








OUR ESG STRATEGY AND ITS MAIN PILLARS

SDGs	Our Commitment and Initiatives	Impact and Outcome
<p><i>Environmental Impact (Con't)</i></p>    	<ul style="list-style-type: none"> ✓ Commitment to conserve and restore biodiversity especially for endangered wildlife or species. 	<ul style="list-style-type: none"> ✓ On-going collaboration with Wildlife Society of Selangor ("WILD") & Wildlife Conservation And Science (Malaysia) Bhd. ("WCS Malaysia") on the Malayan Tiger Conservation project. ✓ 24 employees from Mi Equipment Malaysia and Suzhou participated in antipoaching surveillance patrols organized by WILD with a total of 145.6km trails swept.
<p><i>Social Impact</i></p>   	<ul style="list-style-type: none"> ✓ Commit to ensuring fair remuneration and benefit for all employees with no discrimination and strongly against any form of labour exploitation. ✓ To help the poor and needy to improve their healthcare qualities and promote equal education especially for those in Malaysia's rural areas. 	<ul style="list-style-type: none"> ✓ Adopted equal employment opportunities policy and complied with the monthly RM1,500, NTD27,470, and RMB1,540 – RMB2,690 minimum wage according to the local statutory requirements in 2024. ✓ Sponsored Women in Zcience 2024 ("WIZ") and Chong Teik Primary Schools in support of science, technology, engineering, and mathematics (STEM) education for sustainable development. ✓ Conducted multiple in-house health awareness events. ✓ Sponsored Penang Adventist Hospital in Shine in Gold Charity Centennial Run by providing medical treatment funds for needy patients who suffer from chronic illness that need to undergo major surgeries.



OUR SUSTAINABILITY APPROACH

Sustainability Governance

The Group's Sustainability Policy, which is published in the company website, underscores the crucial role of sustainability in our business strategy and corporate responsibility. To stay ahead of the curve and ensure long-term success, the Group adopts a proactive ESG strategy aimed at driving sustainability transformation with three core focuses:

1. Sustainable Business
2. Responsible Business Practices
3. Impact Within and Beyond Business Operations

To ensure the successful implementation of the Group's sustainability efforts, the Board has established a governance structure that includes the Board Sustainability Committee, Top Management and the Sustainability Team, as detailed below.



The Board defines the strategic direction for the Group's sustainability by effectively integrating sustainability factors into the Group's business strategy and ensuring the Group's business integrates economic, environmental, social, and governance considerations. In addition, the Board also oversees that the Group has adequate and effective channels to engage with stakeholders, including for the purpose of communicating relevant sustainability strategies, priorities, targets, and performance.

The Board has established the **BSC** to assist the Board in fulfilling its oversight responsibilities in relation to the Group's sustainability strategies and initiatives, covering the ESG aspects as well as embedding sustainability practices into the businesses. The Terms of Reference for the Board Sustainability Committee and members of the BSC is available at the Group's website: <https://mi-technovation.com>

The BSC, assisted by the **Top Management** team, leads the Group's sustainability, understands, and assesses material issues in making business decisions, and advises on strategies that are significant to the Company. Progress towards the sustainability strategies, including department performance, is reported to the Board on a regular basis. The Top Management provides leadership in the management and implementation of ESG strategies and achievement of ESG targets set, as well as ensuring relevant ESG risks and opportunities are managed accordingly.

The **Sustainability Team** of each business unit works closely together with the functional departments to drive the development and implementation of the Company's ESG initiatives. They are also responsible for carrying out effective engagements and communications with the stakeholders.

OUR SUSTAINABILITY APPROACH

Materiality Matters and Assessment

We have implemented a sustainability management approach based on the concept of materiality. This approach involves assessing and prioritizing sustainability matters that are deemed significant to the Group—those that have substantial economic, environmental, social, and governance impacts and that influence our stakeholders’ assessments and decisions. Our materiality concept aligns closely with the Listing Requirements and the Sustainability Reporting Guide 3rd Edition, along with its associated Toolkits.

With the establishment of our third business unit, we have undertaken a comprehensive materiality reassessment in 2024 to ensure that our sustainability priorities remain aligned with our expanded operations and stakeholder expectations.

The table illustrates how our sustainability matters align with the “common sustainability matters”, which are a set of sustainability topics outlined in the Bursa Listing Requirements aimed to elevate the sustainability practices and disclosures of listed issuers. These alignments have undergone a review and received approval from the Board:

Mi Sustainability Matters	Common Sustainability Matters (Bursa Listing Requirement)										
	Anti-Corruption	Community/ Society	Diversity	Energy Management	Health and Safety	Labour Practices and Standards	Supply Chain Management	Data Privacy and Security	Water	Waste Management	Emissions Management
R&D, Intellectual Property								✓			
Data Security								✓			
Quality Assurance											
Customer Relationship											
Supply Chain Management							✓				
Responsible Business Practice	✓										
Fair Employment and Labour Practice			✓			✓					
Talent Development						✓					
Health & Safety					✓						
Community Initiatives		✓									
Climate Change & Environment Initiatives									✓		✓
Energy Management				✓							✓
Water Management									✓		
Waste & Pollution Management										✓	
Materials Management							✓				

Materiality Matters and Assessment

The assessment methodology and results are outlined below:

1. Phase 1: Identification of sustainability matters

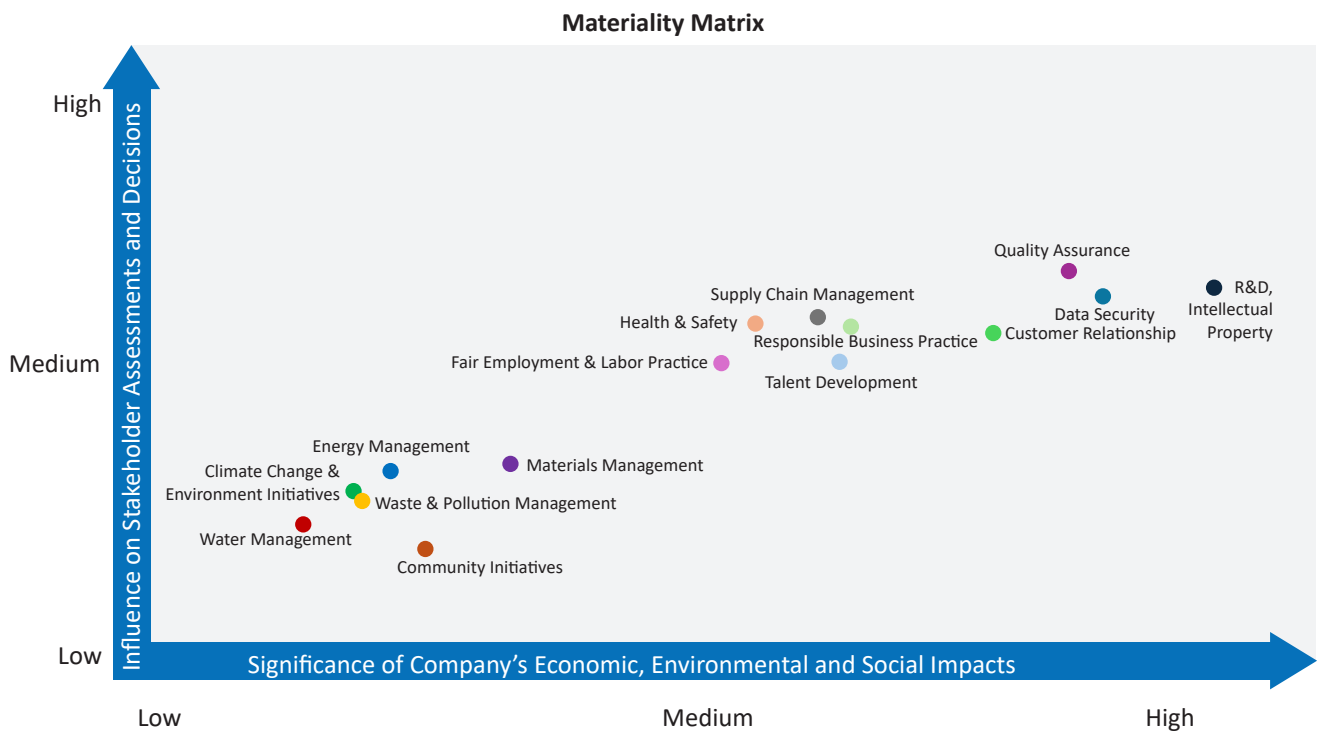
The identification of material sustainability matters considered the Group's business nature, market, industry, and the risks and opportunities of the business environment.

2. Phase 2: Prioritisation of material sustainability matters

Our approach takes into account the perspectives and concerns of key stakeholders, which include investors, employees, customers, suppliers, and government regulators. We gather these insights through the Group's materiality survey conducted with selected stakeholders. In evaluating the significance of sustainability matters, we consider a balance between the interests of these stakeholders, taking into consideration their level of influence and dependence on the Group.

3. Phase 3: Review and validation

The results of the materiality assessment were plotted on a materiality matrix, and these findings were subsequently presented to the BSC for confirmation and approval by the Board.



Note:

1. Upon comparing the Group's 2024 materiality matrix with the 2023 materiality matrix, the following matters continue to be of significant importance to the company and its stakeholders:
 - i. R&D, and Intellectual Property
 - ii. Data Security
 - iii. Quality Assurance
 - iv. Customer Relationship




These areas have consistently been identified as critical, reflecting their ongoing relevance and impact on our business and stakeholder expectations.





STAKEHOLDER ENGAGEMENT

At Mi, we believe that stakeholder engagement is crucial for our business to be successful and sustainable. We give our stakeholders top priority by learning about their challenges and figuring out the appropriate course of action and communication strategy while optimizing the available resources. We actively seek out the opinions and insights of our stakeholders through a variety of channels to achieve our mutual goals. Building relationships, collaboration, and feedback sharing are on-going processes used to promote trust and balance interests with and among stakeholders.



We periodically assess the stakeholder engagement strategies as necessary to achieve our engagement objectives. The expectations of our stakeholders, the significance of each stakeholder group, and our approaches and reactions to them are all displayed in the table below.

