ltd. ("MiSESG"), obtained an approval from the Taiwanese government to incorporate a wholly-owned subsidiary in Taiwan, Mi Semiconductor Co., Ltd. with an initial investment amount of TWD80 million (approximately RM11.5 million). The TWD80 million was paid on 15 July 2025.

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.

A13. Material Capital Commitment

Save as disclosed below, as of 30 June 2025, 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	27,066
- Contracted but not provided for	11,193
	38,259

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 (2Q 2025 vs 2Q 2024)

	INDIVIDUAL QUARTER 3 months ended		Changes RM'000 %	
	30-Jun-2025 RM'000	30-Jun-2024 RM'000		
Revenue	154,121	127,183	26,938	21.2%
Profit before tax	20,779	33,096	(12,317)	-37.2%
PBT Margin	13.5%	26.0%		
Net profit attributable to owners of the parent	15,569	27,577	(12,008)	-43.5%
Net profit margin	10.1%	21.7%		
Diluted earnings per share (sen)	1.75	3.08	(1.33)	-43.3%

The Group registered a double-digit revenue growth of 21.2% to RM154.1 million from RM127.2 million in 2Q 2024 which benefited from the momentum of advanced packaging demand where all our business units operate in, coupled with accelerated order pull-ins in the 2Q 2025 particularly due to near-term tariff concerns.

SEBU contributed RM88.4 million to the Group's top line in 2Q 2025, which accounted for 57.4% of total revenue. The revenue recorded an increase of 22.9% from RM71.9 million in 2Q 2024, supported by strong demand on Mi Series Die Sorter for the Mobility & Wearables and High-Performance Computing (HPC) & Memory segments, especially in the Southeast Asia market.

SMBU recorded a topline of RM65.6 million in 2Q 2025 which accounted for 42.6% of total revenue. The topline rose 25.2% from RM52.4 million in 2Q 2024 due to strong customer orders pull-ins amid tariff concerns and higher demand from all segments, namely Mobility & Wearables, HPC & Memory and Automotives & Renewable Energy.

SSBU recorded a revenue of RM78 thousand in 2Q 2025 against RM2.8 million 2Q 2024, mainly from sales of service and samples.

The Group reported a 37.2% drop in its profit before tax ("PBT") to RM20.8 million from RM33.1 million in 2Q 2024, leading to a reduction of 12.5 percentage point in PBT margin. This was primarily driven by foreign currency fluctuation loss of RM16.8 million as opposed to foreign currency fluctuation gain of RM1.3 million in 2Q 2024, coupled with a lower interest income of RM1.7 million. Excluding the adverse foreign currency fluctuations, the Group recorded an improvement in PBT on continued revenue strength, despite the RM5.5 million loss incurred by SSBU due to higher R&D staff costs and related development expenses.

As a result of the above, the Group's net profit attributable to owners of the parent ("Net Profit") fell 43.5% year-on-year from RM27.6 million to RM15.6 million, resulting in a decrease in diluted EPS from 3.08 sen to 1.75 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 period (1H 2025 vs 1H 2024)

	CUMULATIVE QUARTER		Changes	
	6 months ended			
	30-Jun-2025 RM'000	30-Jun-2024 RM'000	RM'000	%
Revenue	273,668	234,308	39,360	16.8%
Profit before tax	43,434	63,868	(20,434)	-32.0%
PBT Margin	15.9%	27.3%		
Net profit attributable to owners of the parent	33,157	54,371	(21,214)	-39.0%
Net profit margin	12.1%	23.2%		
Diluted earnings per share (sen)	3.72	6.08	(2.36)	-38.8%

For 1H 2025 under review, the Group revenue increased by 16.8% to RM273.7 million from RM234.3 million in 1H 2024, showing an uptrend of sales performance on stronger demand of advanced packaging where all our business units operate in.

SEBU contributed RM161.5 million to the Group's top line in 1H 2025, representing 59.0% of total revenue. The revenue recorded an increase of 21.2% from RM133.3 million in 1H 2024, supported by higher demand on Mi Series Die Sorter for the High-Performance Computing (HPC) & Memory and Mobility & Wearables segments, especially in the Southeast Asia market.

SMBU contributed RM112.1 million to the Group's top line in 1H 2025, representing 41.0% of total revenue, 14.1% up from RM98.2 million in 1H 2024 on the back of increased demand across all segments, including Mobility & Wearables, HPC & Memory and Automotives & Renewable Energy.

SSBU recorded a revenue of RM93 thousand in 1H 2025 against RM2.8 million 1H 2024, mainly from sales of service and samples.

The Group reported a 32.0% year-on-year drop in profit before tax ("PBT") to RM43.4 million from RM63.9 million in 1H 2024, resulting in PBT margin decreased by 11.4 percentage points. This was mainly attributed to foreign currency fluctuation loss of RM18.1 million in 1H 2025 against the foreign currency fluctuation gain of RM11.8 million in 1H 2024, coupled with a lower interest income of RM3.4 million due to lower bank deposits. Excluding the foreign currency fluctuation impact, the Group recorded an improvement in PBT on the back of stronger operating performance and favorable product mix, despite the RM10.6 million loss incurred by SSBU due to higher R&D staff costs and related development expenses in 1H 2025.

