

全面扎根
SUSTAIN

重点目标茁壮
Grow

跨领域战略
Diversify

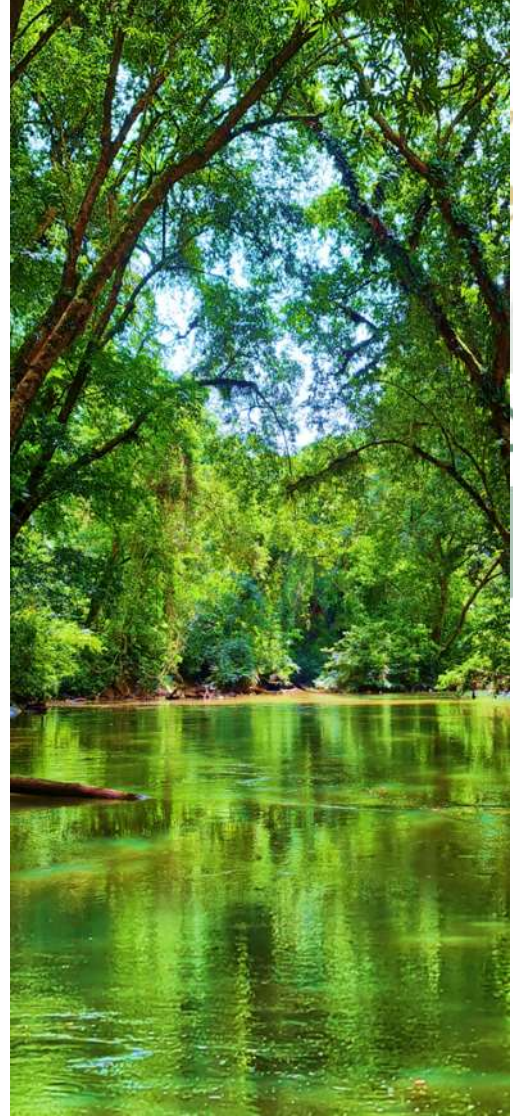


TABLE OF CONTENTS

03	Foreword
04	Message from CEO
06	Mi Technovation Berhad at A Glance
07	About Mi Technovation Berhad
12	Our ESG Strategy and Its Main Pillars
15	Our Sustainability Approach
15	Sustainability Governance
16	Materiality Matters and Assessment
18	Stakeholder Engagement
20	Sustainable Business
21	Intellectual Property
22	Research and Development
23	Data Security
24	Quality Assurance
26	Customer Relationship
28	Supply Chain Management
34	Employment Practices
45	Employee Health and Safety
52	Responsible Business Practices
53	Business Ethics
54	Code of Conduct
55	Anti-Bribery and Corruption
56	Whistleblowing Policy
57	Grievance Mechanism
57	Workplace Harassment
58	Impact Within & Beyond Business Operations
59	Energy Consumption
63	Addressing Climate Change
64	Greenhouse Gas (“GHG”) Emissions
66	Water Consumption
70	Waste Management
73	Materials and Pollution Management
75	Community and Environmental Initiatives
80	Performance Data Table from ESG Reporting Platform
82	GRI Content Index
91	Appendix

FOREWORD

About this Report:

The Board of Directors (“Board”) of Mi Technovation Berhad (“Mi” or “the Group”) presents this Sustainability Report (“Report”), which is Mi’s third standalone sustainability report. Our report highlights the Group’s initiatives in Environmental protection, Social responsibility and Corporate governance (“ESG”) as well as business growth towards embracing a more sustainable future for the years to come.

Reporting Scope:

The reporting scope of this Report covers the Group’s key operating segments which are also main revenue contributors of the Group, namely represented by Mi Equipment (M) Sdn. Bhd. (“Mi Equipment Malaysia”) of the Semiconductor Equipment Business Unit (“SEBU”); and Accurus Scientific Co. Ltd. (“Accurus Scientific Taiwan”) of the Semiconductor Material Business Unit (“SMBU”), unless otherwise stated.

Reporting Period:

Our sustainability reports are published annually on April and the data presented in this Report covers the financial period from 1st January 2023 to 31st December 2023 (“FYE 2023”), unless stated otherwise.

Reporting Guidelines and Basis:

This Report has been prepared in accordance with the following relevant sustainability disclosure requirements and guidelines:

- ✓ Bursa Malaysia Main Market Listing Requirements on sustainability reporting
- ✓ Bursa's Sustainability Reporting Guide 3rd Edition and its accompanying Toolkits.
- ✓ United Nations Sustainable Development Goals (“UN SDGs”)
- ✓ Global Reporting Initiative (“GRI”) Standards

Since 2021, we have actively embraced and are guided by selected sustainability indicators of the FTSE4Good Bursa Malaysia Index, which was designed to support investors in making ESG investments in Malaysian listed companies.

In the data analysis presented in this report, percentage in this report may not total 100% due to rounding differences. Rounding may be observed to express numerical values in a more concise and readable manner, these rounding differences are inherent in numerical representations and are typically minimal.

Please be informed that we verify and update historical data to ensure accuracy annually. These revisions were made in accordance with updated external reference data, improved calculation methodologies and data quality.

External Assurance:

There is no external assurance or independent evaluation of the performance data published in this Report. Regular audits by internal and external auditors may have been performed in relation to the policies and procedures quoted in this Report. The Report is reviewed and approved by the Board Sustainability Committee and Board.

Availability:

A PDF version of this Report is available at our corporate website at <https://www.mi-technovation.com/>. Please refer to the below for more ESG related information.

ESG Website : <https://mi-technovation.com/esg-sustainability/>

ESG Newsfeed : <https://mi-technovation.com/our-stories/>

Feedback:

We value and welcome the feedback from our stakeholders on this Report. If you have any feedback or suggestion, kindly submit the feedback to esg@mi-technovation.com.

We seek to deliver value; We innovate for tomorrow.

MESSAGE FROM CEO

Turning VISION into REALITY

Be **Forward-looking** to envision the BIG picture and strategically plan ahead. Be **Innovative** to make technological breakthroughs and pioneer a brighter future.

持续与积极的业务扩展以实现愿景

前瞻性 ~ 登高望远、胸怀大局

全方位谋划、战略性布局、系统性推进

先进性 ~ 创新突破、引领未来

勇于尝试、挑战极限、加强竞争力



OH KUANG ENG
Group Chief Executive Officer

Dear Stakeholders,

Sustainability is a topic that is pivotal to the future of Mi Group. It is imperative that we take bold steps to ensure the long-term success and competitiveness of our Group. We embrace diversity, pave the way for growth, innovation, and a more prosperous future, and are working towards long-term sustainability.

Diversification Strategy (跨领域战略)

Our diversification strategy is rooted in the belief that by venturing into new territories and industries with synergy effect, we gradually build a comprehensive matrix and diversified business platform for the Group as total market solution provider. We are ready to seize a greater market share and be competitive advantage while mitigating risks associated with regional economic fluctuations.

Goal-oriented Growth (重点目标茁壮)

To pursue goal-oriented growth, the Group adopts a deliberate and structured approach aligned with our mission and vision. Recognizing the unique resources and market access of each research and development ("R&D") and manufacturing site, we identify key products with high growth potential. By tailoring production initiatives to prioritize scale, we optimize resource utilization, enhance investment impact, and capture significant market share, to ultimately fostering sustainable success.

Sustainable Business: An Imperative Action (全面扎根)

To cultivate a sustainable business, it is imperative for each subsidiary to embrace a holistic business approach that encompasses the full spectrum of business activities. By integrating environmental, social, and economic considerations into every facet of operations, we can mitigate risks by incorporating financial goals and strategies that consider not only short-term gains but also prioritizing long-term viability and competitiveness. Consequently, our subsidiaries will become resilient towards economic fluctuations while contributing to the well-being of society and the environment.

With a sense of excitement and determination, we embark on the next 5-year roadmap of our journey. It is my privilege to announce that we are not only prepared but absolutely ready to expand and grow. Our collective efforts, dedication, and unwavering commitment to excellence have brought us to this point. Today, we celebrate our past achievements, and we also look ahead to the limitless possibilities of the future.

In this report, we are delighted to present our 2023 sustainability progress and our guiding principles for sustainable development. We maintain an optimistic stance on the industry's outlook for the upcoming year in 2024. We believe that our strategic roadmap positions us on the right trajectory for sustainable growth and expansion as a business.

We are on the brink of new possibilities, and the strategic decisions we make today will shape our future.

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胡光荣
集团首席执行官

各位利益相关者，

企业永续发展，对正齐集团的未来是至关重要的。我们采取大刀阔斧的步伐，以确保集团长期、持续性的成就与竞争力。我们坚信产品及业务的多元化及创新开发将引领集团卓越的未来发展。

跨领域战略 (Diversification Strategy)

我们多元化、跨领域的战略归根于一个信念：我们坚信通过开拓和进入具有协同效应的新领域和业务，能逐步为集团建立了一个全方位、多元化的业务平台，从而巩固我们成为综合解决方案供应商的地位。我们将全力以赴并具备竞争优势，随时掌握住任何可造就业务多元化的商机，从而降低与区域经济波动相关的风险。

重点目标茁壮 (Goal-oriented Growth)

为了追求以重点目标为导向的茁壮增长，我们采取了与集团的使命和愿景一致的结构化战略思维模式做为企业治理方针。我们认识到集团内每个研发和制造基地的独特资源和其市场准入的优势有所区别，每个基地将研发和制造具有最高增长潜力的关键性产品组合。通过调整生产规模，优化资源利用，并实施高效的资本管理，我们坚信将为集团的利益相关者创造更大的价值。

全面扎根 (Sustainable Business: An Imperative Action)

为了成为能全面扎根的可持续业务，我们坚信集团旗下的每个子公司都需要采用一套统一及全面的运营策略以培育各子公司的蓬勃发展。我们提倡全方位的治理方法，不仅将环境、社会的考量因素融入到运营的每个方面，同时周全考虑到长、短期的经济、财务收益目标。我们对企业永续发展实施了双管齐下的策略，不断的促进集团在经济波动中变得更具韧性并优先考虑长期性的竞争力以降低企业风险，同时积极的为社会和环境的福祉做出贡献。

我们带着兴奋的心情和坚定的决心，踏入了第二个五年企业规划期。此时，集团全体同仁都已做好了准备，让集团继续扩张和发展。我们的努力、无私奉献和坚持带我们走到了今天。在庆祝过去的成就的同时，我们也展望未来的无限可能性。

在本报告中，我们很高兴呈现本集团于 2023 财政年度有关企业永续发展的企业治理准则以及相关项目的进度汇报。尽管 2024 年行业前景不明朗，但我们依然保持乐观态度。我们坚信，持续的战略性的谋划与布局将带领集团更上一层楼。

崭新的机遇、战略性的谋划将塑造一个卓越的未来

Mi TECHNOVATION BERHAD AT A GLANCE

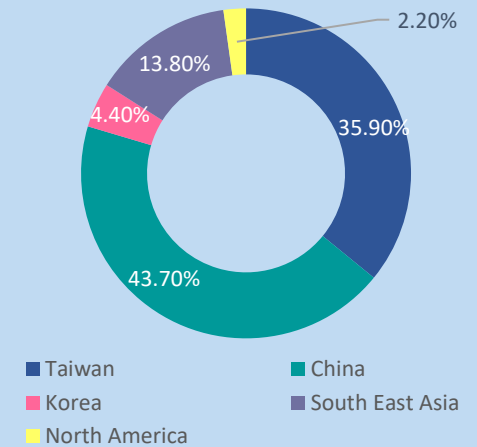
A public listed company in Malaysia with global footprint and a steadfast dedication to excellence and innovation. We have been at the forefront of semiconductor industry consistently delivering exceptional solutions and exceeding the expectations of our clients and partners, foster meaningful relationships, and make a positive impact.



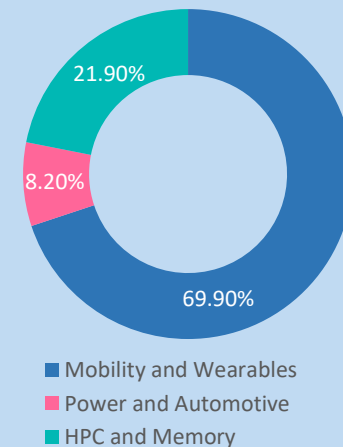
<p>Multiple sites across 6 countries</p> <ul style="list-style-type: none"> → 5 manufacturing sites → 4 R&D centres → >10 sales & service offices 	<p>+16.8% Compound annual growth rate ("CAGR") of the Group revenue from 2019 - 2023</p>
<p>83 Granted patents & utility models</p> <p>67 Pending patents & utility models</p>	<p>+135% Net Asset per share since 2019</p> <p>614 full-time employees</p>

Data presented above pertains to the Group level and includes information from its subsidiaries.