Stakeholder Group	Stakeholders' Expectations	Why They are Important	Our Engagement Methods & Responses
Directors 	<ul style="list-style-type: none"> Cultivate a positive culture Lead the Group to a new height in the future 	Our Board of Directors is made up of exceptional individuals from diverse backgrounds with experienced leadership and vast knowledge, bringing the Group to scale a greater height in the future.	<ul style="list-style-type: none"> On-going interaction through the Board of Directors' meeting Strategy updates and reviews Ongoing business updates Company-related events
Management 	<ul style="list-style-type: none"> Transparency in workplace Robust management system To provide a harmonious working environment 	Management plays a pivotal role in attaining organizational objectives while optimizing resource utilization. By strategically coordinating the factors of production, management organizes and integrates resources efficiently to fulfil our commitment to stakeholders.	<ul style="list-style-type: none"> On-going interaction via management meeting Weekly/monthly management updates Company-related events Internal audit
Employees 	<ul style="list-style-type: none"> A healthy and safe workplace Better career prospect Employee engagement and welfare 	Employees are the driving force behind daily operations, influencing the quality of products and services. We instil a culture of high performance and accountability that attracts, develops, and retains the best talent to drive our business strategy.	<ul style="list-style-type: none"> Updated new policy via our intranet Organized health and well-being activities Learning and development programs such as E-learning and E-library Employee manual and handbook Training and development programs Voluntary and engagement activities Festive celebration Team building

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Stakeholders' Expectations	Why They are Important	Our Engagement Methods & Responses
Shareholders / Investors 	<ul style="list-style-type: none"> Timely updates on financial performance Long-term value with profit return Return on investment 	<p>We are dedicated to upholding a sustainable business model that provides enduring value and fair returns to our shareholders. Our strategic planning emphasizes sustainability for the long term, and we adapt continually, steering our operations as a responsible corporate entity.</p>	<ul style="list-style-type: none"> Annual General Meetings ("AGM") Quarterly Financial Reports Annual reports Corporate website Investor briefing
Customers 	<ul style="list-style-type: none"> Good product quality and safety Good customers experiences Uphold fair market practices 	<p>We uphold fair market practices without extreme profiteering. We manage to build long-term business relationships with our customers as we seek mutual growth through ongoing collaboration on product development and improvement.</p>	<ul style="list-style-type: none"> Ensuring high customer satisfaction through strict quality control Enhance product safety and health Continually product development On-site visits Customer training and support Customer satisfaction survey/Customer monthly rating Project updates and meeting
Government 	<ul style="list-style-type: none"> Complying with all laws and regulations where we operate Transparency and upholding high integrity 	<p>Maintaining compliance helps to ensure the Company operates in accordance with the applicable laws, regulations, standards and ethical practices.</p>	<ul style="list-style-type: none"> Compliance with all applicable laws and regulations where our operation sites are based Published Annual Report, Quarterly Financial Report, Sustainability Report on Bursa Malaysia
Suppliers  Subcontractors 	<ul style="list-style-type: none"> Responsible and sustainable supply chain practices Grow stronger together under a profitable business environment 	<p>Our objective is to build collaborative partnerships and strengthen our ties with suppliers and subcontractors within a mutually beneficial business environment. Recognizing our responsibility to preserve market integrity and uphold ethical standards, we are committed to fair market pricing and equitable compensation for subcontractors. We aim to foster business opportunities across our supply chain.</p>	<ul style="list-style-type: none"> Adopt Supplier Code of Conduct/ Responsible Business Alliance Code of Conduct Maintain good relationship On-going meeting and discussion Periodic supplier assessment

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Stakeholders' Expectations	Why They are Important	Our Engagement Methods & Responses
Communities 	<ul style="list-style-type: none"> Supporting local communities in social and environmental matters Fostering collaborative partnership 	<p>We continue to contribute towards social welfare and create a sustainable community through supporting and sponsoring various community initiatives that aim to strengthen and improve education quality, healthcare, and wellbeing through local outreach.</p>	<ul style="list-style-type: none"> Collaborate with different NGOs to organize impactful voluntary program Employee voluntary participation Company newsfeeds published in website Email and meeting
Media 	<ul style="list-style-type: none"> Disseminating reliable and updated information of the Group 	<p>Media provides a platform for us to communicate with our key stakeholders and communities. They provide publicity on our company's latest updates, news, corporate events and thought of leadership.</p>	<ul style="list-style-type: none"> Accurate news dissemination across different communication channel On-going newsfeed and activities post on social media Company website Bursa announcement

Note: The stakeholder engagement is reported generally only. All the five entities have its unique business approach towards their stakeholder.

Sustainable Financial Growth

Revenue **+30.2%**

PAT **+26.6%**

Intellectual Property Capital

104 Granted patents & UM

65 Pending patents & UM

*Data presented herein relates exclusively to reporting entities.

Quality Assurance

We are certified for

- ✓ **ISO 9001:2015**
- ✓ **IATF 16949:2016**

Training and Development

Total training hours of **3343**
hours attended by employees

Data Security

No substantiated complaints

concerning breaches of customer privacy or losses of customer data

SUSTAINABLE BUSINESS

2024 Key Performances



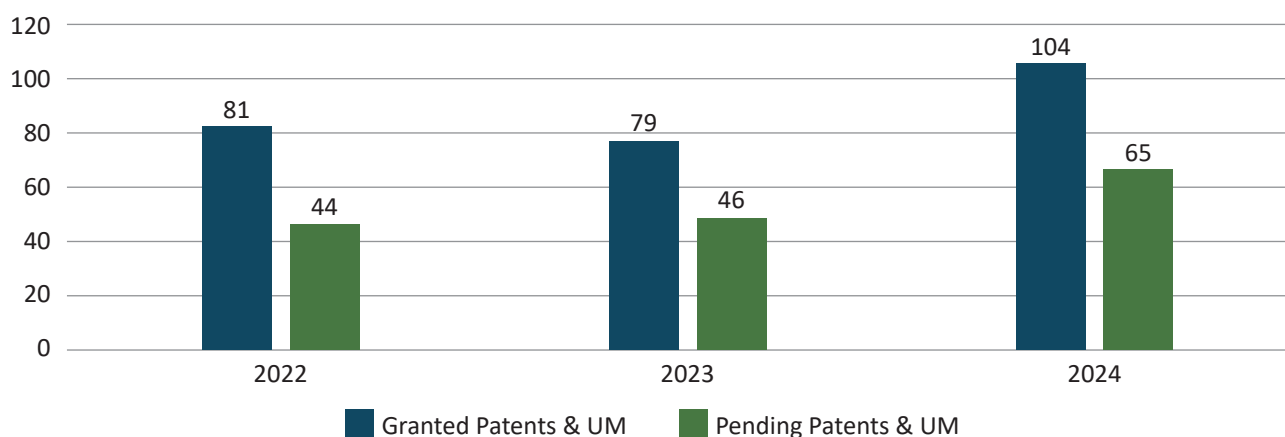


INTELLECTUAL PROPERTY

A semiconductor company's business is deeply intertwined with intellectual property (IP), as the industry relies heavily on cutting-edge innovation, complex technologies, and significant investment in research and development (R&D). IP protection is vital to safeguard the future growth of the Group, maintain our competitive edge as well as to foster innovation. IP is also a powerful business tool to gain position in the market and competitive edge over exclusive products. This also makes it an important instrument to attract partners and potentially obtain return on research investment through development collaboration or licensing deals.

We strengthen our IP rights by applying for patents and utility model (UM), which help protect our R&D efforts through formal registrations. This approach also enhances our bargaining power in cross-licensing negotiations and provides a strong foundation for counterclaims if needed. We publish our IP with proper attribution, ensuring transparency and recognition of our innovations. Additionally, being the "first to apply" for a patent remains the most effective and secure method to safeguard non-trade secret IP. To mitigate the risk of infringement, we consistently perform thorough patent searches before submitting new applications.

Total Patents and Utility Model (UM)



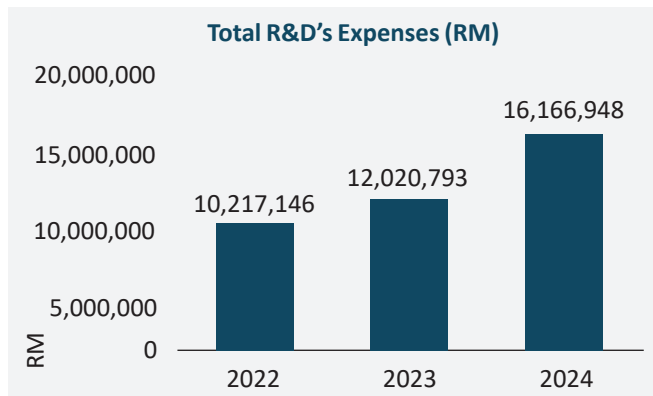
Notes:

1. FYE 2022 and FYE 2023 includes data from both Mi Equipment Malaysia and Accurus Scientific Taiwan.
2. Data for FYE 2024 comprises the reporting scopes of 2024 Sustainability Report, which includes Mi Equipment Malaysia and Suzhou, Accurus Scientific Taiwan and Ningbo.



RESEARCH & DEVELOPMENT

As global demands for performance grow, so too does the pressure on the industry to develop more efficient, sustainable, and innovative solutions. This makes Research and Development (R&D) a cornerstone of progress in the semiconductor sector.



In FYE 2024, our annual R&D expenses amounted to RM16,166,948, as a result of the expanded reporting scope entities. Investment reflects our ongoing commitment to innovation and the development of cutting-edge solutions to meet the evolving needs of our customers. The strategic focus on driving innovation and diversifying our product portfolio enables us to stay agile and responsive to changing market needs while consistently pushing the limits of what is possible in our field. Despite the high costs, sustained R&D spending remains crucial for maintaining technological leadership and securing long-term growth.

Notes:

1. The R&D data presented in this report includes the remuneration of the R&D team, whereas the data reported in the previous year reports excluded it. Management believes that incorporating remuneration provides a more accurate reflection of the company's overall R&D costs and initiatives.
2. FYE 2022 - 2023 includes data from both Mi Equipment Malaysia and Accurus Scientific Taiwan.
3. FYE 2024 includes data from Mi Equipment Malaysia and Suzhou, Accurus Scientific Taiwan and Ningbo.

Our dedicated team of engineers and researchers is at the helm of developing groundbreaking solutions within our industry. From innovating new products to refining existing ones, our R&D department remains steadfast in leading the way in cutting-edge advancements.