As a result of the above, the Group's net profit attributable to owners of the parent ("Net Profit") decreased by 39.0% year-on-year from RM54.4 million to RM33.2 million, resulting in a decrease in diluted EPS from 6.08 sen to 3.72 sen.

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

B2. Comparison with Immediate Preceding Quarter (Q2 2025 vs Q1 2025)

	INDIVIDUAL QUARTER 3 months ended		Changes	
	30-Jun-2025 RM'000	31-Mar-2025 RM'000		
Revenue	154,121	119,547	34,574	28.9%
Profit before tax	20,779	22,656	(1,877)	-8.3%
PBT Margin	13.5%	19.0%		
Net profit attributable to owners of the parent	15,569	17,589	(2,020)	-11.5%
Net profit margin	10.1%	14.7%		
Diluted Earnings per share (sen)	1.75	1.97	(0.22)	-11.2%

The Group's revenue surged 28.9% to RM154.1 million from RM119.5million in 1Q 2025, helped by accelerated order pull-ins from customers in 2Q 2025 and sustainable growth in semiconductor advanced packaging segment.

SEBU's revenue climbed 21.1% to RM88.4 million from RM73.1 million recorded in the previous quarter on the back of sustainable demand following the capacity expansion in semiconductor advanced packaging segment, particularly in the China and Taiwan market.

Similarly, SMBU saw a 41.1% jump in revenue to RM65.6 million from RM46.5 million in the previous quarter. This was largely due to accelerated order pull-ins in 2Q 2025 driven by near-term tariff concerns.

In addition, SSBU recorded a revenue of RM78 thousand versus RM15 thousand in 1Q 2025.

The Group posted a lower PBT of RM20.8 million versus RM22.7 million in 1Q 2025 mainly due to unfavorable foreign currency movements, leading to 5.5 percentage point reduction in PBT margin. Consequently, the Group's Net Profit dropped 11.5% to RM15.6 million from RM17.6 million quarter-on-quarter, resulting in a decrease in diluted EPS to 1.75 sen from 1.97 sen.

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

B3. Prospects for the Financial Year Ending 31 December 2025

As we move into the 2nd half of 2025, the semiconductor industry continues to navigate a complex landscape marked by both significant opportunities and persistent challenges, including geopolitical tensions, macroeconomic headwinds and evolving trade & tariff policies. The Group remains strategically focused on innovation and supply chain diversification, particularly within the semiconductor advanced packaging sector, to mitigate risks while capitalizing on high-growth markets.

SEBU (Semiconductor Equipment Business Unit) maintains a cautiously optimistic outlook for the 2nd half of 2025, anticipating double-digit revenue growth for FY2025. This builds on the momentum from the 1st half, driven by sustained shipments of our advanced Mi Series Die Sorter in the Mobility & Wearables segment. SEBU's strategy remains anchored in delivering diversified product solutions across three critical market segments within the advanced packaging ecosystem. In the Mobility & Wearables segment, we feature our industry-leading AI Enabled Die & Package Sorting platform, delivering enhanced precision and efficiency for advanced packages. In the HPC & Memory segment, we offer our Smart Binning Sorting platform and Laser Bonding platform, tailored for high-yield, energy-efficient semiconductor manufacturing. In the Automotive & Renewable Energy segment, we are expanding the adoption of our Si series Known Good Die (KGD) test platform. This strategy focus on mission-critical advanced packaging technologies and broad market diversification uniquely positions SEBU to navigate potential volatility stemming from persistent US-China tech decoupling and broader macroeconomic headwinds.

SMBU (Semiconductor Materials Business Unit) forecasts a modest growth in FY2025, driven primarily by pull-ins of customer orders amid tariff concerns and renewed momentum in the Mobility & Wearables segment from increased adoption of our specialty alloys by integrated device manufacturers (IDMs) and outsourced semiconductor assembly and test (OSAT) providers. Looking ahead to 2nd half of 2025, we anticipate stronger growth in the High-Performance Computing (HPC) & Memory segment, fueled by the global acceleration of AI applications requiring high-performance GPUs and high-bandwidth memory (HBM) technologies. While facing challenges from geopolitical tensions, uncertainties in trade policy, foreign exchange volatility, and rising tariffs, SMBU remains focused on the disciplined execution of its business strategy and anticipates a modest improvement in the 2nd half of 2025 supported by typical seasonal new product launches with key customers.

SSBU (Semiconductor Solutions Business Unit) achieved a critical milestone in June 2025, completing the first power module prototype on its new in-house Power Module Pilot production line in Hangzhou. This advancement strategically positions the Group to capture growing demand for energy-efficient power solutions in automotive and industrial markets

Barring any unforeseen circumstances, the Board of Directors maintains a cautious and conservative stance on the outlook for FY2025.