2023 Revenue Percentage by Countries



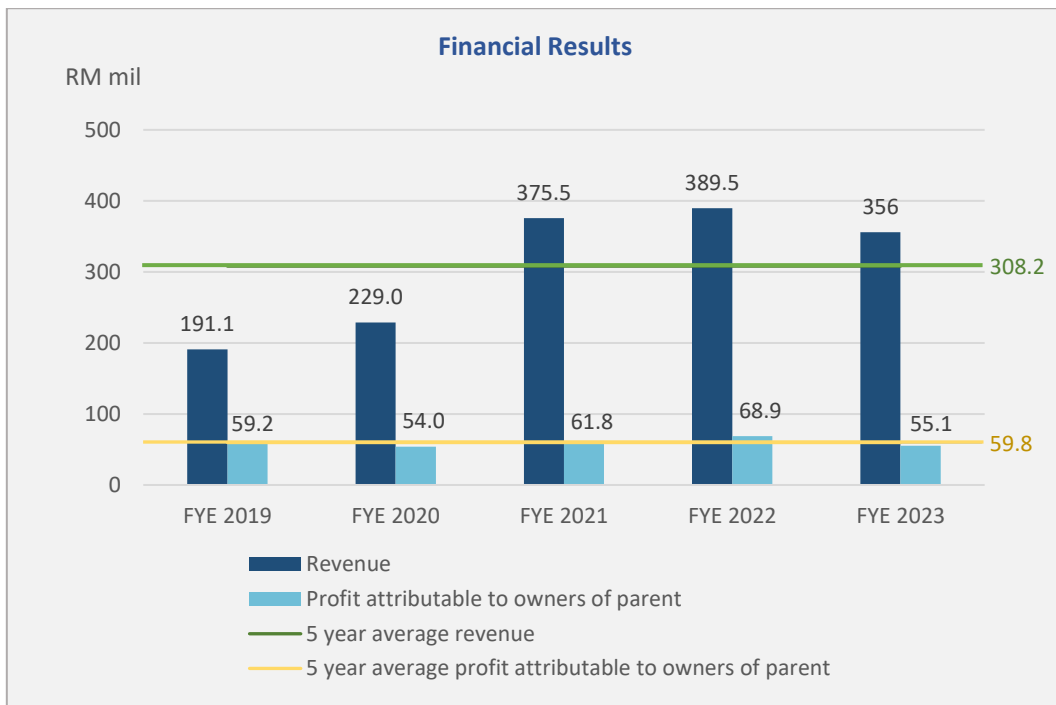
2023 Revenue Percentage by Segments



ABOUT MI TECHNOVATION BERHAD

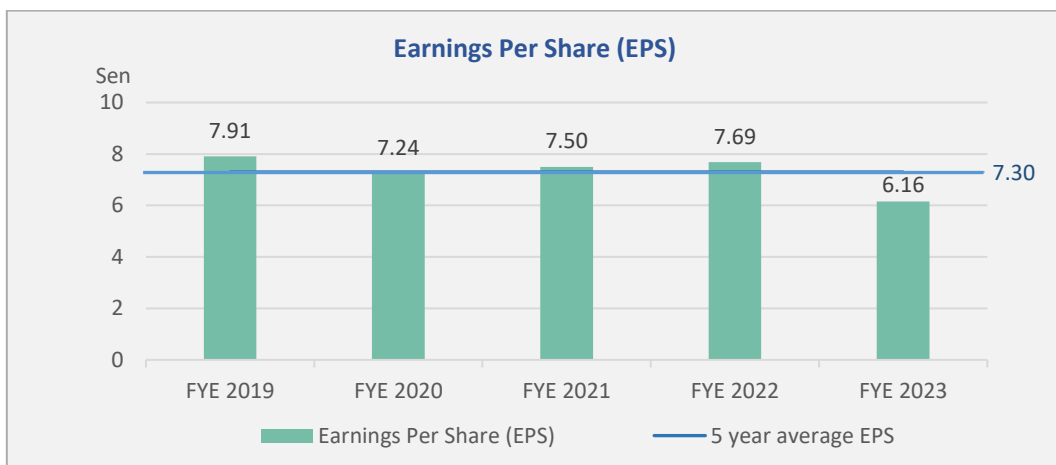
Our Financial Performance

Over the years, Mi has consistently demonstrated its commitment to maximizing shareholder value and generating sustainable growth for the long term. In 2023, the worldwide semiconductor revenue contracted, primarily influenced by diminished demand for semiconductors associated with consumer goods like smartphones and PCs. Other market dynamics, including elevated interest rates, geopolitical uncertainties, and a global recovery that progressed at a slower pace than anticipated have collectively contributed to the semiconductor market's weakened state. While the current financial year poses challenges, the positive financial performance reflected in the five-year average (FYE2019 to FYE2023) demonstrates the Group's resilience and potentials. The Group's net asset as of 31st December 2023 stood at RM1.20 per share, which is 235% of RM0.51 per share as of 31st December 2019.



Notes:

1. FYE 2019 – FYE 2023 CAGR **+16.8%** of Annual Group Revenue.
2. Profit attributable to owners of parent margin remains above 15%, with a 5-year average of **19.4%**.



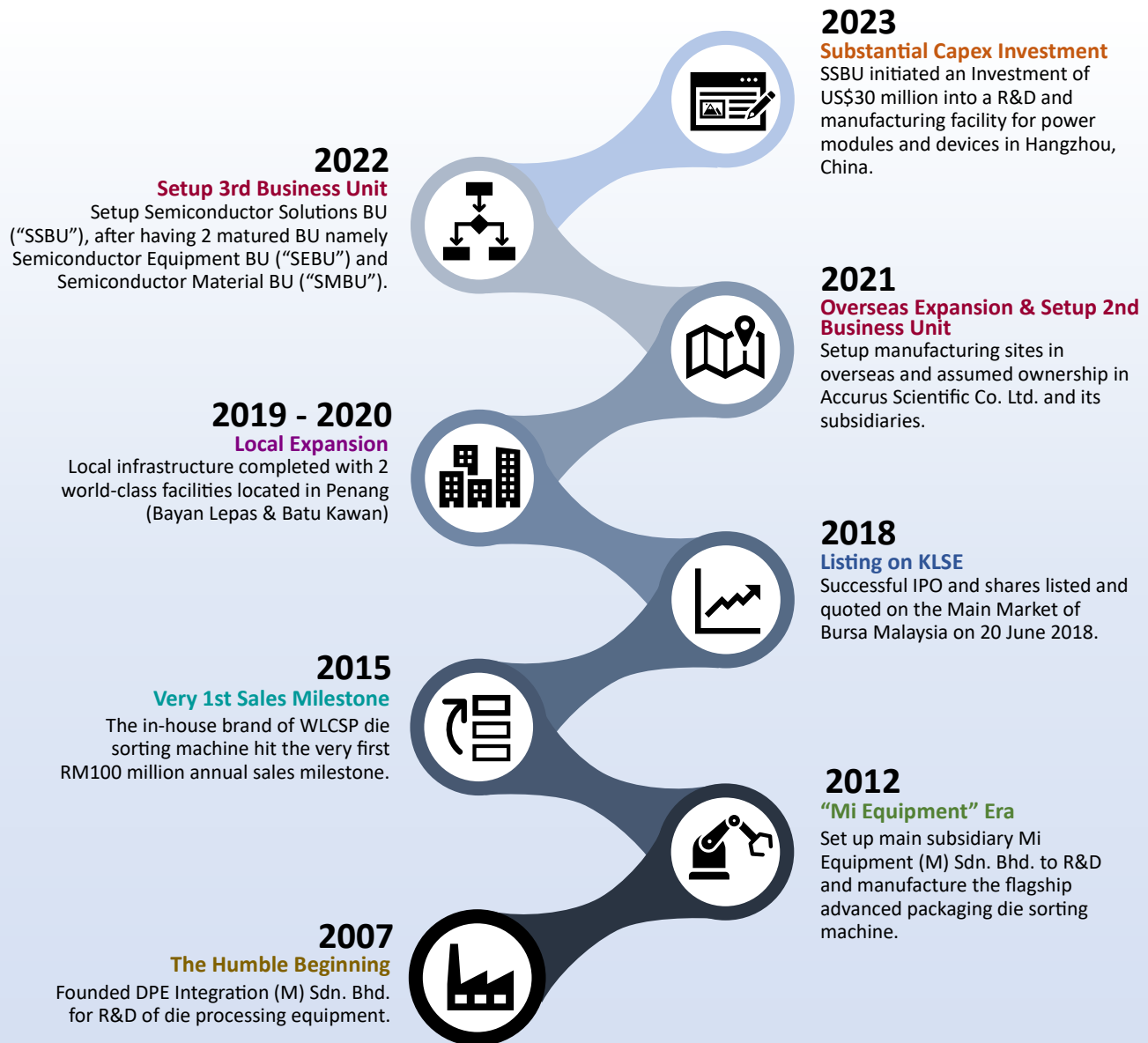
Note:

1. The weighted average number of ordinary shares in issue (excluding treasury shares) from FYE 2019 -FYE 2023 amounted to 748mil, 746mil, 825mil, 896mil, 895mil respectively.

ABOUT MI TECHNOVATION BERHAD

Company Overview and Our Key Milestone

Mi Technovation Berhad (KLSE: MI 5286) is a public listed company in Malaysia with its shares listed and quoted on the Main Market of Bursa Malaysia Securities Berhad since 20 June 2018.



ABOUT Mi TECHNOVATION BERHAD

Company Overview and Our Key Milestone

The Group's corporate journey began with the founding of DPE Integration (M) Sdn. Bhd. ("DPE") in 2007, focusing on research and development in die processing equipment. In 2012, the primary subsidiary, Mi Equipment (M) Sdn. Bhd., was founded, specializing in the research, development, and manufacturing of advanced packaging die sorting machines equipped with vision inspection capabilities for the semiconductor industry. Over time, the in-house brand of Wafer Level Chip Scale Packaging ("WLSCP") sorting machine emerged as the Group's flagship product, ultimately leading to the achievement of its first sales milestone of RM100 million in 2015.

Starting in 2019, following the successful IPO and the infusion of capital, the Group has intensified its growth strategy. This includes expanding its production capacity and introducing new and diverse product lines. These strategic moves have positioned the Group to enter the global stage and establish itself as a prominent player in the international semiconductor industry, offering a wide range of products across various countries.

In April 2021, the Group achieved a significant milestone by successfully acquiring Accurus Scientific Co. Ltd. and its subsidiaries, a major supplier of semiconductor materials in the industry. The acquisition laid down the foundations for the Group's Semiconductor Material Business Unit ("SMBU").

In July 2022, the Group commenced a new business unit called the Semiconductor Solutions Business Unit ("SSBU"). An investment of USD30 million was officially launched in October 2023 in Hangzhou, China for a new research & development and manufacturing facility for power modules and devices. The SSBU aims to tap into the opportunity on wide bandgap applications market in the Automotive & Renewable Energy segment in the back of the increasing global demand for electrification and growing concern regarding carbon emissions.

By integrating the innovative strengths and comprehensive technical solutions capabilities of these three business units, the Group is targeted to position in a wider scope of the semiconductor value chain through continual technological development synergy and strategic business integration.