SEBU: Material Selection for a Sustainable Future

In the pursuit of sustainability, material selection is a vital aspect of R&D. Using recyclable materials such as steel and aluminium offers numerous environmental benefits. These materials are durable, long-lasting, and do not emit toxic chemicals, making them ideal choices for eco-friendly products. Eco-design strategies lie at the heart of sustainable product development. These approaches include:

1. Dematerialization: Reducing the number of parts in product design to minimize resource use while maintaining functionality.
2. Durable Materials: Selecting robust materials that extend the lifespan of products, reducing the frequency of replacement.
3. Recycled Materials: Incorporating recycled content into products to lower environmental impact and support the circular economy.

SMBU: Advancing Sustainability with Eco-Friendly Solutions

The development of environmentally friendly, low-carbon emission solder balls represents a key milestone in our sustainability journey. Notably, our efforts include introducing low-temperature alloys such as the SLT series and Ecolloy series, which utilize tin instead of silver to lower the carbon footprint. Additionally, we collaborate closely with customers to consolidate products with similar specifications into bulk shipments, reducing packaging material usage while improving cost efficiency.



DATA SECURITY

“ At Mi Technovation Berhad, safeguarding confidential information is not just a priority, it’s a commitment; we are relentless in upholding the highest standards of data security. ”

As we handle sensitive information related to our proprietary technologies, customer data, and operational processes, safeguarding this data is critical to maintaining our competitive edge and ensuring trust with our stakeholders. Effective information technology (“IT”) controls are crucial for identifying and mitigating vulnerabilities within our IT environment, thereby reducing the risk of exploitation. To ensure the protection of our data and maintain the integrity and security of the Group’s IT infrastructure, we have implemented a comprehensive IT management strategy that encompasses the development of detailed plans, policies, new procedures, and advanced technologies. This strategy is specifically designed to address and mitigate security incidents, including data breaches and cyberattacks.

Highlights of Mi Group’s key measures to safeguard its data include:

- ✓ **Network Security:** Implementing antivirus protection, firewalls, and server backups.
- ✓ **Data Security Controls:** Use of information asset, application, cloud, device, web browser, patch management and file owner controls.
- ✓ **Browser Controls:** Restricting access to unsafe websites to reduce the risks of malware, phishing and other cyberattacks.
- ✓ **Application Controls:** Regulating of applications that can be installed, run, or assessed on devices within the organization’s network.
- ✓ **Device Restrictions:** Preventing data theft and leaks by limiting USB, CDs/DVDs, external hard drives, and device usage.
- ✓ **FTP Server (NAS) Implementation:** Controlling the transfer rate for shared folders to prevent external sharing.
- ✓ **Data Encryption:** Encrypting sensitive information to prevent unauthorized access.
- ✓ **Employee Access Management:** Enabling employee access based on work needs.
- ✓ **Employee Training:** Providing onboarding and continuous education on security threats.
- ✓ **Infrastructure Maintenance:** Upgrading server and network infrastructure as needed.
- ✓ **Risk Mitigation:** Regularly updating software to address vulnerabilities.
- ✓ **Security Audits:** Collaborating with IT vendors for security audits.

As part of our ongoing commitment to IT security, these controls are not static; they are continuously monitored and updated to respond to the ever-evolving landscape of threats and vulnerabilities. Our proactive approach ensures that our defences remain robust and capable of protecting critical assets and sensitive information.

From FYE 2021 to FYE 2024, Mi Equipment Malaysia and Accurus Scientific Taiwan have successfully maintained a strong record of data security. During this period, there were no substantiated complaints regarding breaches of customer privacy or losses of customer data. This track record underscores our commitment to rigorous IT controls and the effectiveness of our security measures in safeguarding our operations and customer information.



QUALITY ASSURANCE

Our Quality Assurance (QA) program represents a systematic and proactive approach, demonstrating our unwavering commitment to maintaining stringent standards essential for ensuring product reliability, compliance with industry regulations, and customer satisfaction.

	Semiconductor Equipment Business Unit	Semiconductor Material Business Unit
2024 Target	Average quality achievement rate: 99.2%	Average production quality: 86%
2024 Actual performance	98.3%	90.2%
Our product responsibility	We did not encounter any product health and safety issues over the past three (3) years from FYE 2022 to FYE 2024: → NO significant product health and safety impacts identified. → NO incidents of non-compliance with regulations concerning health and safety impact of the product and services. → NO product recalls concerning health and safety issues.	

Notes:

1. The SEBU data were contributed by Mi Equipment Malaysia and Suzhou.
2. The SMBU data were contributed by Accurus Scientific Taiwan and Ningbo.
3. The target and performance data represent the average figures derived from the reported entities within each Business Unit.

Each business unit has established its own Quality Policy, which outlines our commitment to quality and serves as a communication tool for employees regarding the standards of our products and services. Quality control plans are implemented to ensure that all control procedures are followed during operations, enhancing the effectiveness of delivering high-quality products. Our quality control procedures are integrated into the various stages of operations, from procurement procedures, inspection of incoming materials, production, buyoff, to the management of non-conformity.

Though each business unit established its own Quality Policy, the policies are centred around the following important pillars.

Quality Management Systems

The cornerstone of our QA process, incorporating the following:

1. *Documented procedures: All processes are documented with clear procedures and work instructions to ensure consistency.*
2. *Quality Audits: Periodic audits to assess compliance with QMS standards.*
3. *Corrective and preventive actions: Address any quality issue, analyze root causes and implement preventive measures.*
4. *Continuous improvement: Employee training and process optimization.*

Supplier Quality Management

Ensuring the quality of materials and components sourced from suppliers is critical:

1. *Supplier qualification: Evaluation and approval of suppliers based on their ability to meet quality standards.*
2. *Incoming material inspection: All materials received are inspected against predefined criteria.*
3. *Supplier audits: Periodic audits of suppliers to ensure ongoing compliance with quality requirements.*

Production Quality Control

QA measures to be implemented during production process:

1. *In-Process inspections: Regular inspections are conducted at various stages of production to detect and address defects early.*
2. *Equipment calibration: All manufacturing equipment is regularly calibrated to ensure precision and accuracy in the production process.*

Customer Feedback and Continuous Improvement

All products undergo rigorous testing to ensure they meet the required specifications and standards:

1. *Customer surveys: Surveys are conducted to gauge customer satisfaction and identify areas for improvement.*
2. *Product improvement: Insights from customer feedback and market trends for product enhancements and innovation.*

Outgoing Quality Control

All products undergo rigorous testing to ensure they meet the required specifications and standards:

1. *Functional testing: Each product is tested under real-world operating conditions to verify performance.*
2. *Visual inspection: Final visual inspection is conducted to detect any cosmetic defects.*



CUSTOMER RELATIONSHIP

Maintaining strong customer relationships is paramount to building a sustainable business. Long-term success depends not only on acquiring customers but also on fostering loyalty and trust. Prioritizing our customers' needs and preferences is at the core of our business philosophy. Their invaluable insights drive our innovation and growth, making them essential to our success.

We recognize that staying connected with our customers is vital to building strong, enduring partnerships. We maintain open and effective communication through various channels, including email, messaging, meetings, on-site visits, and phone calls, ensuring customers are always informed about our products, promotions, and company updates.

Our recent customer satisfaction survey revealed positive feedback across multiple entities. SEBU achieved an average satisfaction score of 90.33%, reflecting strong customer approval in service quality and responsiveness. SMBU recorded 90.43%, indicating steady performance and showcasing exceptional customer experience. These insights will guide our efforts in enhancing service standards across all entities.

Our Effort in Maintaining Strong Customer Relationships

Understand and Address Customer Needs

- Conduct regular surveys and feedback sessions
- Analyze customer data to anticipate trends
- Increasing production capacity to shorten lead times

Invest in Exceptional Customer Service

- Providing 24/7 support through various channels
- Training teams to handle inquiries professionally
- Regularly monitoring and improving response times

Communicate Transparently

- Openly discussing product or service limitations
- Providing regular updates on new offerings and changes
- Close engagements between the engineering team and customers

Act on Feedback

- Respond promptly to reviews and feedback
- Drive improvement projects based on customer feedback
- Leverage technology to enhance engagement and continuous dialogue



SUPPLY CHAIN MANAGEMENT

Responsible Supply Chain

The Group is committed to establishing a diverse, responsible, and sustainable supply chain that supports our long-term value creation. We aim to nurture lasting, mutually beneficial partnerships with our suppliers, driving shared growth within a profitable business landscape. This approach will not only reduce the risk of disruptions but also improve overall efficiency.

We prioritize clear communication with our suppliers regarding the Supplier Code of Conduct to ensure they fully understand our expectations for a compliant and responsible supply chain. The Codes of Conduct are available in different languages and tailored to each country, with variations in content to reflect local regulations. However, all versions share a common core set of principles to guide our suppliers in maintaining ethical and responsible practices. This code is incorporated as a contractual obligation in our agreements, making it a binding commitment.

Listed below the key components and common core of principles of the Supplier Code of Conduct:

Environment:

Complying with sustainability and all applicable environmental laws, identify the environmental impacts and minimize adverse effects on the environment and natural resources within business operations. Including in the areas of environmental permits and reporting, pollution prevention, resources reduction and material restrictions, hazardous substances, waste management, air and gas emissions, water management, and energy consumption.

Energy Consumption and Greenhouse Gas Emissions:

Suppliers are to establish a company-wide greenhouse gas reduction goal, track energy consumption and relevant emissions, and seek methods to improve energy efficiency and reduce emissions.

Water Management:

Suppliers are to implement a water management program that tracks water sources, usage, and discharge while seeking conservation opportunities and controlling contamination. Wastewater must be treated before disposal, and regular monitoring of treatment systems is needed to ensure compliance.

Pollution Prevention, Waste and Resource Reduction:

Efforts should be made to minimize or eliminate emissions, pollutants, and waste at the source through actions like adding pollution control equipment, process modifications, and resource-efficient practices. Conservation of natural resources, such as water, fossil fuels, minerals, and virgin forest products, should be achieved through practices like process modifications, material substitution, re-use, conservation, and recycling. Establish and follow a systematic approach for identifying, managing, reducing, and responsibly disposing of or recycling non-hazardous solid waste.

Conflict-Free minerals regulations:

Responsible supply chains to avoid conflict minerals, to exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, and gold.