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

B4. Profit Forecast

The Group did not provide any 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		CUMULATIVE QUARTER	
	3 months ended		6 months ended	
	30-Jun-2025	30-Jun-2024	30-Jun-2025	30-Jun-2024
	RM '000	RM '000	RM '000	RM '000
Tax Expense (RM'000)	4,884	4,773	10,223	9,301
Deferred Tax (RM'000)	(211)	(211)	(423)	(423)
Withholding Tax (RM'000)	56	1,422	287	1,537
Total (RM'000)	4,729	5,984	10,087	10,415
Effective Tax Rate (%)	22.8	18.1	23.2	16.3
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 below the statutory tax rate of 24% due to the relatively lower statutory tax rate of certain overseas subsidiaries, coupled with 70% tax exemption under pioneer status which enjoyed by a subsidiary in Malaysia.

For the current quarter, the lower Group's taxation was largely due to the withholding tax payment of RM1.3 million in relation to the dividend income received from a Taiwan subsidiary in the previous corresponding quarter. For the cumulative quarter, the increase in tax expense (excluding withholding tax) was due to higher operating profit and lower tax-exempted under pioneer status that enjoyed by Mi Equipment (M) Sdn. Bhd.

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 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.

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.

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

B8. Group Borrowings and Debt Securities

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

	Unaudited As at 30-Jun-2025 RM '000	Unaudited As at 30-Jun-2024 RM '000
<u>Borrowings (Secured)</u>		
Short term portion	28,373	8,946
Long term portion	10,474	23,466
Total	38,847	32,412

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

The Board of Directors of Mi Technovation Berhad had on 4 July 2025 announced the amicable global settlement of (1) Legal action against Mr. Chin Yong Keong and (2) Material Litigation on Breach of Confidential Information, Copyright Infringement, Patent Infringement, Conspiracy to Injure and Unlawful Interference with Trade. Mi Technovation Berhad and Mi Equipment (M) Sdn. Bhd. have accepted the offer and reached a global amicable settlement with the First to Eighth Defendants in the Penang High Court Civil Suit No. PA-22NCC-49-07/2023 ("Suit 49") as well as the Defendant in the Penang High Court Civil Suit No. PA-22NCvC-82-05/2023 ("Suit 82").

In view thereof: -

- the Plaintiffs have withdrawn and/or discontinued their claims in Suit 49 and in Suit 82;
- the First to Eighth Defendants in Suit 49 have withdrawn/or discontinued their counterclaim against the Plaintiffs; and
- the Defendant in Suit 82 has withdrawn and/or discontinued his counterclaim against the Plaintiff.

Further thereto, the Company has withdrawn and/or discontinued its claim against the Ninth Defendant in Suit 49. The aforesaid mutual withdrawals and/or discontinuances are without liberty to file afresh and with no order as to costs.

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

B9. Material Litigation (Cont'd)

Save for the above, the Group is not engaged in any material litigation or arbitration proceedings, either as plaintiff or defendant, and the Directors are not aware of any proceedings pending or threatened against the Group, which may materially and adversely affect the financial position or business performance of the Group.

B10. Dividend Declared

Dividend declaration in respect of the financial year ending 31 December 2025 as follows:

A first single-tier interim dividend of 1.0 sen per ordinary share declared on 15 August 2025, with the book closure and payment dates on 29 August 2025 and 17 September 2025 respectively.

B11. Earnings Per Share ("EPS")

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

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 6 months ended	
	30-Jun-2025	30-Jun-2024	30-Jun-2025	30-Jun-2024
Net profit attributable to owners of the parent (RM'000)	15,569	27,577	33,157	54,371
Weighted average number of ordinary shares in issue ('000)	890,088	893,598	891,200	893,592
Adjusted weighted average no. of ordinary shares in issue ('000)	889,918	894,180	891,030	894,174
Basic EPS (sen) ⁽¹⁾	1.75	3.09	3.72	6.08
Diluted EPS (sen) ⁽²⁾	1.75	3.08	3.72	6.08

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		6 months ended	
	30-Jun-2025 RM '000	30-Jun-2024 RM '000	30-Jun-2025 RM '000	30-Jun-2024 RM '000
Interest income	(1,893)	(3,564)	(3,869)	(7,294)
Interest expense	366	382	722	747
Amortisation of intangible assets	1,318	1,408	2,661	2,975
Depreciation of property, plant and equipment	4,395	3,551	8,510	7,073
Depreciation of right-of-use assets	1,286	1,276	2,601	2,540
Depreciation of investment properties	215	218	430	437
Realised loss/(gain) on foreign exchange	6,314	(3,539)	5,379	(4,249)
Unrealised loss/(gain) on foreign exchange	10,469	2,222	12,716	(7,588)

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
15 August 2025