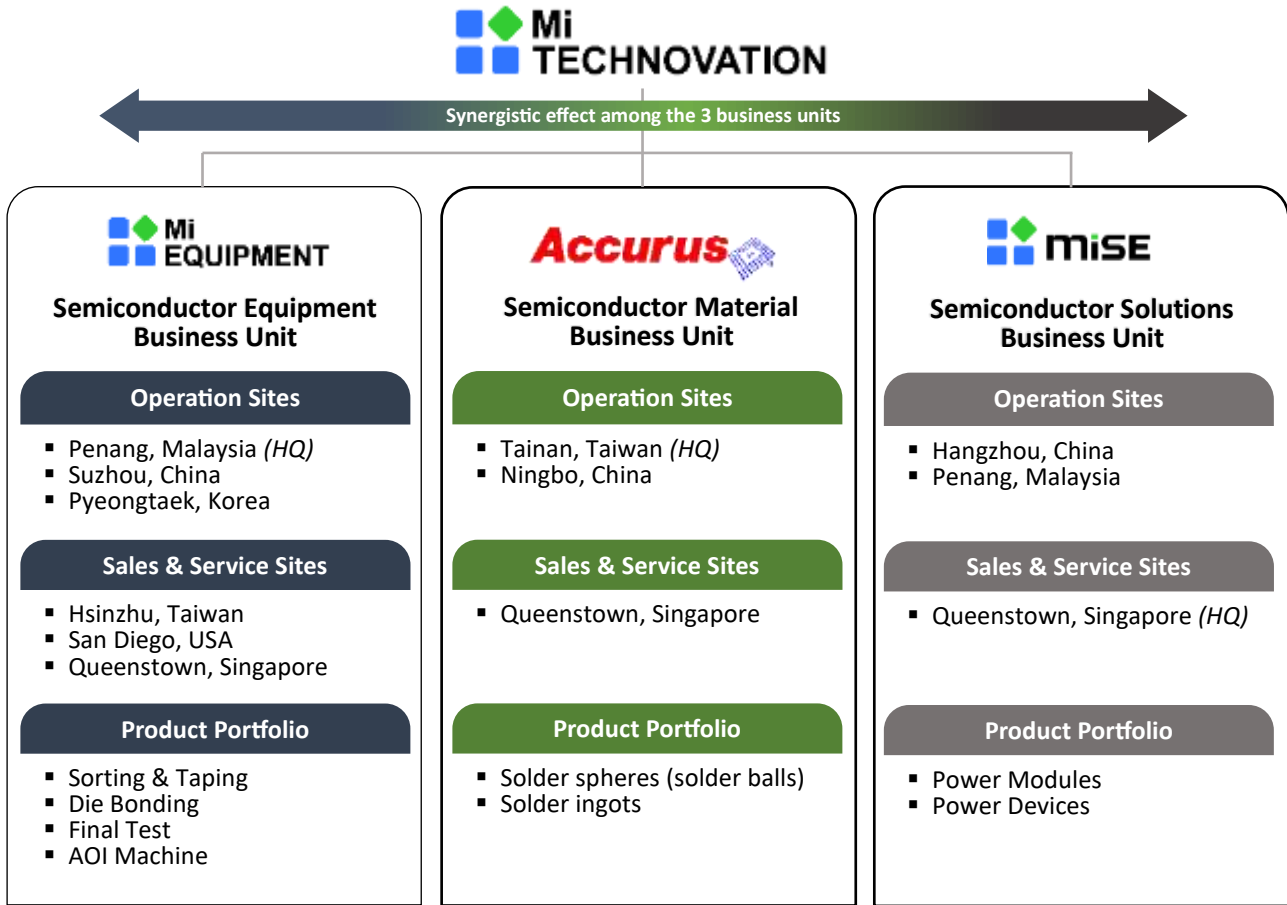
Business Structure and Product Portfolio

The Group's business is primarily organized into three distinct business units, namely:

1. Semiconductor Equipment Business Unit ("SEBU")
2. Semiconductor Material Business Unit ("SMBU")
3. Semiconductor Solutions Business Unit ("SSBU")

The individual business unit runs its independent operations through multiple operations sites as well as sales & service sites. The business structure and product portfolio of each business unit is depicted as follows.

ABOUT Mi TECHNOVATION BERHAD



SEBU is an organic-growth business operated under the Mi Equipment trademark with a global footprint and an especially strong presence in Asia and America. The headquarters which is also the main manufacturing site is in Penang, Malaysia. SEBU is involved in research and development, manufacturing, and sales of semiconductor manufacturing equipment, paired with smart factory automation solutions for Industrial 4.0, as well as the provision of maintenance services and technical support for these machines, and the sale of related spare parts and components.

SMBU was expanded through acquisition and is operating under the Accurus Scientific trademark with physical presence in Tainan (Taiwan), Ningbo (China) and Singapore. The headquarters of SMBU is in Tainan, Taiwan. SMBU is involved in research and development, manufacturing, and sale of solder spheres (or solder balls), with some activities in design, development, manufacturing, and sale of machinery as well as solder ingots, solder paste and ESD bottles to complement customers' purchasing needs.

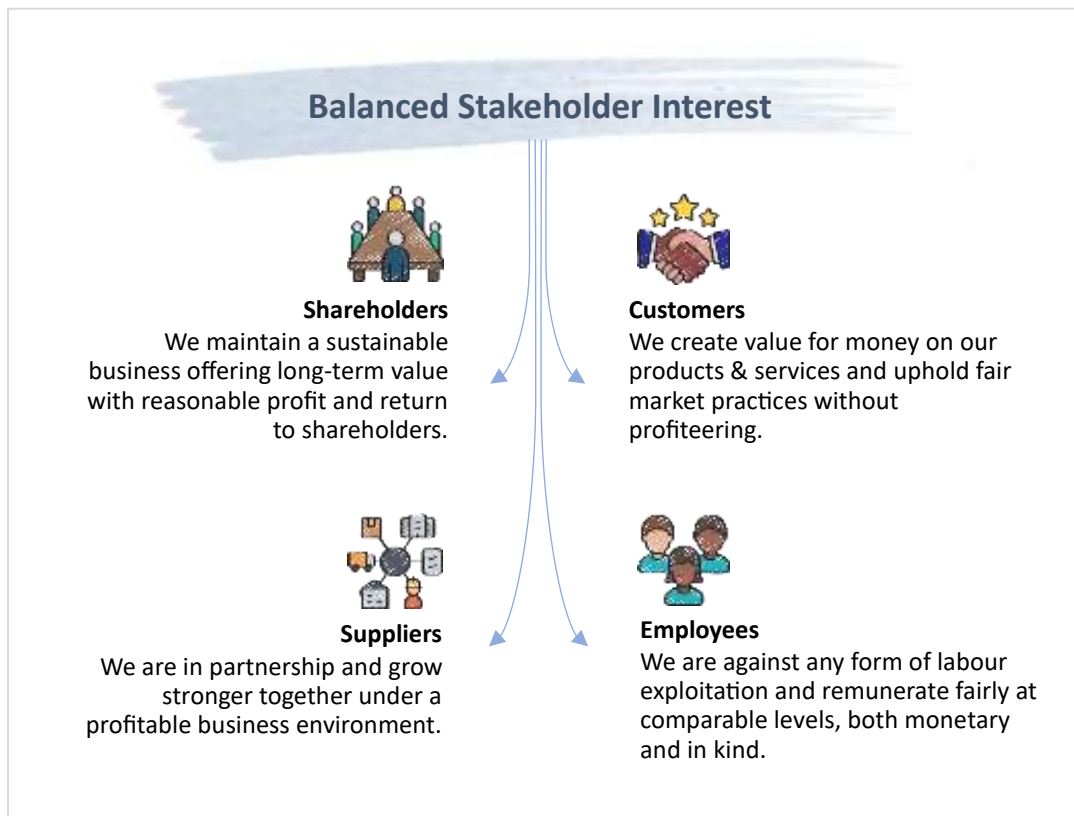
SSBU is a newly developed business unit targeted to position the Group in a wider scope of the semiconductor value chain through technological development synergy and strategic business integration. An investment of USD30 million was officially launched in October 2023 in Hangzhou, China for a new research and development and manufacturing facility for power modules and devices. The SSBU aims to tap into the opportunity on wide bandgap applications market in the Automotive and Renewable Energy segment.

ABOUT Mi TECHNOVATION BERHAD

The Mi Philosophy: A Balanced Stakeholder Interest

At Mi, our commitment extends beyond creating value for our shareholders. We recognize the importance of all stakeholders in our ecosystem and are dedicated to achieving a balance in their interests. This "Balance Stakeholder Interest" approach is adopted by the Group to a more sustainable business environment over the long term.

Our business operations are aligned with our strategic stakeholder priorities, which are informed by thorough stakeholder assessments and prioritization. We take into account the objectives and interests of key stakeholders, ensuring that each stakeholder group receives equal attention and effort. Our goal is to equitably distribute the value generated to our stakeholders, reflecting our commitment as a responsible enterprise.



OUR ESG STRATEGY AND ITS MAIN PILLARS


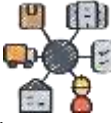

Our Environment, Social and Governance (“ESG”) strategy is designed to shape a sustainable future for the Group. We strive to sustain our competitiveness and relevance in the market sector by strengthening intellectual capital through persistent research and development activities while striving to provide highest quality products and services to our customers. Moreover, we have a robust strategy to meet the expectations of our investors, customers, stakeholders, and employees.

We take various initiative to help our employees understand ESG by introducing ESG to new employees, organizing different kinds of ESG-related events, sharing newsfeeds and enabling them access to ESG information via the corporate website or internal share point.

Sustainability is incorporated as part of our business strategy and corporate responsibility which are centred around three (3) core commitments: -



Sustainable Business

We manage our business through a “Balanced Stakeholder Interest” approach.

-  Shareholders
-  Customers
-  Subcontractors and suppliers
-  Employees


Responsible Business Practices

We integrate good governance ethics into our operations and strategies.

-  Good corporate governance practices
-  “Check-and-Balance” to mitigate risk and mistakes
-  Multiple communication channels for continuous dialogue

Impact Within & Beyond Business Operation

We support and sponsor various environment and community initiatives.

-  Environment and Biodiversity
-  Social and Community initiatives

At Mi, our value creation philosophy intends to take our stakeholders' interests into consideration in a fair and balanced way. In addition to our stakeholders such as shareholders, customers, business partners, and employees, we also strive to take care of the environment and society as a whole to fulfil our corporate responsibilities. We also make sure our Company’s management and functions are supported by sound and robust corporate governance. These essential focuses are set out in our [Sustainability Policy](#), which is also available at our corporate website: <https://mi-technovation.com>

OUR ESG STRATEGY AND ITS MAIN PILLARS




Sustainable Development Goals Mapped

The Sustainable Development Goals (“SDGs”) are a universal plan to guide people from all around the world to end poverty, protect the planet and ensure prosperity for all.

As a responsible company, we continually improve our sustainability strategy and adopt SDGs as a vital framework in our ESG by monitoring our current practices, progress and roadmap to achieve more SDGs goals.



A review assessment of the Company's initiatives is undertaken annually. Therefore, we have identified 10 SDGs goals that are most relevant to us. The table below illustrates our approaches towards sustainable development in FYE 2023 on some SDGs around our main pillars on business and economic, environmental, and social impact.



Relevant SDGs	Our Commitment and Initiatives	Impact and Outcome in FYE 2023
<p><i>Business & Economic Impact</i></p>   	<ul style="list-style-type: none"> ✓ To strive to sustain economic growth, decent work as well as resource efficiency in consumption and production. ✓ To build resilient infrastructure, promote sustainable industrialisation, and foster innovation. ✓ Enhance partnership with suppliers and customers for sustainable development and industry stability. 	<ul style="list-style-type: none"> ✓ Zero tolerance towards forced labour and child labour. ✓ Actively engaged local suppliers with 62% local procurement for Mi Equipment Malaysia and 90% of local procurement for Accurus Scientific Taiwan. ✓ Having a Code of Conduct that aims to align our suppliers with the principles and values of sustainability development.

OUR ESG STRATEGY AND ITS MAIN PILLARS

Sustainable Development Goals Mapped

Relevant SDGs	Our Commitment and Initiatives	Impact and Outcome in FYE 2023
<p><i>Environmental Impact</i></p> 	<ul style="list-style-type: none"> ✓ Strive to improve the energy efficiency of mother earth to provide everyone with access to clean energy services for a greener future. ✓ Committed to reducing energy and water consumption, as well as reducing waste disposed, reducing carbon emissions and contributing to a healthier environment and improving mankind’s overall health. ✓ Commitment to conserve and restore biodiversity especially for endangered wildlife or species. 	<ul style="list-style-type: none"> ✓ Solar panel system in Accurus Scientific Taiwan has successfully generated 194 MWh of green electricity in 2023 with an estimated avoidance of 96.43 tonnes of carbon dioxide equivalent. ✓ Reduce waste generation through prevention, reduction, recycling, and reuse. ✓ A total 206 trees planted by Mi Equipment Malaysia and Accurus Scientific Taiwan in the on-going battle against climate change. ✓ 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 participated in anti-poaching surveillance patrols organized by WILD with a total 180km of 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 those in Malaysia’s rural areas. 	<ul style="list-style-type: none"> ✓ Adopted equal employment opportunities policy and complied with the monthly RM1,500 and NTD26,400 minimum wage according to the local statutory requirements in 2023. ✓ Sponsored Women in Zcience (“WIZ 2023”) and schools in support of education for sustainable development. ✓ Conducted multiple in-house health awareness events. ✓ Sponsor to Penang Adventist Hospital cancer fund to help needy cancer patients.