Labor Practices:

Suppliers must adhere to applicable laws, uphold human rights, and treat individuals fairly. Not tolerating the occurrence of involuntary labour, child labour, prison labour, bonded labour, human trafficking. Complying with principles and standards of freedom of association, working hours, wages, and benefits.

Child Labour:

Workers' ages must be verified. Child labour is prohibited.

No Discrimination:

Equal employment opportunity and not to discriminate on the grounds of race, colour, gender, national origin, sex orientation, religion, age, disability status or any other personal characteristic.

Health and Safety:

Prohibiting substance abuse and workplace violence, complying with all applicable workplace health and safety laws.

Harassment:

Prohibiting any form of harassment, sexual harassment, and bullying.

Freedom of Association:

Respect workers' rights to form unions, engage in collective bargaining, in accordance with local laws.

Legal Compliance:

To comply with all applicable laws and regulations, and similar principles are to be applicable to subcontractors & intermediaries.

Anti-corruption principles:

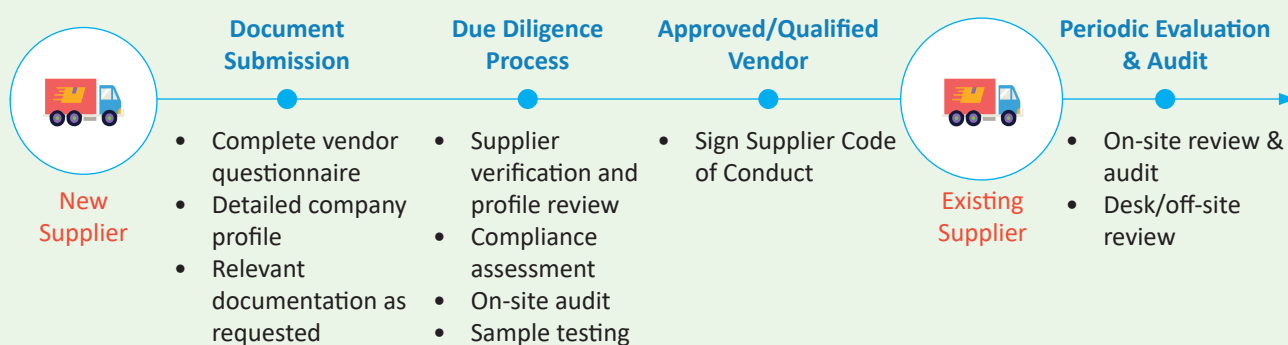
A 'zero tolerance' policy towards any form of bribery, corruption, extortion, and embezzlement.

SUPPLY CHAIN MANAGEMENT

As part of our ongoing commitment to integrity and transparency, we have taken a proactive step by initiating anti-bribery and anti-corruption training for our suppliers. This initiative is designed to ensure that all parties involved in our supply chain adhere to the highest standards of ethical conduct. We began this program with our suppliers in Malaysia where we have a significant number of suppliers and plan to expand it in stages to other subsidiaries worldwide. The expansion will be tailored to the specific needs and regulatory environments of each region, ensuring that the training remains relevant and effective.

The training sessions covered various topics, including the definition of bribery and corruption, real-world examples, our Anti-bribery and Corruption Policy and control measures, the legal consequences of engaging in bribery and corrupt practices, and our responsibility for preventing bribery.

Supplier Due Diligence



As part of our supplier management strategy, we implement a rigorous evaluation process for all new suppliers and contractors. While each business unit may have slight variations in their specific procedures, the overall process is designed to reduce operational risks, this approach reflects our dedication to responsible procurement, ensuring that our suppliers uphold the same high standards in their business practices.

Our evaluation form now incorporates specific ESG criteria. These criteria are designed to assess supplier's environmental impact, social responsibility, and governance practices on the following areas:



- Climate change and greenhouse gas emissions
- Energy and water management
- Waste management
- Pollution and resources management
- Responsible sourcing of minerals



- Child labour, forced labour
- Safe, healthy, and fair workplace practices
- Non-discrimination and equal opportunities
- Responsible sourcing of minerals



- Ethical business practices
- Business integrity
- Legal compliance
- Management system (Adequate and effective policies with endorsement and proper implementation)

SUPPLY CHAIN MANAGEMENT

Semiconductor Equipment Business Unit

SEBU Supplier Evaluation	2022	2023	2024 Target	2024 Performance
Percentage of Suppliers Selected for Annual Evaluation	5.0%	5.5%	5.0%	5.4%
Percentage of Suppliers Selected for On-site Audit Evaluation	NA	5.5%	20.0%	24.4%

Notes:

1. The FYE 2024 Percentage of Suppliers Selected for Annual Evaluation includes data from both Mi Equipment Malaysia and Suzhou.
2. In 2024, Mi Equipment Malaysia was the sole contributor to On-site Audit Evaluation data, as Mi Equipment Suzhou faced resource limitations and competing priorities from other ongoing projects.
3. The annual evaluation only considered direct material suppliers (fabrication and standard part suppliers). Indirect part suppliers were excluded as the service and goods provided may not be directly associated with the core operations or production processes.
4. The on-site audit evaluation only considered fabrication part suppliers on the observation of the supplier's facilities, processes, and quality control measures to ensure that the fabrication of parts meets the required standards and specifications.
5. In consideration of health and safety and in adherence to public health guidelines and travel restrictions, on-site audit evaluations were unable to be conducted in FYE 2022 due to the COVID-19 pandemic.

Semiconductor Material Business Unit

SMBU Supplier Evaluation	2022	2023	2024 Target	2024 Performance
Percentage of Suppliers Selected for Annual Evaluation	48.0%	55.0%	45.0%	49.8%
Numbers of Suppliers Selected for On-site Audit	3	2	6	4

Notes:

1. The FYE 2024 includes data from both Accurus Scientific Taiwan and Ningbo.
2. The annual evaluation and on-site audit only considered those providing raw materials and packaging directly associated with the core operations or production processes.
3. Suppliers undergo evaluation with each product/service delivery every quarter. Consequently, a single supplier may be assessed multiple times if they make deliveries in more than one quarter. This could result in the duplication of supplier assessments in terms of percentages.
4. Given the precise specifications of our products, in addition to our routine supplier evaluations and audits, we conduct supplementary assessments, including those relating to ESG considerations, upon customer request.
5. Suppliers who do not meet the minimum score are required to undergo rectification and to duly report their progress to the Quality Assurance department.

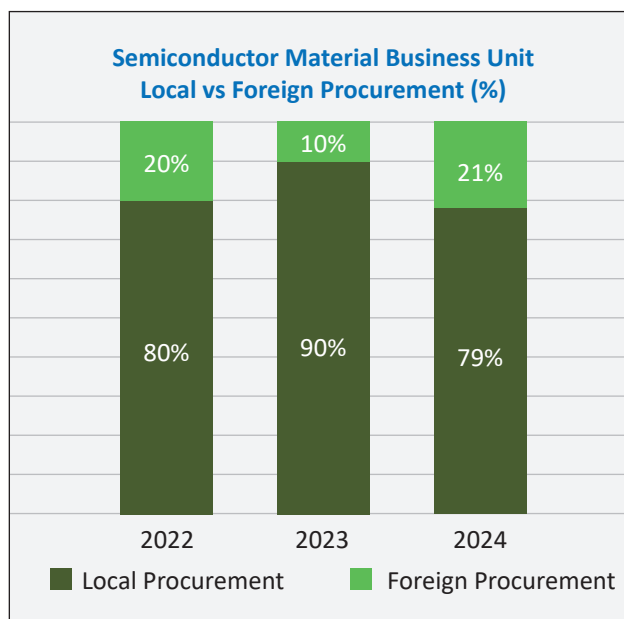
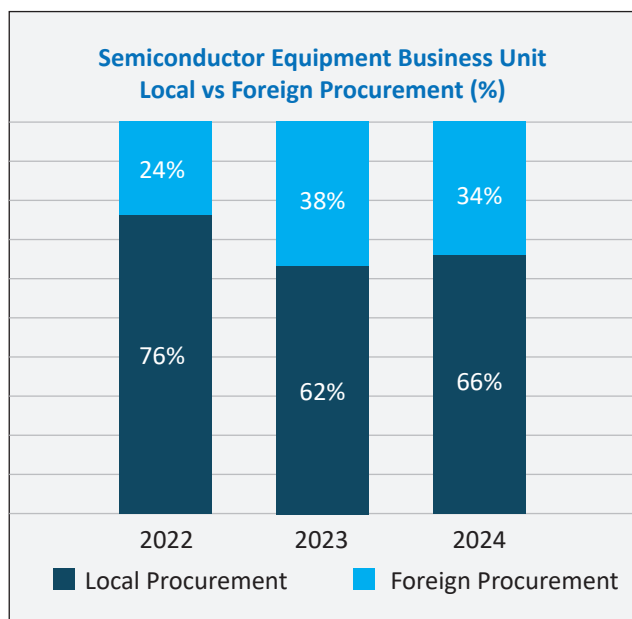
Local vs Foreign Procurement

In line with the Group's commitment to acknowledging the impact of our business operations on the local environment, we consistently aim to support the sustainability of the local economy, with a strong emphasis on local procurement. By sourcing locally, we not only reduce the environmental impact by minimizing transportation and lowering carbon emissions but also enhance supply chain reliability and address logistics challenges by keeping suppliers closer to our operational base.

While the direct materials essential to our production may originate from foreign sources, the procurement process through local distributors or agents underscores our commitment to supporting local suppliers. This approach not only ensures the availability of crucial materials but also strengthens the local economy, fostering a symbiotic relationship between international sourcing and local business support. By defining our purchases in this

manner, we acknowledge the pivotal role of local suppliers in our production activities and the broader economic landscape.

However, the decision to opt for local or foreign procurement also is dependent on our business goals, budget, and the nature of our industry. Having a balanced approach that combines both local and foreign procurement allows us to leverage the benefits of both while managing the different types of risks associated with both. In certain circumstances, foreign procurement becomes necessary due to constraints such as the customers' requirement to purchase through authorized agents or the unavailability of the desired items through local channels. Nevertheless, careful supplier selection, due diligence, and ongoing relationship management are crucial, regardless of the procurement choice.



Proportion of spending on local suppliers (%)	2022	2023	2024 Target	2024 Performance
SEBU	76%	62%	60%	66%
SMBU	80%	90%	60%	79%

Notes:

- The FYE 2024 SEBU includes data from both Mi Equipment Malaysia and Suzhou.
- The FYE 2024 SMBU includes data from both Accurus Scientific Taiwan and Ningbo.



EMPLOYMENT PRACTICES

At Mi, we acknowledge that our employees are central to our business and are key contributors to our success. The Group remains dedicated to promoting fair employment practices and prioritizing the development of our workforce. We strictly follow the principles set forth in the Group's Employee Handbook, alongside the policies and procedures related to various aspects of employee management, such as career growth, recruitment, training and development, compensation and benefits, performance evaluation, and disciplinary actions. These guidelines shape our approach to people management and development, ensuring that our employees are well-supported and empowered to excel within our organization.

Labour Relations:

We are against labour exploitation, uphold local human rights standards and encourage ethical governance and behaviours throughout the Group. Employee rights, benefits, and workplace ethics are described in detail in the Employee Handbook and Code of Conduct and Ethics for Management and Employees. It also outlines the Group's labour policies, standards, grievance procedures, and other standard operating procedures ("SOPs").

To keep us updated with the latest labour laws and employment practices, policies, and procedures, we often visit official government websites, attend HR conferences, workshops, and seminars, trainings, and certification programs.

Due to different countries having different laws, our Group's Business Unit adapt their practices accordingly to comply with local regulations. The Employee Handbook are aligned with the latest local labour laws and employment practices. We are committed to adhering with the laws and regulations in each operating country, guaranteeing fair labour conditions and social protection for all employees. To effectively convey our Group's values to employees, the Employee Handbook is available in relevant languages, and tailored to each country with variation in content to reflect local regulations.

We prioritize human rights and stand firmly against discrimination, emphasizing our commitment to ethical and socially responsible business practices. Our code of conduct was prepared according to Responsible Business Alliance (RBA), with reference to UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, ILO Declaration on Fundamental Principles and Rights at Work, ILO Fundamental Conventions and UN Universal Declaration of Human Rights. In June 2024, we published a revised HR policy with addition of protection of children's rights and prevention of forced labour policy to uphold the human rights and well-being. Employees are encouraged to report any violations through our

established grievance or whistleblowing channels.

It is reported that there were 0 non-compliance incidences related to labour standards reported under the financial review year for Semiconductor Equipment Business Unit, Semiconductor Material Business Unit and Semiconductor Solution Business Unit.

Number of substantiated complaints concerning human rights violations	2022	2023	2024 Target	2024 Performance
	0	0	0	0

Living Wage, Working Hours, and Overtime:

The Group is committed to adhering to statutory minimum wage requirements, ensuring fair remuneration for all employees. The average weekly official working hours for SEBU, SMBU and SSBU are in line with respect to their local government act respectively. These workweeks are aligned with local legal limits. We closely monitor overtime and actively promote a healthy work-life balance. We recognize that employees are essential to the Company's success, and we are dedicated to supporting their well-being through a balanced approach to work and life.

Diversity, Equity & Inclusion:

The Group believes that true innovation and growth thrive in a culture that values diversity, inclusion, and equity. We strive to cultivate a culture in which people with diverse backgrounds and with varied perspectives can fully contribute and unleash their potentials. We are committed to building and developing a diverse workforce, beginning with the composition of our Board of Directors, as this diversity brings a range of complementary skills, experiences, and viewpoints that enhance the Group's ability to generate long-term value and drive growth.

Board of Directors		2022		2023		2024	
		Pax	%	Pax	%	Pax	%
Gender	Male	6	75%	6	75%	6	75%
	Female	2	25%	2	25%	2	25%
Age	Below 30 years old	0	0%	0	0%	0	0%
	30 – 50 years old	3	37%	3	37%	3	37%
	Above 50 years old	5	63%	5	63%	5	63%

The composition of Board of Directors ("BOD") remained unchanged from FYE 2022 to FYE 2024. There are 25% female composition on the BOD to oversee the Group's overall management.

Diversity, Equity & Inclusion: (Cont'd)

The Group offers employment opportunities across the wide range of technical and non-technical positions at various hierarchical levels within the organisation. For managerial-and-above positions, the Group favours internal promotions, providing employees with enhanced career progression opportunities and enhancing more organic succession planning. Moreover, to improve workforce diversity, promote equal opportunities, and mitigate discrimination, we have undertaken the following actions:

Issues	Actions
Race	<ul style="list-style-type: none"> Celebrate difference in the workplace and invite employees to take part.
Religion	<ul style="list-style-type: none"> Days off to observe and celebrate religious holidays and events.
Gender	<ul style="list-style-type: none"> Removed gendered and coded language from job ads. Posting salaries on job postings to show a commitment to diversity.
Age & Nationalities	<ul style="list-style-type: none"> Building a multi-generation and multi-cultural workforce.
Sexual Orientation	<ul style="list-style-type: none"> Strong anti-discrimination policies in Employees Handbook and Codes of Conduct, ensuring they are accessible by all employees.
Physical Accessibility	<ul style="list-style-type: none"> Ramps, curb cuts, designated accessible parking spaces close to entrances with proper signage, restrooms with wider stalls, grab bars, and sinks at an appropriate height.

At Mi, we are committed to Diversity, Equity, and Inclusion (DEI) in line with our core values. Our policy ensures equal employment opportunities for all, regardless of race, colour, religion, age, gender, ancestry, marital status, ability, or any other legally protected characteristic. We recruit, hire, and promote based on merit, offering opportunities to all individuals, including those from underprivileged backgrounds or lacking formal education or qualifications. We uphold the principles of equal opportunity and comply with all relevant laws.

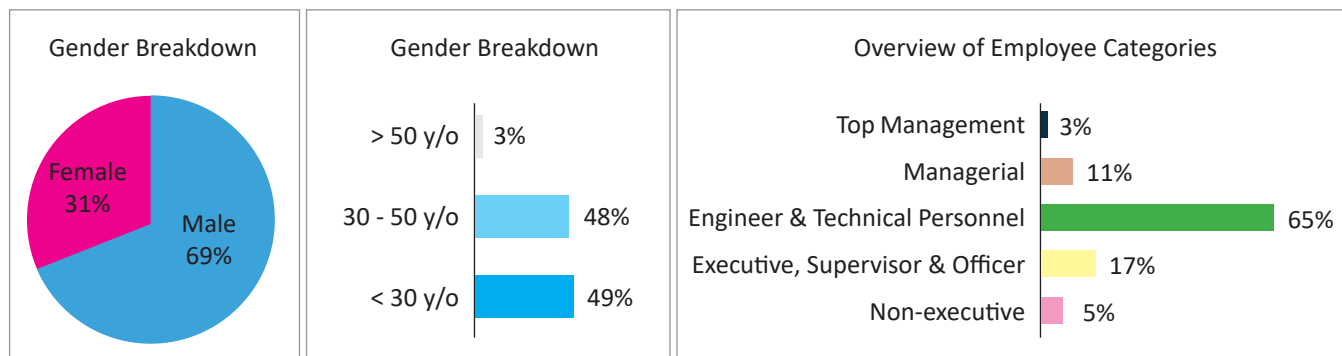
We have 33.7% of women in our global workforce in FYE 2024. We believe that women are vital asset to our success and innovation. We actively cultivate an inclusive environment where female talent is not only recognized but celebrated. Through training, we ensure that women have the support and opportunities they need to thrive. Our commitment to diversity enriches our culture, drives creativity, and ultimately strengthen our business.

In FYE 2024, there are 2 disabled employees in Mi Group, comprises at 0.3% out of our total workforce. We hired physical and congenital disabled employees as our executive, supervisor & officer personnel. We believe in and deeply appreciate the talent and knowledge of individuals, regardless of physical disabilities, as their abilities transcend any limitations.

EMPLOYMENT PRACTICES

Workforce at Semiconductor Equipment Business Unit ("SEBU")

As of 31 December 2024, SEBU have a total workforce of 289 employees. A summary of the workforce analysis is illustrated below:



Note: The charts above show the total workforce of Mi Equipment Malaysia and Suzhou.

Most of these employees are engineers and technical staff, bringing a wide range of skills and expertise in technology and engineering to the Group. A substantial portion, specifically 49%, of our workforce consists of young employees under the age of 30. This demographic is the result of our ongoing collaboration with universities, which has been instrumental in promoting the industry and attracting fresh talent. They inject vibrancy and enthusiasm into our drive for innovation and technological progress. SEBU's detailed workforce is depicted as below, based on employee categories, age group and gender.

Employee Category		2022		2023		2024	
		Pax	%	Pax	%	Pax	%
Top Management		4	2%	4	2%	8	3%
Gender	Male	2	50%	2	50%	6	75%
	Female	2	50%	2	50%	2	25%
Age	Below 30 years old	0	0%	0	0%	0	0
	30 – 50 years old	4	100%	4	100%	8	100%
	Above 50 years old	0	0%	0	0%	0	0
Managerial		22	13%	23	13%	31	11%
Gender	Male	15	68%	15	65%	22	71%
	Female	7	32%	8	35%	9	29%
Age	Below 30 years old	0	0%	1	4%	1	3%
	30 – 50 years old	21	95%	21	91%	29	94%
	Above 50 years old	1	5%	1	4%	1	3%
Engineer & Technical Personnel		101	57%	108	62%	188	65%
Gender	Male	81	80%	82	76%	156	83%
	Female	20	20%	26	24%	32	17%
Age	Below 30 years old	70	69%	71	66%	111	59%
	30 – 50 years old	29	29%	35	32%	75	40%
	Above 50 years old	2	2%	2	2%	2	1%
Executive, Supervisor & Officer		34	19%	30	17%	49	17%
Gender	Male	10	29%	7	23%	5	10%
	Female	24	71%	23	77%	44	90%
Age	Below 30 years old	17	50%	17	57%	24	49%
	30 – 50 years old	16	47%	11	37%	23	47%
	Above 50 years old	1	3%	2	7%	2	4%
Non-Executive		15	9%	9	5%	13	5%
Gender	Male	6	40%	5	56%	9	69%
	Female	9	60%	4	44%	4	31%
Age	Below 30 years old	10	67%	3	33%	6	46%
	30 – 50 years old	3	20%	4	44%	4	31%
	Above 50 years old	2	13%	2	22%	3	23%

Note: The FYE 2024 includes data from both Mi Equipment Malaysia and Suzhou.