OUR SUSTAINABILITY APPROACH

Sustainability Governance

The Group has developed and made its Sustainability Policy available on the company website, highlighting the integral role of sustainability in our business strategy and corporate responsibility. To stay ahead of the curve and foster long-term success, the Group adopts a proactive ESG strategy to actively drive the sustainability transformation with three (3) core focuses:

1. Sustainable Business
2. Responsible Business Practice
3. Impact Within and Beyond Business Operation

To ensure effective delivery of the Group's sustainability efforts, the Board has instituted a governance structure that involves the Board Sustainability Committee, Top Management, and the Sustainability Team in its implementation as outlined 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.

OUR SUSTAINABILITY APPROACH

Sustainability Governance (Con't)

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.

Materiality Matters and Assessment

We have adopted a sustainability management approach which is based upon the concept of materiality – where the Group assesses and prioritises the sustainability matters which it deems to be material, i.e. matters which reflect the Group's significant economic, environmental, social, and governance impacts and those which substantively influence the assessment and decisions of the Group's stakeholders. The materiality concept is largely aligned with the Listing Requirements and the Sustainability Reporting Guide 3rd Edition, along with its associated Toolkits.

The following table illustrates how Mi's sustainability matters align with the “common sustainability matters”, which are a set of sustainability topics outlined in the Bursa Listing Requirements which aim 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 ¹	Common Sustainability Matters (Bursa Listing Requirement) ²										
	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 ³											
Customer Relationship ³											
Supply Chain Management							✓				
Responsible Business Practice	✓										
Fair Employment and Labour Practice			✓			✓					
Talent Development						✓					
Health & Safety					✓						
Community Initiatives		✓									
Climate Change & Environment Initiatives ⁴									✓		✓
Energy Management				✓							✓
Water Management									✓		
Waste & Pollution Management										✓	
Materials Management							✓				

Notes:

1. A total of 15 sustainability matters have been identified according to Mi's business nature.
2. All common sustainability matters required by Bursa are covered under Mi's sustainability matters.
3. “Quality Assurance” and “Customer Relationship” sustainability matters are not required under Bursa but are Mi's sustainability matters.
4. Climate change risk is included and addressed during the Enterprise Risk Management assessment performed in 2022.

OUR SUSTAINABILITY APPROACH

Materiality Matters and Assessment

The Group conducted its materiality assessment in 2022 and, subject to annual review by the Group, we continued to adopt the materiality matrix plotted from the assessment due to no major and significant changes to the Group's operating context. A more comprehensive assessment or review of the material sustainability matters will be conducted when there are significant changes in our operating context or any new emerging issues.

In addition to the Group's interest, the materiality assessment has also taken into account the interest of stakeholders, which may arise from ongoing engagement efforts with stakeholders, such as customer satisfaction surveys, employee engagements, and discussions with regulators.

The assessment methodology and results are outlined below:

1. Phase 1: Identification of sustainability matters

The identification of material sustainability matters was based on the Group's business nature and areas of both risk and opportunity.

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. 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.

Materiality Matrix



OUR SUSTAINABILITY APPROACH

Stakeholder Engagement







We believe that stakeholder engagement is vital for the sustainability and success of our business. At Mi, we prioritize our stakeholders by understanding their concerns and determining the best approach and strategy for effective communication while making the best use of available resources. We engage our stakeholders through various channels and actively seek their feedback and insight to address common goals together. On-going relationship building, collaboration, information sharing are carried out to foster trust and align interest with and among stakeholders.

We evaluate our stakeholder engagement from time to time and will adjust our approach where necessary to align and fulfill the company objectives and goals. The table below showcases our stakeholders' expectations, importance of stakeholder group and our engagement methods and responses.

<i>Stakeholder Group</i>	<i>Stakeholders' Expectations</i>	<i>Why They are Important</i>	<i>Our Engagement Methods & Responses</i>
 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 	Management plays a pivotal role in attaining organizational objectives while maximizing resource utilization. By strategically coordinating the factors of production, management organizes and integrates resources efficiently to fulfill 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 prospects and development ▪ Employee engagement and welfare 	Employees are the driving force behind daily operations, influencing the quality of products and services. We instill 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 events ▪ Festival gatherings
 Shareholders  Investors	<ul style="list-style-type: none"> ▪ Timely updates on financial performance ▪ Long-term value with profit return ▪ Return on investment 	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.	<ul style="list-style-type: none"> ▪ Annual General Meetings ("AGM") ▪ Quarterly Financial Reports ▪ Annual reports ▪ Corporate website ▪ Investor briefing

OUR SUSTAINABILITY APPROACH

Stakeholder Engagement

Stakeholder Group	Stakeholders' Expectations	Why They are Important	Our Engagement Methods & Responses
 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 within the applicable laws, regulations, standards, and ethical practices; ensuring that the internal controls are adequate for managing the risks the Company faces.</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	<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
 Subcontractors			
 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 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



Group Intellectual Property Capital

83 Granted Patents & Utility Models

67 Pending Patents & Utility Models



ESG-Compliance Supplier

Launched **Supplier Sustainability Self-Assessments Questionnaire**



Quality Assurance

We are certified for

✓ **ISO 9001:2015**

✓ **IATF 16949:2016**



Training and Development

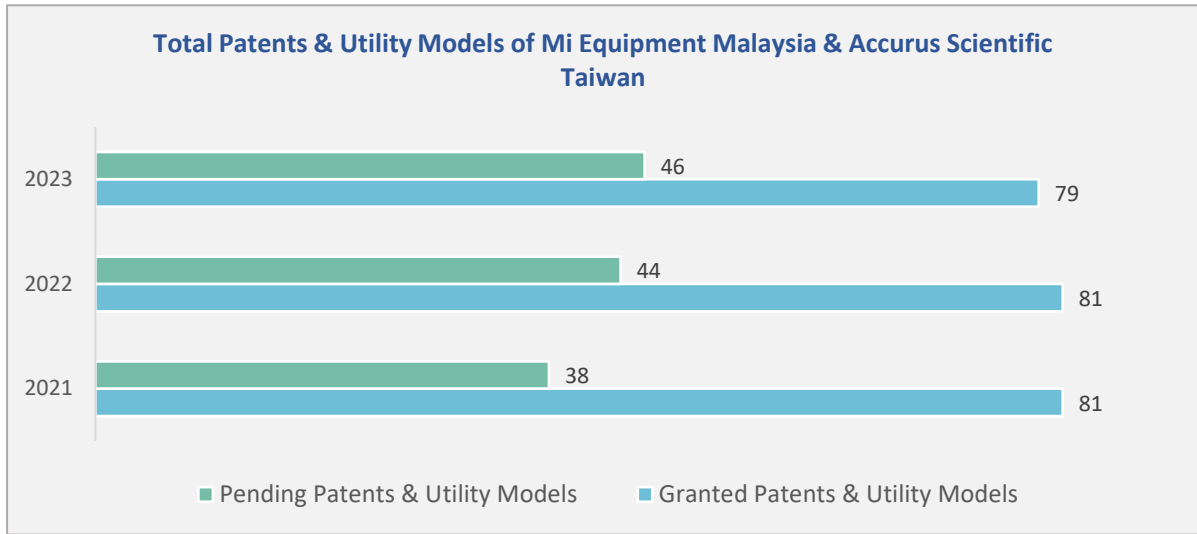
Total **3563.79** training hours

Sustainable Business

2023 Key Performances

SUSTAINABLE BUSINESS

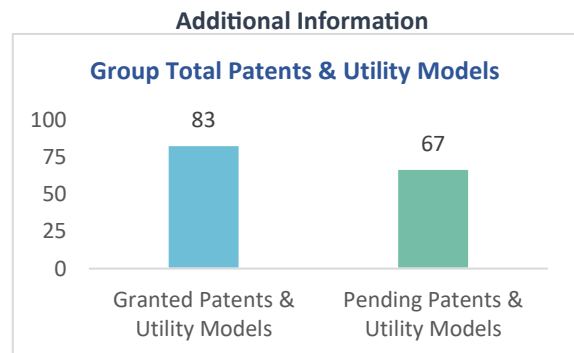
Intellectual Property



Note:

2021 and 2022 reporting figures has been restated due to change of patent calculation method.

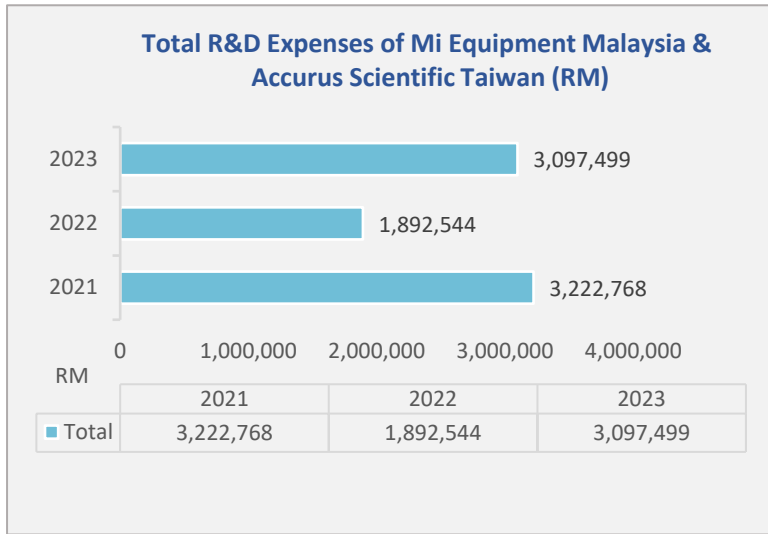
Intellectual property (“IP”) protection is vital to safeguarding the future growth of the Group, maintaining our competitive edge as well as fostering innovation. Our IP assets enhance our brand value, differentiate our products and services in the market and create barriers to entry for competitors. Hence, we have strengthened our IP rights by filing patents, registering trademarks, performing patent searches to prevent infringement as well as consulting intellectual property experts for help with searches and licensing to ensure that any IP we create is secured. Our IP assets not only protect our innovations but also serve as a springboard for future advancements and sustainable practices. During the financial year under review, our granted patents and utility models has dropped from 81 to 79 due to expired patents. 2 new applications during the year brought our count of pending patents from 44 to 46.



The graph above illustrates the Group’s total patents and utility models of Mi Equipment Malaysia, China, Korea and Accurus Scientific Taiwan and China.

SUSTAINABLE BUSINESS

Research and Development



Research and development (“R&D”) opens long-term growth opportunities, supporting our company’s sustainability and driving positive change to shape the future. Hence, we have invested many resources in our R&D and these endeavors benefit from a team of development engineers who possess diverse expertise, skills, and experience.

Our annual R&D expenses in FYE 2023 were RM3,097,499, a 63.7% increase from the previous year. This heightened investment signifies a strategic shift towards fostering

innovation-driven growth and product diversification, ensuring we remain adaptable and responsive to evolving market demands while continuously pushing the boundaries of possibility in our respective domains.

With a dedicated team of engineers and researchers driving forward breakthrough solutions in our respective industry. From pioneering new products to enhancing existing ones, the R&D department remains committed to staying at the forefront of cutting-edge advancements especially the artificial intelligence (“AI”) market where several new products from the Mi Series designed for the mobility and wearables segment contributed to the top line FYE2023. Besides, our commitment to ongoing manufacturing efficiency enhancements is underscored by our investment in developing in-house production equipment. Through meticulous R&D efforts, we continuously refine our manufacturing processes to optimize efficiency and productivity.

Environmental Stewardship in Research and Development

In Mi Equipment Malaysia, we are committed to innovation and continuous improvement in our products while remaining environmentally conscious throughout the R&D process. As a machine design and manufacturing company, our operations inherently have minimal direct impact on the environment and do not produce any pollutants, chemicals, or toxic substances. To further reduce our environmental footprint, we prioritize waste reduction in our manufacturing processes. This involves meticulous redesigning and reusing of parts that remain in good condition, as well as emphasizing repairs over scrapping whenever possible.

Furthermore, we integrate eco-design principles into the development of our machines. This requires simplifying the design, minimizing the number of parts, selecting durable materials that last longer, and incorporating recycled materials where feasible. These proactive measures align with our steadfast commitment to sustainability and responsible manufacturing practices.

In Accurus Scientific Taiwan, pioneering environmentally friendly and lower carbon emission solder balls marked a significant milestone in our commitment to sustainability. These efforts include the low-temperature alloy namely the SLT series and the Ecolloy series products that use tin instead of silver which can directly reduce the carbon footprint. On the other hand, we communicate closely with our customers to bundle products with the same specifications in bulk quantity to reduce the use of packaging materials, as well as enhancing cost efficiency.