EMPLOYMENT PRACTICES

Workforce at Semiconductor Equipment Business Unit (“SEBU”) (Cont’d)

We prioritize local hiring to boost community relationships, support economic development, and reduce employee commuting carbon footprint. Additionally, we hire contract workers with specialized expertise to meet operational needs while maintaining cost-effectiveness. SEBU’s workforce breakdown by nationality and contract type is shown below.

Workforce Analysis		2022		2023		2024	
		Pax	%	Pax	%	Pax	%
Nationality	Local	171	97%	169	97%	275	95%
	Foreigner	5	3%	5	3%	14	5%
Contract Type	Full time – permanent	170	97%	168	97%	194	67%
	Part time – permanent	0	0%	0	0%	1	1%
	Full time – contract-based	6	3%	6	3%	94	33%
	Part time – contract-based	0	0%	0	0%	0	0%
	Non-guaranteed hours	0	0%	0	0%	0	0%

Note: The FYE 2024 includes data from both Mi Equipment Malaysia and Suzhou.

Mi Equipment Malaysia offers internship opportunities in partnership with local universities and colleges to identify future talent. In FYE 2024, we provided 22 internships, 4 of which were converted into permanent/contract positions (compared to 27 internships in FYE 2023 and 6 in FYE 2022).

Employees Turnover at Semiconductor Equipment Business Unit (“SEBU”)

Our organization prioritizes employee retention by monitoring turnover rates and retention initiatives. We offer competitive wages, growth opportunities, and a supportive work environment, while regularly gathering employee feedback. In 2024, we adjusted our turnover rate target range to take into consideration the expanded reporting scope. For FYE 2024, we kept our turnover rate within target range and achieved a retention rate of 76%. With engineers making up most of our workforce, the limited talent pool in this sector presents retention challenges shared by many businesses.

	2022	2023	2024 Target	2024 Performance
Full-time Employees Turnover Rate (%) = $\text{Resign pax} / [(\text{headcount Jan} + \text{headcount Dec}) / 2]$	49%	18%	25%	24%
Retention of Talent Rate (%) = $(\text{Remaining headcount during 31 Dec} - \text{New hires} \div \text{Headcount at 1 Jan}) \times 100$	61%	84%	75%	76%

Note: The FYE 2024 includes data from both Mi Equipment Malaysia and Suzhou.

The total number of employee turnover by employee category as of FYE 2024 is as below:

Employee Category		2022		2023		2024	
		Pax	%	Pax	%	Pax	%
By Gender	Male	75	73%	24	75%	47	73%
	Female	27	27%	8	25%	17	27%
By Age	Below 30 years old	60	59%	22	69%	40	63%
	30 - 50 years old	40	39%	10	31%	24	37%
	Above 50 years old	2	2%	0	0%	0	0
By Nationality	Local	99	97%	32	100%	63	100%
	Foreign	3	3%	0	0%	0	0%
By Job Category	Top Management	1	1%	0	0%	1	2%
	Managerial	4	5%	2	6%	3	5%
	Engineer & Technical Personnel	71	70%	23	69%	44	69%
	Executive, Supervisor & Officer	24	23%	6	23%	13	20%
	Non-Executive	2	2%	1	3%	3	5%
Total turnover		106*	100%	35*	100%	64*	100%

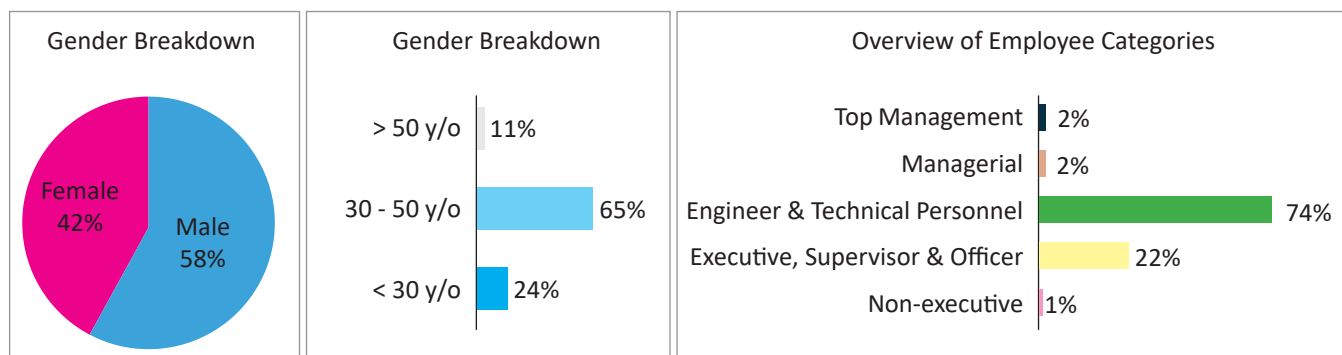
Note: The FYE 2024 includes data from both Mi Equipment Malaysia and Suzhou.

* The total numbers include voluntary separation scheme.

EMPLOYMENT PRACTICES

Workforce at Semiconductor Material Business Unit (“SMBU”)

As of 31 December 2024, SMBU has a total of 300 employees. A summary of the workforce analysis is illustrated below:



Note: The charts above show the total workforce of Accurus Scientific Taiwan and Ningbo.

Engineers and technical personnel make up a majority of SMBU employees at 74%, contributing their professional skills and expertise. 65% of the workforce falls within the 30-50 years old age category, bringing in a good mix of experience, agile mindset, and innovation. The following table provides a detailed overview of the SMBU workforce categorized by employee category, age group, and gender.

Employee Category		2022		2023		2024	
		Pax	%	Pax	%	Pax	%
Top Management		4	2%	4	2%	7	2%
Gender	Male	4	100%	4	100%	7	100%
	Female	0	0%	0	0%	0	0%
Age	Below 30 years old	0	0%	0	0%	0	0%
	30 – 50 years old	0	0%	0	0%	1	14%
	Above 50 years old	4	100%	4	100%	6	86%
Managerial		6	3%	7	3%	6	2%
Gender	Male	6	100%	7	100%	4	67%
	Female	0	0%	0	0%	2	33%
Age	Below 30 years old	0	0%	0	0%	0	0%
	30 – 50 years old	2	33%	3	43%	3	50%
	Above 50 years old	4	67%	4	57%	3	50%
Engineer & Technical Personnel		143	65%	155	66%	221	74%
Gender	Male	101	71%	109	70%	136	62%
	Female	42	29%	46	30%	85	38%
Age	Below 30 years old	42	29%	37	24%	61	28%
	30 – 50 years old	91	64%	106	68%	143	65%
	Above 50 years old	10	7%	12	8%	17	8%
Executive, Supervisor & Officer		65	30%	68	29%	65	22%
Gender	Male	25	38%	28	41%	28	43%
	Female	40	62%	40	59%	37	57%
Age	Below 30 years old	8	12%	12	18%	12	18%
	30 – 50 years old	47	72%	47	69%	48	74%
	Above 50 years old	10	16%	9	13%	5	8%
Non-Executive		1	1%	1	1%	1	1%
Gender	Male	0	0%	0	0%	0	0%
	Female	1	100%	1	100%	1	100%
Age	Below 30 years old	0	0%	0	0%	0	0%
	30 – 50 years old	0	0%	0	0%	0	0%
	Above 50 years old	1	100%	1	100%	1	100%

Note: The FYE 2024 includes data from both Accurus Scientific Taiwan and Ningbo.

EMPLOYMENT PRACTICES

Workforce at Semiconductor Material Business Unit (“SMBU”) (Cont’d)

Similarly, at SMBU, we are also supportive of local hiring, the composition of SMBU’s workforce is outlined below, categorized by employee nationality and contract type.

Workforce Analysis		2022		2023		2024	
		Pax	%	Pax	%	Pax	%
Nationality	Local	218	99%	234	99%	300	100%
	Foreigner	1	1%	1	1%	0	0%
Contract Type	Full time – permanent	219	100%	235	100%	248	83%
	Part time – permanent	0	0%	0	0%	0	0%
	Full time – contract-based	0	0%	0	0%	52	17%
	Part time – contract-based	0	0%	0	0%	0	0%
	Non-guaranteed hours	0	0%	0	0%	0	0%

Note: The FYE 2024 includes data from both Accurus Scientific Taiwan and Ningbo.

Employee Turnover at Semiconductor Material Business Unit (“SMBU”)

Reducing turnover and enhancing retention are essential for maintaining a stable and productive workforce. A significant portion of our employees are long serving, having contributed to the company’s growth and expansion.

	2022	2023	2024 Target	2024 Performance
Full-time Employees Turnover Rate (%) = $\text{Resign pax} / [(\text{headcount Jan} + \text{headcount Dec}) / 2]$	17%	22%	25%	31%
Retention of Talent Rate (%) = $(\text{Remaining headcount during 31 Dec} - \text{New hires} \div \text{Headcount at 1 Jan}) \times 100$	95%	92%	90%	70%

Note: The FYE 2024 includes data from both Accurus Scientific Taiwan and Ningbo.

SMBU faces challenges in retaining employees due to the nature of shift-based work. As most employees prefer regular hours, recruiting for shift roles remains difficult, contributing to higher turnover rates between FYE 2022 and FYE 2024, particularly as we transitioned from staffing agencies to direct recruitment for permanent roles.

To address this, we focus on strategies to attract, hire, and retain candidates for shift-based roles, including:

- Assessing candidates’ understanding of and expectations for shift work during interviews.
- Promoting open communication with HR to ensure shift work aligns with employees’ needs.

In FYE 2024, the voluntary turnover rate for full-time employees was 31%, with details by employee type provided below:

Employee Category		2022		2023		2024	
		Pax	%	Pax	%	Pax	%
By Gender	Male	-	-	-	-	52	58%
	Female	-	-	-	-	38	42%
By Age	Below 30 years old	-	-	-	-	41	46%
	30 - 50 years old	-	-	-	-	46	51%
	Above 50 years old	-	-	-	-	3	3%
By Nationality	Local	-	-	-	-	89	99%
	Foreign	-	-	-	-	1	1%
By Job Category	Top Management	0	0%	0	0%	1	1%
	Managerial	0	0%	0	0%	0	0%
	Engineer & Technical Personnel	29	83%	39	76%	85	95%
	Executive, Supervisor & Officer	6	17%	12	24%	3	3%
	Non-Executive	0	0%	0	0%	1	1%
Total turnover		35	100%	51	100%	90	100%

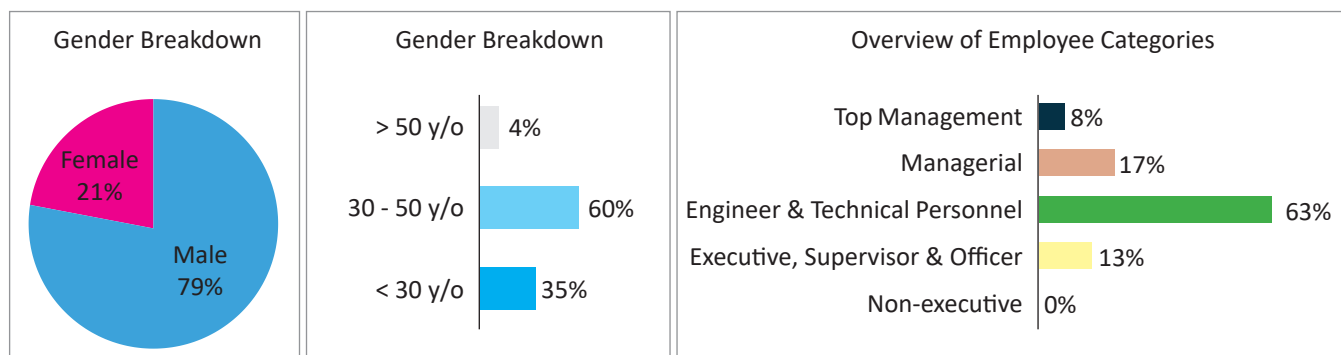
Notes:

1. The FYE 2024 includes data from both Accurus Scientific Taiwan and Ningbo.
2. The Group began to disclose turnover rate by employee category (gender, age, and nationality) for FYE 2024. Hence, there is no historical data available from year FYE 2022-2023.

EMPLOYMENT PRACTICES

Workforce at Semiconductor Solutions Business Unit ("SSBU")

As of 31 December 2024, SSBU has a total of 48 employees. A summary of the workforce analysis is illustrated below:



Note: The charts above show the total workforce of Mi Semiconductor Hangzhou only.

Engineers and technical personnel make up 63% of SSBU's workforce, while 60% of the workforce falls within the 30-50 years old age category.

The following table provides a detailed overview of the SSBU workforce categorized by employee category, age group, and gender.

Employee Category		2024	
		Pax	%
Top Management		4	8%
Gender	Male	4	100%
	Female	0	0%
Age	Below 30 years old	0	0%
	30 – 50 years old	3	75%
	Above 50 years old	1	25%
Managerial		8	17%
Gender	Male	5	63%
	Female	3	38%
Age	Below 30 years old	1	13%
	30 – 50 years old	6	75%
	Above 50 years old	1	13%
Engineer & Technical Personnel		30	63%
Gender	Male	26	87%
	Female	4	13%
Age	Below 30 years old	14	47%
	30 – 50 years old	16	53%
	Above 50 years old	0	0%
Executive, Supervisor & Officer		6	13%
Gender	Male	3	50%
	Female	3	50%
Age	Below 30 years old	2	33%
	30 – 50 years old	4	67%
	Above 50 years old	0	0%
Non-Executive		0	0%
Gender	Male	0	0%
	Female	0	0%
Age	Below 30 years old	0	0%
	30 – 50 years old	0	0%
	Above 50 years old	0	0%

Note: The FYE 2024 includes data from Mi Semiconductor Hangzhou only.

Similarly, at SSBU, we emphasize local hiring, with workforce breakdown by nationality and contract type below.

Workforce Analysis		2024	
		Pax	%
Nationality	Local	45	94%
	Foreigner	3	6%
Contract Type	Full time – permanent	48	100%
	Part time – permanent	0	0%
	Full time – contract-based	0	0%
	Part time – contract-based	0	0%
	Non-guaranteed hours	0	0%

Note: The FYE 2024 includes data from Mi Semiconductor Hangzhou only.

Employee Turnover at Semiconductor Solutions Business Unit ("SSBU")

This is the first year we started to disclose SSBU's employment data, hence no historical data available for setting target and comparison.

	2024 Target	2024 Performance
Full-time Employees Turnover Rate (%)	10%	13%
= $\text{Resign pax} / [(\text{headcount Jan} + \text{headcount Dec}) / 2]$		
Retention of Talent Rate (%)	90%	92%
= $(\text{Remaining headcount during 31 Dec} - \text{New hires} \div \text{Headcount at 1 Jan}) \times 100$		

Note: The FYE 2024 includes data from Mi Semiconductor Hangzhou only.

EMPLOYMENT PRACTICES

Employee Turnover at Semiconductor Solutions Business Unit (“SSBU”) (Cont’d)

In FYE 2024, the voluntary turnover rate for our full-time employees is recorded at 13%. The number of employees who have left, categorized by employee type, is detailed below:

Employee Category		2024	
		Pax	%
By Gender	Male	4	100%
	Female	0	0%
By Age	Below 30 years old	0	0%
	30 - 50 years old	3	75%
	Above 50 years old	1	25%
By Nationality	Local	3	75%
	Foreign	1	25%
By Job Category	Top Management	0	0%
	Managerial	1	25%
	Engineer & Technical Personnel	0	0%
	Executive, Supervisor & Officer	3	75%
	Non-Executive	0	0%
Total turnover		4	100%

Note: The FYE 2024 includes data from Mi Semiconductor Hangzhou only. The Group began to disclose turnover rate by employee category for FYE2024. Hence, there is no historical data available from year FYE 2022-2023.

Employee Training and Development

The Group’s human capital development continue to place a high priority on employee training and development. The individual Heads of Departments assess the Group’s training needs by considering the findings of their team members’ Annual Performance Appraisals. Furthermore, Training Needs Analysis is carried out to evaluate the fundamental abilities and skills that our employees possess in relation to what is required for the Group to execute its business plans and goals.

At Mi, we offer ongoing learning opportunities to enhance performance and quality. Our training includes on-the-job training, workshops, and seminars in areas like management, technical skills, communication, leadership, and soft skills. In total, SEBU and SMBU completed 3,343 training hours, averaging 0.94 days per employee. Further details of the training hours and the related training content are as follows.

We have thoughtfully selected and curated training topics for our employees, tailored to meet their specific needs and align with our business objectives. Various training initiatives were conducted to equip employees with essential knowledge, technical expertise, and leadership capabilities.

- **Technical & Engineering Training:** Engineers and technical personnel received specialized training in product development engineering, motor tuning, and machine optimization, ensuring they stay updated with the latest technologies and improve problem-solving abilities.
- **Leadership Development:** Managerial staff participated in courses on effective communication, decision-making, conflict resolution, and cost management, strengthening their leadership skills.
- **Procurement & Strategic Thinking:** Procurement and store personnel were trained in supplier selection, negotiation strategies, inventory performance, and procurement cost management to enhance efficiency and decision-making.
- **Human Resource (HR) Training:** HR executives developed skills in managing discipline, employment law compliance, hiring solutions, and handling grievances, aligning HR strategies with company goals.
- **General Skills Development:** Other employees attended training on advanced Microsoft Excel, data analysis, internal auditing, taxation, and first aid, equipping them with essential competencies for their roles.

These training programs reinforce our dedication to continuous learning, fostering a knowledgeable and capable workforce.

EMPLOYMENT PRACTICES

Semiconductor Equipment Business Unit

Below is the breakdown of training hours per employee, categorized by gender and job category.

Training Hours per Employee by Gender and Employee Category		2022			2023			2024		
		Pax	Total Hour	Average Hour	Pax	Total Hour	Average Hour	Pax	Total Hour	Average Hour
Gender	Male	114	2333.0	20.5	111	1061.0	9.6	123	1021.5	8.3
	Female	62	975.0	15.7	63	895.3	14.2	72	697.4	9.7
Employee Category	Top Management	4	16.0	4.0	4	32.0	8.0	6	64.0	10.7
	Managerial	22	232.3	10.6	23	399.0	17.3	21	259.0	12.3
	Engineer & Technical Personnel	101	2376.7	23.5	108	917.0	8.5	123	1144.9	9.3
	Executive, Supervisor & Officer	34	491.0	14.4	30	608.3	20.3	33	247.0	7.5
	Non-Executive	15	192.0	12.8	9	0	0	12	4.0	0.3
Summary of Training Hours per Year per Employee		2022			2023			2024		
Total Pax		176 pax			174 pax			195 pax		
Total Training Hour		3308.0 hours			1956.3 hours			1718.9 hours		
Average Training Hour/Pax		18.8 hours			11.2 hours			8.8 hours		
Average Training Day/Pax		2.3 days			1.4 days			1.1 days		

Note: The FYE 2022- 2024 includes data from Mi Equipment Malaysia. Figures have been rounded.

Semiconductor Material Business Unit

Below is the breakdown of training hours per employee, categorized by gender and job category.

Training Hours per Employee by Gender and Employee Category		2022			2023			2024		
		Pax	Total Hour	Average Hour	Pax	Total Hour	Average Hour	Pax	Total Hour	Average Hour
Gender	Male	136	1031.5	7.6	148	1131.0	7.6	154	1158.5	7.5
	Female	83	631.5	7.6	87	476.5	5.5	94	466.0	5.0
Employee Category	Top Management	4	0	0	4	3.0	0.8	7	4.5	0.6
	Managerial	6	72.0	12.0	7	33.5	4.8	6	52.0	8.7
	Engineer & Technical Personnel	143	989.5	6.9	155	795.5	5.1	178	1024.5	5.8
	Executive, Supervisor & Officer	65	601.5	9.3	68	771.5	11.3	56	538.5	9.6
	Non-Executive	1	0	0	1	4.0	4.0	1	5.0	5.0
Summary of Training Hours per Year per Employee		2022			2023			2024		
Total Pax		219 pax			235 pax			248 pax		
Total Training Hour		1663.0 hours			1607.5 hours			1624.5 hours		
Average Training Hour/Pax		7.6 hours			6.8 hours			6.6 hours		
Average Training Day/Pax		0.9 day			0.9 day			0.8 day		

Note: The FYE 2022-2024 includes data from Accurus Scientific Taiwan. Figures have been rounded.