SUSTAINABLE BUSINESS

Data Security

Data protection and cybersecurity are paramount in our sustainability efforts. Our commitment to data security aligns with our sustainability goals, reflecting our dedication to responsible and secure practices in all aspects of our operations. As we collect and store increasing amounts of data daily, we ensure the safeguarding of sensitive information by monitoring and tracking the IT system to prevent unauthorized access. We outline our approach to data security, highlighting the measures we have implemented to safeguard our data in the following table:



Information Technology (“IT”) Controls	Mi Equipment Malaysia	Accurus Scientific Taiwan
Provide threat protection and controls to secure network such as antivirus software protection, firewall and server backup.	✓	✓
Information asset controls, application control, cloud control, device control, file owner control to safeguard our data security.	✓	✓
Avoid data theft, data leak, and insider attacks by restricting the use of Universal Serial Bus (“USB”) and other devices.	✓	✓
Equipped with Closed-Circuit Television (“CCTV”) and require the use of access card to restrict the access of unauthorized parties.	✓	✓
Restricting, removing, and disabling relevant access control upon exit clearance of resigned employees.	✓	✓
Onboard briefing for new joiners and educating our employees on the potential attack vectors through on-going information sharing.	✓	✓
Infrastructure upgrade of server and network when needed.	✓	✓
Performing updates to minimize risks from vulnerabilities identified by software vendors.	✓	✓
Long-term collaboration with IT vendor to conduct information security audits on a monthly basis.	-	✓
Encrypting sensitive data to protect it from unauthorized access.	✓	✓

Effective information technology controls are also important for identifying and addressing vulnerabilities in the IT environment to reduce the risk of exploitation. To protect our data as well as maintaining the integrity and security of a company's IT infrastructure, we continue to undertake improvements on the Group’s enterprise IT management by developing a plan, policy, new procedures, and technology to address and mitigate security incidents including data breaches and cyberattacks. These controls will be continuously monitored and updated from time to time to address evolving threats and vulnerabilities.

From year 2021 to 2023, there were no substantiated complaints concerning breaches of customer privacy or losses of customer data for Mi Equipment Malaysia and Accurus Scientific Taiwan.

SUSTAINABLE BUSINESS

Quality Assurance

We consider Quality Assurance (“QA”) to be more than just a process. It represents a systematic and proactive approach to demonstrating our unwavering commitment to quality and ensuring that every aspect of our operations consistently meets the highest standards of quality, reliability, and performance.

Mi Equipment Malaysia

Certified with ISO 9001:2015

- ✓ Certifying that we conform with the ISO requirements for a quality management system.
- ✓ Internal quality audit conducted on a yearly basis.

In Mi Equipment Malaysia, we have established a Quality Policy that sets out our commitment to satisfying all applicable requirements and continually improving the effectiveness of the quality management system through our quality slogan: “Achieving quality through innovative design and responsible pursuit of details”. The Quality Policy also serve as a communication to employees on the standards of our products and services. We have implemented quality control plans that are aimed to ensure all control procedures are performed during operations and increase the effectiveness of the delivery of high-quality products.

To ensure the timely and reliable delivery of excellent products, we have implemented QA processes and procedures that are under the direct supervision of the Manufacturing Chief Operating Officer and QA Vice President. Our quality control procedures are integrated into the various stages of operations, from procurement procedures, inspection of incoming materials, production, assembly and buyoff, to the management of non-conformity.

We have set a target where the total number of defect cases in relation to the total number of installations must be less than 1%. In FYE2023, our average product quality performance has achieved 99.39% throughout the year. An overview of Mi Equipment Malaysia’s key internal controls for ensuring product quality and safety are illustrated as follows:

Our Internal Control and Description

1	In-Process Quality Control (“IPQC”) and QA inspection activities <ul style="list-style-type: none"> • Throughout the manufacturing processes, quality inspections are performed to ensure reliable outcomes and avoid the recurrence of quality problems.
2	Periodic Recalibration on Measurement Tools <ul style="list-style-type: none"> • Our regular calibration established efficiency and accuracy of measurement tool’s performance as well as safety performance during operations.
3	Machine Buy-off Inspection <ul style="list-style-type: none"> • Before the final delivery, Engineering team or Buyoff and Application team with QA Team will perform machine buy-off inspection.
4	QA Certificate of Conformity <ul style="list-style-type: none"> • Before shipping the product to customers, the QA Certificate of Conformity must be issued to support the quality and completion of products.
5	Further Improvement on Site Acceptance Test (“SAT”) System Portal <ul style="list-style-type: none"> • To allow Management team to monitor and act on any delayed setup or buyoff cases as needed. New improvement on SAT system has a better tracking and expedition of payment collections.
6	Annual Customer Satisfaction Survey <ul style="list-style-type: none"> • Annual customer satisfaction survey is carried out for on-going improvement on customer experience. Refer to page 26 for more information.

SUSTAINABLE BUSINESS

Quality Assurance

Accurus Scientific Taiwan

In Accurus Scientific Taiwan, Quality Assurance (“QA”) is an integral part of our commitment to deliver high-end solder ball products. Hence, all employees are guided by the concept of “Quality First” and deliver required products and services to the customers as per our Quality Policy slogan “Quality first, Customer’s satisfaction. All employees participate and continuous operation”.

Certified with International Automotive Task Force IATF 16949:2016

- ✓ Our quality management system and processes are aligned with the requirements of IATF.
- ✓ Internal audit inspections conducted on a yearly basis.

To eliminate defects in our deliveries, we added new analytical equipment which can enhance the analytical QA of solder composition to meet the specified alloy standard, thus improving the accuracy of solder performance. When planning product implementation, we make certain that all our processes are aligned with our customer’s expectations.

In FYE2023, our target of overall production quality for solder balls is to exceed 86% and we are pleased to report that we have achieved our target with an average of

89.99%. An overview of the key internal controls in place for ensuring product quality and safety are as follows:

Internal Control and Description

1	Incoming Material Inspection <ul style="list-style-type: none">Materials received are verified to ensure they meet the specified requirements, and any defective items are sent back to the suppliers.
2	Manufacturing Process Inspection <ul style="list-style-type: none">During the manufacturing process, inspection is conducted every 20 minutes to examine the color, diameter, and roundness.
3	Finished Product Inspection <ul style="list-style-type: none">Final checking on product appearance, diameter, roundness, and composition before shipment.
4	Out-going Inspection <ul style="list-style-type: none">Ensure overall packaging and labelling are as per customer’s need and requirements.
5	Customer Satisfaction Survey <ul style="list-style-type: none">Customer satisfaction survey is carried out for on-going improvement on customer experience. Refer to page 27 for more information.

Our Product Responsibility

We did not encounter any product health and safety issues over the past three (3) years from 2021 to 2023 for both Mi Equipment Malaysia and Accurus Scientific Taiwan.

- 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

SUSTAINABLE BUSINESS

Customer Relationship

Maintaining good customer relationships by prioritizing their need and preference is at the heart of our business as they are the ones who provide invaluable insights that allow us to innovate and grow. Additionally, our ability to engage, satisfy and retain our customers plays an important role in sustaining our business growth and success. Thus, we are committed to nurturing these relationships with care, respect, and steadfast dedication.



In Mi Equipment Malaysia and Accurus Scientific Taiwan, we understand that keeping in touch with our customers is a crucial part of maintaining strong and long-lasting relationships. We offer quick and effective customer communication via various channels such as email, messaging, meeting, on-sites visits and phone calls in order to keep customers informed about our company products, promotions, and company news. Our skilled customer service representatives actively listen to overall customers' experience on the products,

inquire about their satisfaction, and offer assistance when needed. We endeavour to address potential issues and complaints before they become major problems and that demonstrates our proactive commitment to customer's satisfaction.

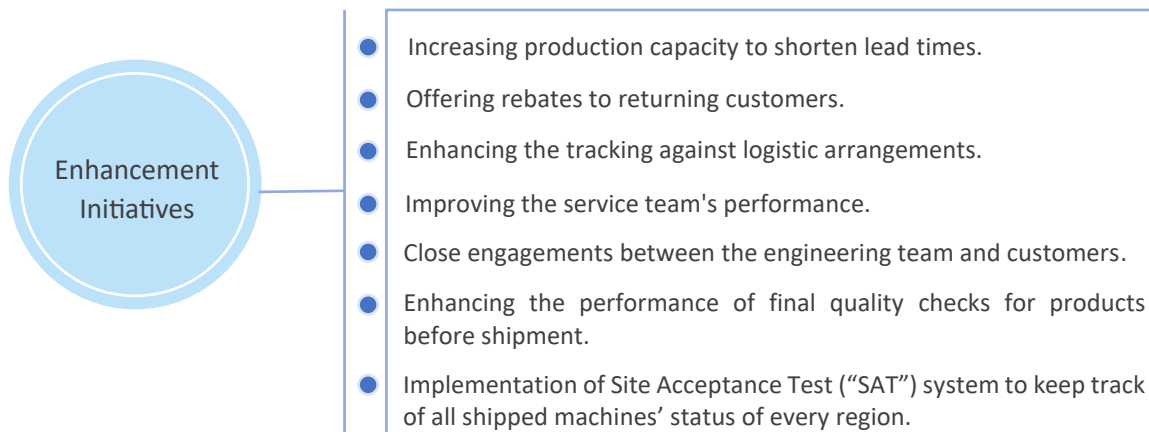
Mi Equipment Malaysia

Our sales personnel always understand the demands and preferences of our customers in order to offer the finest solution. Every customer receives excellent after-sales care and technical assistance, including:

- ✓ On-site technical support
- ✓ Product and service warranties
- ✓ 24-7 customer service
- ✓ Customer-requested site visits

Our technical team collaborates closely with customers throughout the process, from the design phase, production process and continue through product delivery. We maintain consistent communication with customer's engineers and stand ready to furnish our assistance in addressing technical challenges.

Customer satisfaction survey is a platform for us to receive direct feedback from customers, giving us insights to serve and retain our customers. This data is invaluable for making improvements on aspects such as product cost and pricing, delivery lead time, area of improvement, machine performance and features, product quality, and timeliness of delivery. We compiled all the negative and positive survey data which are discussed during the management meetings to improve our products, services, and customer experience. During FYE2023, we recorded an annual customer satisfaction rate of **95.00%**.



SUSTAINABLE BUSINESS

Customer Relationship

Accurus Scientific Taiwan

Accurus Scientific Taiwan developed the expertise for producing solder spheres, solder balls and solder powder with high quality and high productivity in the semiconductor industry for approximately 23 years. We aim to provide world-class services and technical support to our valued customers.

We conduct customer rating survey monthly, incorporating aspects such as our product quality, customer handling and feedback, service, and delivery, as well as our technical support rendered to them. By paying attention to customer’s concern and feedback, we can improve customer satisfaction and reduce customer churn. When negative feedback and low rating are received, we will work with respective department personnel to figure out the root cause and formulate corrective and preventive actions and plans. During FYE2023, our monthly customer rating surveys averaged at **89.58%**.



Our Industry Presence and Collaboration

The Group firmly established itself as a key player in the sector. We always keep a healthy relationship with industry players and that not only help us to stay informed about changes and opportunities within the sector but also fosters a collaborative and supportive environment. Our industry presence and collaboration reflect our dedication to delivering value in order to achieve a greater height.

During FYE 2023, Mi Equipment Malaysia sponsored SEMICON SEA in May 2023. Besides, Accurus Scientific Taiwan through its subsidiary Accurus Singapore has also sponsored the Electronics Packaging Technology Conference (“EPTC”) in December 2023.

Year	Month	Key Trade Exhibition	Location
2023	December	EPTC	Singapore
	May	SEMICON SEA	Penang, Malaysia
2022	December	EPTC	Singapore
	June	SEMICON SEA	Penang, Malaysia
2021	December	SEMICON Taiwan	Taipei, Taiwan
	December	SEMICON West	San Francisco
	August	SEMICON SEA	Singapore

SUSTAINABLE BUSINESS

Supply Chain Management

Responsible Supply Chain

The Group is dedicated to building a diverse, responsible, and sustainable supply chain to bolster our long-term value generation. Our objective is to cultivate enduring and mutually advantageous relationships with our suppliers, fostering joint growth in a profitable business environment. This will not only mitigate the risk of disruptions but also enhances efficiency.

We ensure effective communication with our suppliers on the Supplier Code of Conduct for better understanding of our expectation of a compliant, and responsible supply chain. We integrate the code of conduct as a contractual requirement in our agreements with suppliers, making it a binding commitment. The Code of Conduct for Suppliers is shared with all registered and approved vendors worldwide. Additionally, the Responsible Business Alliance Code ("RBA Code") is available in multiple languages to facilitate effective communication with our suppliers.