EMPLOYMENT PRACTICES

Ongoing Engagement with Employees

The Group prioritizes employee engagement as a vital tool to foster a strong, and long-lasting relationship with our workforce. To enrich our employees' social lives, the Group periodically organizes events and sponsors activities such as sports events, social gatherings, festive and holiday celebration, health talks, and more.

Although we do not have labour union within our workforce, but we fully respect and uphold our employees' right to freedom of association and collective bargaining.

At SMBU, we conducted regular employer-employee discussions address welfare, benefits, policy changes, and updates, with elected employee representatives ensuring fair representation. At SEBU, we promote open communication through various feedback channels, fostering transparency and collaboration.

The Group's employee engagement channels and platforms are depicted as below:

- Employee induction program for new hires
- Suggestion box to collect employees' comments and feedback
- 1-on-1 interview to discuss employee's performance and identify areas for improvements
- Corporate-organised initiatives such as festival celebrations, community service engagements and social gatherings
- Announcements on latest corporate initiatives, Human Resources memo and announcements, updates of latest Group policies and procedures
- Platform to communicate with the HR personnel via phone call or Group HR email

Employee Welfare & Benefits

Beyond the mandatory employment benefits mandated by laws and regulations, the Group extends a variety of health and non-monetary welfare benefits to employees, reflecting our commitment to fostering a compassionate and supportive community. The benefits and privileges can be summarized as follows:



Insurance/Medical Coverage & Healthcare

- Hospitalization coverage
- Unlimited panel clinic coverage
- Medical health screening for employees & family members
- Group Personal Plan
- Employee Specialist & Dependent Medical Claim
- Dental treatment
- Optical Care



In-House Facilities

- Indoor parking space*
- Cafeteria*
- Laundry service*
- Gym facilities*
- Sports complex*
- Prayer room*

*Facilities varies across buildings



Employees With Special Needs

- Dedicated lactation room for mothers
- Medical room for unwell employees
- Dedicated parking space for pregnant employees
- Parking spaces reserved for people with disabilities



EMPLOYEE HEALTH AND SAFETY

The Group's Commitment and Health and Safety Policy

At Mi, we are committed to providing a safe and healthy workplace environment for all employees and subcontractors. The Board Sustainability Committee ("BSC") also oversees the health and safety as a key component to sustainable business. Ms. Phoon Yee Min chairs the BSC and sits on the Company's Board as Independent Non-Executive Director overseeing all the health and safety matters. We have established health and safety policies to safeguard our employees, prevent accidents and promote physical health. The policy for the respective business units is available in relevant languages and tailored to each country with variation in content to reflect local regulations. All employees are required to strictly follow the proper safety and health precautions and procedures.

We promote health and safety awareness to our employees through various channels such as face-to-face communication, meetings and discussions, memo or poster, safety and health campaigns, employee suggestions box and more. These engagements aim to create an awareness of workplace safety and at the same time to provide our employees with the necessary information and knowledge.

Safety Performance

The Groups monitors its safety performance by tracking accidents, amongst others. We are committed to improving our safety performance and making efforts towards achieving zero (0) fatality cases, incident cases and lost time incident cases. Lost time refers to the loss of productivity associated with accidents or injury arising out of or in the course of work. The following table shows the safety performance of SEBU and SMBU in FYE2024.

SEBU	Units	2022	2023	2024*
Number of Injury Incidents	no.	0	1	1
Incident Rate	rate	0	0.55	0.32
Number of Fatalities	no.	0	0	0
Fatality Rate	rate	0	0	0
Lost Time Incident Rate ("LTIR")	rate	0	0.55	0

SMBU	Units	2022	2023	2024**
Number of Injury Incidents	no.	0	1	0
Incident Rate	rate	0	0.41	0
Number of Fatalities	no.	0	0	0
Fatality Rate	rate	0	0	0
Lost Time Incident Rate ("LTIR")	rate	0	0.41	0

Notes:

* The SEBU FYE 2024 includes data from Mi Equipment Malaysia and Suzhou.

** The SMBU FYE 2024 includes data from Accurus Scientific Taiwan and Ningbo.

1. The table above shows the fatality and incident cases by employees only.
2. Lost time injury means any workplace injury sustained by an employee while on the job that prevents them from being able to perform their job for at least 1 day or shift.
3. Incident cases include the number of lost time injuries, restricted work, fatality, first aid and medical treatment cases.
4. Incident rate is calculated as a rate where the number of incidents during the reporting period are expressed per the total number of hours worked at the end of the reporting period. The calculation method is in line with the Consolidated Set of the GRI Standards 2023, GRI 403: Occupational Health and Safety 2018 on Disclosure 403-9 Work-related injuries, Page 675.
5. Incident rate = the number of work-related injuries / number of hours worked X 200,000
6. Fatality cases include the number of fatalities as a result of work-related injuries.
7. Fatality rate is calculated as a rate where the number of fatalities during the reporting period are expressed per total number of hours worked at the end of the reporting period. This calculation method is in line with the Consolidated Set of the GRI Standards 2023, GRI 403: Occupational Health and Safety 2018 on Disclosure 403-9 Work-related injuries, Page 674.
8. Fatality rate = the number of fatalities / number of hours worked X 200,000

EMPLOYEE HEALTH AND SAFETY

9. *Lost time incident rate is calculated as a rate where the number of lost time incidents during the reporting period are expressed per the total number of hours worked at the end of the reporting period. The calculation method is in line with the Bursa Malaysia's Sustainability Reporting Guide 3rd Edition, Page 86.*
10. *Lost time incident rate = number of lost time injuries in the reporting period/ total number of hours worked in the reporting period X 200,000*
11. *The total number of hours worked in the reporting period = the total number of employees X 40 hours X 52 weeks*
12. *The value of 200,000 represents a standardized value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100x40x50=200,000)*
13. *All figures rounded up.*
14. *Please refer to safety performance for our prevention actions taken for the incidents and lost time incident cases.*

Our Overall Safety Performance

The Group is pleased to report that there have been no employee fatalities cases over the past three (3) years for SEBU and SMBU. However, for FYE 2024, the Group recorded 1 employee incident (FYE 2023: 2 cases; FYE 2022: 0 case) in SEBU. There was 1 case of work-related lost time injuries among employee, resulting in a lost time incident rate of 0.32(SEBU) for FYE 2024 (FYE 2023: 0.55 (SEBU), 0.41 (SMBU); FYE 2022: 0).

We strive to maintain our efforts to raise awareness and encourage all employees, including immediate managers or witnesses to report incidents timely according to set procedures. To support this, we launched the Incident Investigation and Report Procedure. This is to ensure all accidents are recorded, root causes are identified, corrective actions are taken and communicated appropriately to prevent the re-occurrence of the incident to improve the safety measures in our operating sites.

Safety Inspection and Risk Assessment

For Occupational Health & Safety, we adhere to all the necessary precautions in accordance with the local regulations and guidelines to safeguard our employees from potential hazards. We conduct walk-around inspection and risk assessment to ensure that all safety measures are functioning as intended and the relevant EHS protocols are being followed. The outcomes of these inspections, along with the associated reports and meeting minutes, are reviewed by the management before any improvement measures are being implemented.

Environment Health & Safety Initiatives and Management

Each business unit appoints dedicated Environment Health & Safety ("EHS") officers responsible for ensuring that safety measures comply with legal requirements and protecting employees from hazardous working environments. Additionally, we have established the Emergency Response Team ("ERT") Committee, which oversees safety and health matters in the workplace, reports and updates safety-related issues, and ensures all pending safety concerns are promptly addressed. The Emergency Response Plan (ERP) procedure was launched this year to provide a clear guideline on the action plan, response to emergency as well as to minimize impact and injury to the property and all employees.

At Mi, we formed Safety & Health Committees ("SHCs") in compliance with the local legal requirements tailored to each country of our subsidiaries. The SHC is responsible for reviewing workplace safety and health, investigating complaints, and addressing related concerns. We constantly engage safety consultants to chair the quarterly SHC meetings to discuss workplace accidents and updates on safety and health laws and regulations.

Hazard Identification Risk Assessment and Risk Control ("HIRARC")

The HIRARC approach is used to assess the safety and health risks associated with operation activities which might cause injury and health issues. The relevant EHS personnel will assess the potential risks or hazards for all routine and non-routine activities within their scope, including subcontractor activities. Moving forward, the assessment will be performed triennial in Mi Equipment Malaysia and annually for Accurus Scientific Taiwan or whenever there are changes in our current activities or processes.


Health and Safety Training Program

We provide ongoing health and safety training to equip our employees with the necessary knowledge and awareness to prevent workplace accidents and respond effectively to emergencies. These training sessions cover a range of critical topics, including hazard identification, emergency response protocols, proper use of personal protective equipment (PPE), and best practices for maintaining a safe work environment.

Throughout the FYE 2024, a total of 301 employees participated in our health and safety training programs. This initiative reflects our commitment to fostering a strong safety culture, ensuring compliance with industry regulations, and enhancing overall workplace well-being.

Health and Safety Campaign

The highlights of health and safety activities held at FYE 2024 are illustrated as follows:

SEBU	SMBU
<p>Mi Health Day</p> <ul style="list-style-type: none"> - Mi Equipment Malaysia in collaboration with Penang Adventist Hospital to provide health screening for 66 employees and subcontractors. - A total of 25 employees and subcontractors participated in blood donation to save lives. 	<p>Health Screening</p> <ul style="list-style-type: none"> - Accurus Scientific Taiwan organized its annual health screening, providing medical check-ups for 227 employees and subcontractors as part of the commitment to fostering the well-being and health of its workforce. 
<p>Online Mental Health Talk</p> <ul style="list-style-type: none"> - A health talk was organized to raise awareness about mental health and stress management among the employees of Mi Equipment China and Taiwan. 	<p>Fire Drill</p> <ul style="list-style-type: none"> - A fire drill was organized to raise awareness of fire safety procedures and ensure employees were familiar with emergency protocols. 
<p>Osteopathic Wellness Sessions</p> <ul style="list-style-type: none"> - Osteopathic treatment sessions were organized to enhance the well-being, relieve tension, improve mobility, and promote overall health of the Mi Equipment Malaysia's employees. 	<p>Meat-free day activities</p> <ul style="list-style-type: none"> - Meat-Free Day was organized to encourage employees to voluntarily participate in ordering meat-free meal boxes. - A total of 250 people took part in the initiative, promoting plant-based eating. 