These codes ensure that all our business partners share a commitment to being socially responsible, engaged corporate citizens, and uphold ethical business practices and standards when collaborating with us.

Mi Equipment Malaysia has implemented the Supplier Code of Conduct, while Accurus Scientific Taiwan has adopted the RBA Code.

The RBA Code is derived from the Responsible Business Alliance, the world's largest industry coalition dedicated to corporate social responsibility in global supply chains.

In the event that any registered suppliers are in breach of any of the above sections, we may immediately revoke the contract award or terminate the business transactions.

Listed below the key components of the Supplier Code of Conduct and RBA that we have adopted:

Environmental Commitment Statements in our 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.

SUSTAINABLE BUSINESS

Supply Chain Management

Responsible Supply Chain

Labour and Ethical Commitment Statements in our Supplier Code of Conduct:

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.

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.

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.

SUSTAINABLE BUSINESS

Supply Chain Management

Supplier Due Diligence (New Supplier Selection)

As a component of our supplier management strategy, we employ a stringent evaluation process for all new suppliers and contractors. This process adheres to our established supplier due diligence procedures, which are consistently followed by all business units and operation sites. In addition to mitigating operational risks, this procedure aligns with our commitment to responsible procurement practices, ensuring that our suppliers also conduct their business in a responsible manner.

Prospective suppliers are required to complete a "Vendor Questionnaire," which entails providing essential information about their company, including a detailed company profile, and submitting any relevant documentation as requested.



The due diligence process for potential new suppliers includes the following steps:

1. **Basic Supplier Verification:** This step involves verifying the supplier's background and conducting an integrity clearance check.
2. **Supplier Profile Review:** The supplier's profile is thoroughly reviewed and assessed based on various criteria. These criteria include capability, capacity, licensing, product quality, pricing, credit terms, delivery lead time, and sales support, among other factors.
3. **Compliance Assessment:** The assessment also considers the supplier's compliance with relevant ISO standards and any latest accreditation requirements.
4. **Input from Relevant Departments:** Input is obtained from departments such as Engineering, QA ("Quality Assurance"), and Manufacturing. Their perspectives and requirements are considered in the supplier assessment process.
5. **Sample Testing and On-Site Auditing:** Sample testing and on-site audits may be conducted to ensure that the potential new supplier meets the Group's specific requirements and standards.



Supplier registered in the Approved/Qualified Vendor List. Approved and qualified vendors are required to sign the Code of Conduct for suppliers to confirm their commitment to being socially responsible to the social, environmental, and local rules and regulations. Other relevant commitments may be required, as relevant or as necessary.

SUSTAINABLE BUSINESS

Supply Chain Management

Supplier Due Diligence (Annual Evaluation of Suppliers and Subcontractors)

The annual evaluation of suppliers is an essential step in managing our supplier quality. Accurus Scientific Taiwan has integrated ESG considerations into the evaluation form since 2019, while Mi Equipment Malaysia is currently in the process of incorporating ESG evaluation into its mandatory supplier assessment.

Mi Equipment Malaysia has introduced the Supplier Sustainability Self-Assessment Questionnaire ("questionnaire"). By combining the annual supplier evaluations and questionnaire, we gain a comprehensive view of our existing suppliers and subcontractors' social and environmental practices, identify risks, and work collaboratively to enhance sustainability within the supply chain.

This questionnaire may also be seen as a form of support or reporting tool for our suppliers and subcontractors to monitor and manage their environmental and social impact and performance which incorporates the following criteria which are employed by both Mi Equipment Malaysia and Accurus Scientific Taiwan.

Environmental Impact	Social Impact	Governance Impact
<ul style="list-style-type: none"> Climate change and greenhouse gas emissions Energy and water management Waste management Pollution and resources management Responsible sourcing of minerals 	<ul style="list-style-type: none"> Child labour, forced labour Safe, healthy, and fair workplace practices Non-discrimination and equal opportunities Responsible sourcing of minerals 	<ul style="list-style-type: none"> Ethical business practices Business integrity Legal compliance Management system (Adequate and effective policies with endorsement and proper implementation)

Mi Equipment Malaysia

Mi Equipment Malaysia introduced and launched this questionnaire with an actual response rate of 70%. We conduct annual assessments of our chosen suppliers to improve their performance and quality. We are progressively formalizing and integrating environmental and social criteria into the supplier evaluation process.

Mi Equipment Malaysia (Supplier Evaluation)	2021	2022	2023 Target	2023 Performance
Percentage of Suppliers Selected for Annual Evaluation ¹	4.8%	5.0%	5.5%	5.5%
Percentage of Suppliers Selected for Onsite Audit Evaluation ²	NA ³	NA ³	27%	5.5% ⁴

Notes:

- The annual evaluation only considered 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.
- The onsite 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.
- In consideration of health and safety and in adherence to public health guidelines and travel restrictions, onsite audit evaluations were unable to be conducted due to the COVID-19 pandemic.
- Proper pre-audit planning and preparation shall be implemented to ensure the percentage of suppliers selected for onsite audit evaluation is achieved for 2024.

SUSTAINABLE BUSINESS

Supply Chain Management

Supplier Due Diligence (Annual Evaluation of Suppliers and Subcontractors)

Mi Equipment Malaysia

At Mi Equipment Malaysia, we depend not only on suppliers for various materials but also on subcontractors who provide wiring and assembly services. We provide our subcontractors with a conducive workspace equipped with basic amenities and facilities and ensure our subcontractors work in a safe environment in compliance with occupational safety and health requirements. Meanwhile, we require our subcontractors to adhere to labour and statutory regulations and maintain safe, well-equipped workspaces.

To ensure that production and manufacturing processes meet our standards, we conduct annual evaluations of our two major subcontractors. In 2023, we achieved our average supplier annual performance evaluation score target of 70%. We continue to be committed to enhancing our subcontractors' performance and we will maintain and improve our practice by constantly engaging with our subcontractor to ensure they fulfil their commitment to provide high-quality machine deliverables on time.

We achieved a 100% participation rate from subcontractors in the Supplier Sustainability Self-Assessment Questionnaire.

Accurus Scientific Taiwan

We assess our suppliers, with a specific emphasis on those providing raw materials and packaging that directly influence our core business and production operations. 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. This comprehensive approach enables the alignment of our supply chain with the high standards we uphold in our operations. Suppliers who do not meet the minimum score are required to undergo rectification and to duly report their progress to the Quality Assurance department.

Accurus Scientific Taiwan (Supplier Evaluation)	2021	2022	2023 Target	2023 Performance
Percentage of Suppliers Selected for Annual Evaluation ^{1,2}	51%	48%	40%	55%
Numbers of Suppliers Selected for Onsite Audit ¹	NA ³	3	2	2

Notes:

1. The annual evaluation and onsite audit only considered those providing raw materials and packaging directly associated with the core operations or production processes.
2. 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.
3. In consideration of health and safety and in adherence to public health guidelines and travel restrictions, onsite audit evaluations were unable to be conducted due to the COVID-19 pandemic.

SUSTAINABLE BUSINESS

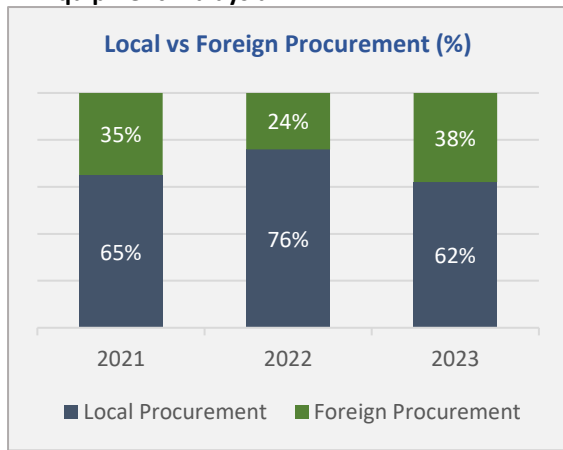
Supply Chain Management

Local vs Foreign Procurement

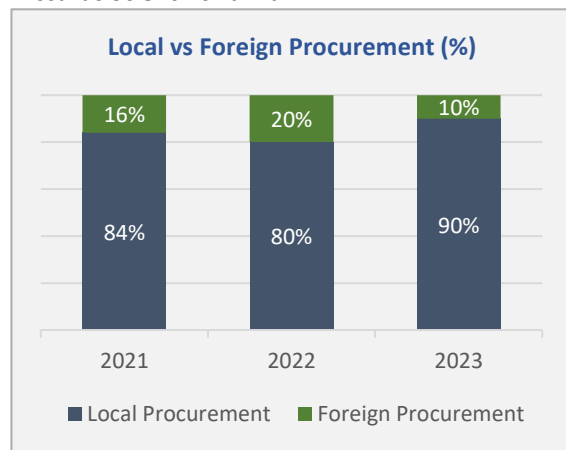
Adhering to the Group's principle of recognizing the impact of our business operations on the local environment, we consistently strive to contribute to the sustainability of the local economy, particularly through local procurement. Local sourcing not only offers environmental benefits by reducing the need for extensive transportation, thus minimizing carbon emissions, but it also assists in mitigating supply chain uncertainties and logistics challenges having suppliers closer to our operational base.

We gather data by considering the procurement value of raw and packaging materials from our primary suppliers across both Mi Equipment Malaysia and Accurus Scientific Taiwan. Local procurement refers to the acquisition of goods and services from vendors and businesses situated within the country of operations, including local authorized agents or distributors representing foreign companies, that is, no transnational payments are made to a local supplier.

Mi Equipment Malaysia



Accurus Scientific Taiwan



Proportion of spending on local suppliers (%)	2021	2022	2023 Target	2023 Performance
Mi Equipment Malaysia	65%	76%	60%	62% ¹
Accurus Scientific Taiwan	84%	80%	80%	90%

Note:

- The proportion of local sourcing decreased in 2023 compared to 2022. This decline can be attributed to the successful efforts of our procurement team in improving cost-effectiveness, where reduction in the overall procurement value has impacted the percentage of local procurement.

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.

SUSTAINABLE BUSINESS

Employment Practices

Our employees are at the core of our business, playing a pivotal role in our overall success. The Group is unwavering in its commitment to fostering equitable employment practices and investing in the growth of our workforce. We uphold the principles outlined in the Group's Employee Handbook and adhere to policies and procedures pertaining to various aspects of employee management, including career development, recruitment, training and development, compensation and benefits, performance management, and disciplinary processes. These guidelines steer our approach to people development and management, ensuring that our employees are supported and empowered to thrive within our Group.

Labour Relations

We are against labour exploitation, and we adhere to local human rights standards and promote ethical governance and behaviours throughout the Group. The Employee Handbook and Code of Conduct and Ethics for Management and Employees detail employee rights, benefits, and workplace ethics, while also outlining the Group's labour policies, standards, grievance procedures, and other standard operating procedures ("SOPs").

We often visit official government websites, attend HR conferences, workshops, and seminars, training and certification programs to keep us abreast with the latest labour laws and employment practices, policies, and procedures.

Our Group's Business Units, operating independently in various countries, tailor their Employee Handbooks to align with the latest local labour laws and employment practices. We are committed to adhering to the applicable laws and regulations in each operating country, ensuring equitable 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, such as an English version for Mi Equipment Malaysia and a Chinese version for Accurus Scientific.

We prioritize human rights and oppose discrimination, underscore our dedication to ethical and socially responsible business conduct. Employees can report violations through our grievance or whistleblowing mechanisms.

It is reported that there were no non-compliance incidences related to labour standards reported under the financial review year for both Mi Equipment Malaysia and Accurus Scientific Taiwan.

Number of substantiated complaints concerning human rights violations	2021	2022	2023 Target	2023 Performance
	0	0	0	0

Living Wage, Working Hours and Overtime

The Group is committed to meeting minimum wage as per statutory requirements. We fairly remunerate our employees in compliance with the minimum wage according to the statutory requirements. The average weekly official working hours for Mi Equipment Malaysia and Accurus Scientific Taiwan are set at 40 hours, in line with the Employment Act 1955 and Labour Standards Act, respectively. These workweeks are aligned with local legal limits. We maintain vigilant oversight of overtime and promote a work-life balance for employees. Prior approval from a supervisor or manager is necessary for all planned overtime. The Group promotes support of a healthy work-life balance, recognizing that our people are integral to the Company's success.

SUSTAINABLE BUSINESS

Employment Practices

Diversity, Inclusion & Equity

The Group believes that true innovation and growth are nurtured in a culture that respects diversity, inclusion, and equity. We aim to create a culture in which people with diverse backgrounds and ways of thinking can contribute and maximise their capabilities. We promote and develop a diverse workforce, starting with the composition of the Board of Directors, as it brings with us a variety of complementary skills, experiences, and perspectives, which will enhance the Group's capacity to create long-term value and growth.

Board of Directors		2021		2022		2023	
		Pax	%	Pax	%	Pax	%
Gender	Male	4	67%	6	75%	6	75%
	Female	2	33%	2	25%	2	25%
Age	Below 30 years old	0	0%	0	0%	0	0%
	30 – 50 years old	2	33%	3	37%	3	37%
	Above 50 years old	4	67%	5	63%	5	63%

The Group's employment opportunities comprise various technical and non-technical positions across various hierarchical levels within the organisation. For managerial-and-above positions, the Group prefers to promote from within the organisation to fill these vacancies, which helps to provide greater career progression opportunities to employees while enabling a more organic succession planning.

Nonetheless, we have taken the following actions to improve workforce diversity, equal opportunities, or reduce discrimination in relation to the following topics:

Topics	Actions
Race	<ul style="list-style-type: none"> Celebrate differences 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"> Removing gendered and coded language from job ads.
Age & Nationalities	<ul style="list-style-type: none"> Building a multi-generational and multi-cultural workforce.
Sexual Orientation	<ul style="list-style-type: none"> Strong anti-discrimination policies in the Employees Handbook and Codes of Conduct, ensuring they are accessible to all employees.
People with Disabilities	<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.

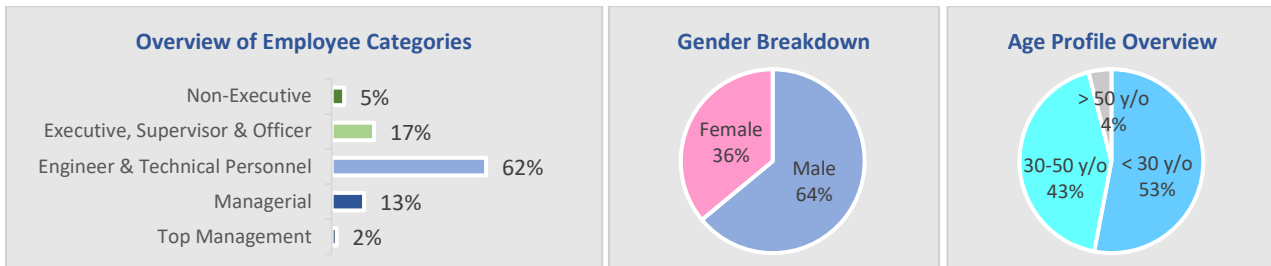
As enshrined in our Employee Handbook, it is our policy to recruit, hire, train, and promote individuals, as well as administering all employment decisions, conditions of employment, and personnel actions regardless of race, colour, religion, age, gender, or ancestry, marital status, physical ability, in accordance with applicable statutory laws. In this regard, our hiring, talent selection, and appointment are purely based on merit and adhere to the principles of equal employment opportunities. The Group practices equal hiring opportunities to all including underprivileged groups, those from deprived backgrounds, and those with poor social status with no formal education or qualification.

SUSTAINABLE BUSINESS

Employment Practices

Workforce at Mi Equipment Malaysia

As of 31 December 2023, Mi Equipment Malaysia has a total workforce of 174 employees. A summary of the workforce analysis is illustrated below:



The majority of these employees are engineers and technical personnel, contributing a diverse array of skills and expertise in the realms of technology and engineering to the Group. A substantial portion, specifically 53%, 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. Mi Equipment Malaysia's detailed workforce is depicted as below, based on employee categories, age group and gender.

Employee Category	2021		2022		2023	
	Pax	%	Pax	%	Pax	%
Top Management	5	2%	4	2%	4	2%
Gender						
Male	3	60%	2	50%	2	50%
Female	2	40%	2	50%	2	50%
Age						
Below 30 years old	0	0%	0	0%	0	0%
30 – 50 years old	4	80%	4	100%	4	100%
Above 50 years old	1	20%	0	0%	0	0%
Managerial	22	9%	22	13%	23	13%
Gender						
Male	13	59%	15	68%	15	65%
Female	9	41%	7	32%	8	35%
Age						
Below 30 years old	1	5%	0	0%	1	4%
30 – 50 years old	21	95%	21	95%	21	91%
Above 50 years old	0	0%	1	5%	1	4%
Engineer & Technical Personnel	157	64%	101	57%	108	62%
Gender						
Male	126	80%	81	80%	82	76%
Female	31	20%	20	20%	26	24%
Age						
Below 30 years old	108	69%	70	69%	71	66%
30 – 50 years old	48	31%	29	29%	35	32%
Above 50 years old	1	1%	2	2%	2	2%
Executive, Supervisor & Officer	36	15%	34	19%	30	17%
Gender						
Male	8	22%	10	29%	7	23%
Female	28	78%	24	71%	23	77%
Age						
Below 30 years old	19	53%	17	50%	17	57%
30 – 50 years old	16	44%	16	47%	11	37%
Above 50 years old	1	3%	1	3%	2	7%
Non-Executive	24	10%	15	9%	9	5%
Gender						
Male	11	46%	6	40%	5	56%
Female	13	54%	9	60%	4	44%
Age						
Below 30 years old	15	63%	10	67%	3	33%
30 – 50 years old	6	25%	3	20%	4	44%
Above 50 years old	3	13%	2	13%	2	22%

SUSTAINABLE BUSINESS

Employment Practices

Workforce at Mi Equipment Malaysia (Cont'd)

We are dedicated to strengthening our local community and economy. We place a strong emphasis on hiring locally, as we believe it not only fosters local social well-being but also contributes to the development of the local economy. At the same time, maintaining a portion of employees on a contract basis enables us to better manage our production capacity while keeping operational costs in check. Mi Equipment Malaysia's workforce is depicted below, based on employee nationality and contract type.

Workforce Analysis		2021		2022		2023	
		Pax	%	Pax	%	Pax	%
Nationality	Malaysian	239	98%	171	97%	169	97%
	Foreigner	5	2%	5	3%	5	3%
Contract Type	Full time – permanent	230	94%	170	97%	168	97%
	Part time – permanent	0	0%	0	0%	0	0%
	Full time – contract-based	14*	6%	6	3%	6	3%
	Part time – contract-based	0	0	0	0%	0	0%
	Non-guaranteed hours	0	0	0	0%	0	0%

Note: * Data corrected from 2021 report.

Mi Equipment Malaysia actively provides internship opportunities to eligible students and candidates through ongoing partnerships with various higher education institutions and colleges in Malaysia. Our internship initiatives serve as a platform for identifying potential future talent. In FYE 2023, Mi Equipment Malaysia provided 27 internship positions where 2 were subsequently converted into permanent/contract employees (compared to 6 internships in FYE 2022 and 9 internships in FYE 2021).

Employees Turnover at Mi Equipment Malaysia

We are persistently committed to retaining our employees, we continue monitoring our turnover rate and retention efforts to sustain positive results by maintaining a supportive and engaging work environment, offering competitive salaries, opportunities for career growth and personal development, and regularly seeking feedback from our employees. We are delighted to announce that we have successfully met our turnover rate target in 2023. Our FYE 2023 retention of talent rate was reported at 84%. Given that a significant portion of our workforce comprises engineers, the constrained talent pool has resulted in an environment conducive to job mobility for engineers. This phenomenon poses a shared challenge to retaining valuable employees, not only for our company but for many others. Yet, upon examining the retention rate of the reporting year compared to rates from previous years, it is noted that our retention efforts have proven effective.

	2021	2022	2023 Target	2023 Performance
Full-time Employees Turnover Rate (%) <i>= Resign pax / [(headcount Jan + headcount Dec)/2]</i>	34%	49%	20%	18%
Retention of Talent Rate (%) <i>= (Remaining headcount during 31 Dec ÷ Headcount at 1 Jan) x 100</i>	70%	61%	90%	84%

In 2023, the voluntary turnover rate for our full-time employees is reported at 18%, which represents a 31 percentage point decrease compared to the turnover rate reported for 2022, which stood at 49%. The total number of employee turnover by employee category as of 2023 is as below:

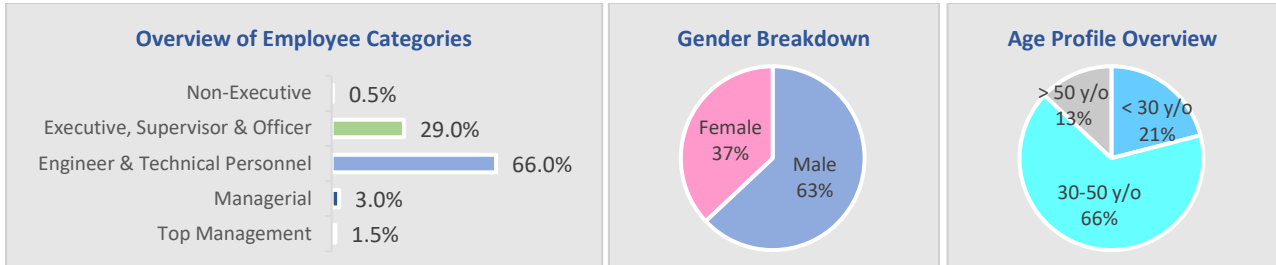
Employee Category	2021	2022	2023
	Pax	Pax	Pax
Top Management	0	1	0
Managerial	9	4	2
Engineer & Technical Personnel	54	71	23
Executive, Supervisor & Officer	10	24	6
Non-Executive	2	2	1
Total turnover	75	106	35

SUSTAINABLE BUSINESS

Employment Practices

Workforce at Accurus Scientific Taiwan

As of 31 December 2023, Accurus Scientific Taiwan has a total of 235 employees. A summary of the workforce analysis is illustrated below:



Engineers and technical personnel constitute the majority of our workforce, comprising approximately 66%. Their technical expertise and skills are instrumental in supporting our commitment to producing high-quality products and achieving operational efficiency to enhance the production process, minimize wastage, increase productivity, and optimize cost efficiency. Approximately 66% of our workforce falls within the age range of 30 to 50 years. The following provides a detailed overview of the Accurus Scientific Taiwan workforce categorized by employee category, age group, and gender.

Employee Category	2021		2022		2023	
	Pax	%	Pax	%	Pax	%
Top Management	4	2%	4	2%	4	2%
Gender						
Male	4	100%	4	100%	4	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%	0	0%
Above 50 years old	4	100%	4	100%	4	100%
Managerial	7	4%	6	3%	7	3%
Gender						
Male	7	100%	6	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	4	57%	2	33%	3	43%
Above 50 years old	3	43%	4	67%	4	57%
Engineer & Technical Personnel	123*	64%	143	65%	155	66%
Gender						
Male	91	74%	101	71%	109	70%
Female	32*	26%	42	29%	46	30%
Age						
Below 30 years old	33	27%	42	29%	37	24%
30 – 50 years old	83*	67%	91	64%	106	68%
Above 50 years old	7	6%	10	7%	12	8%
Executive, Supervisor & Officer	56*	29%	65	30%	68	29%
Gender						
Male	24	43%	25	38%	28	41%
Female	32*	57%	40	62%	40	59%
Age						
Below 30 years old	5	9%	8	12%	12	18%
30 – 50 years old	43*	77%	47	72%	47	69%
Above 50 years old	8	14%	10	16%	9	13%
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: * Data corrected from 2021 report.

SUSTAINABLE BUSINESS

Employment Practices

Workforce at Accurus Scientific Taiwan (Cont'd)

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

Workforce Analysis		2021		2022		2023	
		Pax	%	Pax	%	Pax	%
Nationality	Taiwanese	190	99%	218	99%	234	99%
	Foreigner	1	1%	1	1%	1	1%
Contract Type	Full time – permanent	191	100%	219	100%	235	100%
	Part time – permanent	0	0%	0	0%	0	0%
	Full time – contract-based	0	0%	0	0%	0	0%
	Part time – contract-based	0	0%	0	0%	0	0%
	Non-guaranteed hours	0	0%	0	0%	0	0%

Employee Turnover at Accurus Scientific Taiwan

Reducing turnover and improving employee retention is crucial for maintaining a stable and productive workforce. For FYE 2023, we have successfully met our turnover rate target and talent retention targets. Our employee base includes a significant number of long serving and loyal employees who have grown alongside the company, witnessing its growth and expansion.

	2021	2022	2023 Target	2023 Performance
Full-time Employees Turnover Rate (%) = $\text{Resign pax} / [(\text{headcount Jan} + \text{headcount Dec}) / 2]$	12%	17%	25%	22%
Retention of Talent Rate (%) = $(\text{Remaining headcount during 31 Dec} \div \text{Headcount at 1 Jan}) \times 100$	91%	95%	90%	92%

We stopped relying on staffing agencies to recruit manpower for our shift-based workforce. Due to limitations and increased competition for talent, we have decided to take over and perform our own recruitment as the preference for permanent employment over contract-based or outsourced employment is a common sentiment among many individuals due to job security and stability.

Accurus Scientific Taiwan's shift-based work nature always has some unique challenges, including high turnover. As the majority of the workforce prefers ordinary and traditional working hours, it is one of the challenges for us to successfully recruit employees who prefer and have lives better suited to shift-based work. This phenomenon is reflected in the increase in our full-time employees' turnover rates in 2023 as we transition from recruiting contract workers from staffing agencies to permanent employments, and these considerations have been taken into account when setting our employee turnover rate target.

In establishing the employee turnover rate target, we meticulously analysed historical turnover rates. Taking into account the need to transition from outsourcing contract production shift workers through staffing agency, we factored in the decision to take over and conduct our own recruitment.

SUSTAINABLE BUSINESS

Employment Practices

Employee Turnover at Accurus Scientific Taiwan (Cont'd)

To address the turnover issue and attract, hire, and retain the right candidates, especially shift-based workers effectively, we employ the following strategies:

- When talking to potential candidates, gauge their familiarity with shift work and whether they have reasonable expectations of this type of employment.
- Encourage open communication, allow candidates to ask questions and engage with HR about how they can make shift employment work for them.

In FYE 2023, the voluntary turnover rate for our full-time employees is recorded at 22%. This signifies a close to 5 percentage point increase compared to the turnover rate reported in FYE 2022, which was 17.6%. The specific number of employees who have left, categorized by employee type, is detailed below:

Employee Category	2021	2022	2023
	Pax	Pax	Pax
Top Management	0	0	0
Managerial	0	0	0
Engineer & Technical Personnel	18	29	39
Executive, Supervisor & Officer	5	6	12
Non-Executive	0	0	0
Total turnover	23	35	51

SUSTAINABLE BUSINESS

Employment Practices

Employee Training and Development

Employee training and development remain central priorities for the Group’s human capital development. The Group's training needs are evaluated through the respective Head of Departments, who consider the results of their team members' Annual Performance Appraisals. In addition, a Training Needs Analysis is conducted to assess the essential competencies and skills possessed by our employees in comparison to those necessary for the Group to realize its vision and business strategies.

The total training hours from Mi Equipment Malaysia and Accurus Scientific Taiwan combined amounted to 3563.79 hours. Elaboration of the training hours and the related training content is as follows.

Mi Equipment Malaysia:

Employee training is carried out via various forms, including on-the-job training, workshops, and seminars covering areas such as management, technical skills, communication, leadership, and soft skills. In FYE 2023, a total of 1956.29 training hours were completed, marking a 41% decrease compared to the previous year (FYE 2022). Training-need-analysis (“TNA”) has always been practised by Mi Equipment Malaysia to determine the gap between the actual and the required knowledge, skills, and abilities for a job. Courses and training are typically given in accordance with the requirements of the job or project. We believed that learning through practical experience is crucial as it enables employees to obtain hands-on experience and immediate feedback by interaction with internal or external stakeholders directly. Our employees also gain knowledge informally through sharing sessions within department or cross-functionally to produce high-quality work.

Training Hours per Employee by Gender and Employee Category		2021			2022			2023		
		Pax	Total Hour	Average Hour	Pax	Total Hour	Average Hour	Pax	Total Hour	Average Hour
Gender	Male	161	2337.65	14.52	114	2332.95	20.46	111	1061	9.56
	Female	83	1410.15	16.99	62	975.03	15.73	63	895.29	14.21
Employee Category	Top Management	5	51.5	10.3	4	16	4	4	32	8
	Managerial	22	362.4	16.47	22	232.30	10.56	23	399	17.35
	Engineer & Technical Personnel	157	2772.85	17.67	101	2376.68	23.53	108	917	8.49
	Executive, Supervisor & Officer	36	340.75	9.47	34	491	14.44	30	608.29	20.28
	Non-Executive	24	220.3	9.18	15	192	12.8	9	0	0
Summary of Training Hours per Year per Employee		2021			2022			2023		
Total Pax		244 pax			176 pax			174 pax		
Total Training Hour		3747.8 hours			3307.98 hours			1956.29 hours		
Average Training Hour/Pax		15.36 hours			18.80 hours			11.24 hours		
Average Training Day/Pax		1.92 days			2.35 days			1.41 days		

Note: The employment of GRI 404 calculation method has unveiled discrepancies between the previous and the current data sets.

SUSTAINABLE BUSINESS

Employment Practices

Employee Training and Development

Accurus Scientific Taiwan:

We emphasize job training because it equips employees with specific skills and knowledge needed to excel in their roles. Employee training is also carried out through activities including on-the-job training, workshops, and seminars covering areas such as management, technical skills, communication, leadership, and soft skills. In FYE 2023, our employees completed a total of 1607.5 training hours, marking a 3.34% decrease compared to the previous year (FYE 2022).

Training Hour per Employee by Gender and Employee Category		2021			2022			2023		
		Pax	Total Hour	Average Hour	Pax	Total Hour	Average Hour	Pax	Total Hour	Average Hour
Gender	Male	126	235.5	1.87	136	1031.5	7.58	148	1131	7.64
	Female	65	109.5	1.68	83	631.5	7.61	87	476.5	5.48
Employee Category	Top Management	4	0	0	4	0	0	4	3	0.75
	Managerial	7	0	0	6	72	12	7	33.5	4.79
	Engineer & Technical Personnel	123	248.5	2.02	143	989.5	6.92	155	795.5	5.13
	Executive, Supervisor & Officer	56	96.5	1.72	65	601.5	9.25	68	771.5	11.35
	Non-Executive	1	0	0	1	0	0	1	4	4
Summary of Training Hour per Year per Employee		2021			2022			2023		
Total Pax		191 pax			219 pax			235 pax		
Total Training Hour		345 hours			1663 hours			1607.5 hours		
Average Training Hour/Pax		1.81 hours			7.59 hours			6.84 hours		
Average Training Day/Pax		0.23 day			0.95 day			0.86 day		

Note: The employment of GRI 404 calculation method has unveiled discrepancies between the previous and the current data sets.

SUSTAINABLE BUSINESS

Employment Practices

Employee Training and Development (Cont'd)

We have thoughtfully selected and curated the following training topics for our employees in Mi Equipment Malaysia and Accurus Scientific Taiwan, tailored to meet their specific needs.

Training Impact	Training Audience	Training Topics	
		Mi Equipment Malaysia	Accurus Scientific Taiwan
Acquire new technical skills, stay updated with the latest technologies, and improve problem-solving abilities.	Engineers, Technical personnel	<ul style="list-style-type: none"> Product Development Engineering Motor Tuning 	<ul style="list-style-type: none"> Sort machine optimization content below 0.15mm In-service education training course for hazardous work supervisors
Develop leadership qualities, such as effective communication, decision-making, conflict resolution	Managerial	<ul style="list-style-type: none"> Effective Communication, Influential and Problem-Solving Skills 21st Century Leadership and Management Skills Costing Essentials for Corporate Executives and Managers 	<ul style="list-style-type: none"> VDA 6.3 Process Audit (2016)
Develop strategic thinking skills, to plan and execute negotiations more effectively	Procurement, Store	<ul style="list-style-type: none"> Procurement Management - Managing Supplier Selection & Negotiation, Sourcing & Tendering Managing Material & Inventory Performances Procurement Cost Management 	<ul style="list-style-type: none"> Conflict minerals education and training
Equips Human Resource ("HR") executives with the skills to develop and implement HR strategies that align with the Company's overall business goals.	HR Executive	<ul style="list-style-type: none"> Managing Discipline and Misconduct, Handling Absenteeism, Problematic Workers And Poor Performance The Employment Act 1955 (amendment 2022), Industrial Relations Act 1967 & other legislation related to employment. Hiring Solutions Training Handling Grievances and Domestic Inquiry 	<ul style="list-style-type: none"> Responsible Business Alliance education and training Labor conditions and occupational safety and health education training
Acquire new skills, knowledge, and competencies relevant to their roles.	Other related employees	<ul style="list-style-type: none"> Microsoft Excel Advanced Level for Strategic Planning Data Analysis & Dashboarding with Microsoft Excel Internal Audit for ISO 9001: 2015 First Aid, CPR & AED Taxation: Moving Forward E-Invoice Switching Preparedness 	<ul style="list-style-type: none"> In-service education training course for hazardous work supervisors

SUSTAINABLE BUSINESS

Employment Practices

Ongoing Engagement with Employees

Employee engagement is integral to forging a mutually supportive bond with our workforce. The Group regularly hosts events and sponsors activities, such as social gatherings, sports events, holiday celebrations, health talks, and more, to enrich our employees' social lives.

We uphold and fully respect our employees' right to freedom of association and collective bargaining, although we do not have any labour unions within our workforce.

Accurus Scientific Taiwan conducts regular employer-employee discussions to address various work-related matters, including but not limited to employee welfare, benefits, policy changes, and operational updates. The employee representatives who participate in these discussions are nominated and elected by the employees through a voting system.

At Mi Equipment Malaysia, we promote and encourage open communication within the workplace. Our employees are encouraged to provide feedback through various communication channels, fostering an environment of transparency and collaboration.

Our engagement efforts encompass various channels tailored to meet individual needs, ensuring employees can enjoy a fulfilling career that harmonizes with their personal lives. The Group's employee engagement channels and platforms include:

- Employee induction program for new hires
- Suggestion box to collect employees' comments and feedbacks
- 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. These 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

SUSTAINABLE BUSINESS

Employee Health and Safety

The Group's Commitment and Health and Safety Policy

The Group is committed to providing a secure, thriving, and healthy working environment for all employees and subcontractors. Besides, health and safety are also a key focus area of the Board Sustainability Committee's oversight of the sustainable business of the Group. We have established health and safety policies that aim to foster a positive and safe work environment. It is mandatory for our operations to adhere to the correct safety and health protocols.

We promote safety and health awareness through various channels such as face-to-face communication, meetings and discussions, memo or poster announcements, safety and health campaigns, employee suggestions box and so on. These interactions are intended to raise employees and subcontractors' awareness of workplace safety and provide them with the necessary information and abilities to uphold a safe and healthy work environment.

A summary of the commitments in our policy for the respective business units is presented as follows:

Mi Equipment Malaysia Health and Safety Policy:

1. Ensuring compliance with relevant Occupational Safety and Health laws, regulations and other requirements and striving to achieve zero accidents.
2. Raising and maintaining the Safety and Health awareness of our employees and related persons through education, participation, consultation, and publicity.
3. Adhering to our commitment towards prevention of injury and ill health and continual improvement in Safety and Health management and performance.

Accurus Scientific Taiwan Environment Health and Safety ("EHS") Policy:

1. To abide by obligations and improve performance of environment and safety. Prevent injury, illness, and pollution effectively as well as provide a legal and safe place for employees.
2. To protect resource and environment as well as reduce environment impact. We commit to continuously improve working environment and EHS management performance.
3. To carry out pollution prevention and prevent disaster risks and control to reduce pollution, eliminate possible hazard risks in workplace.
4. Implement environmental or safety training and fulfill social responsibilities. We integrate EHS concept into training for employees to enhance the recognition of importance of EHS protection to promote zero-disaster.
5. Promote participation, consultation, communication, and interaction by encouraging employees to participate the management policies, establish consultation and communication channels.

SUSTAINABLE BUSINESS

Employee Health and Safety

Safety Performance

The Group monitors its safety performance by tracking accidents, amongst others. Our goals are to achieve zero (0) fatality cases, incident cases and lost time incident cases for employee and sub-contractor.

The following table summarizes the safety performance of Mi Equipment Malaysia and Accurus Scientific Taiwan.

Mi Equipment Malaysia		2021		2022		2023 Target		2023 Performance	
		Case	Rate	Case	Rate	Case	Rate	Case	Rate
Fatality	Employee	0	0	0	0	0	0	0	0
	Sub-contractor	0	0	0	0	0	0	0	0
Incident	Employee	0	0	0	0	0	0	1	0.55
	Sub-contractor	2	3.32	1	1.23	0	0	0	0
Lost time incident	Employee	0	0	0	0	0	0	1	0.55
	Sub-contractor	0	0	0	0	0	0	0	0

Accurus Scientific Taiwan		2021		2022		2023 Target		2023 Performance	
		Case	Rate	Case	Rate	Case	Rate	Case	Rate
Fatality	Employees	0	0	0	0	0	0	0	0
	Sub-contractors	0	0	0	0	0	0	0	0
Incident	Employees	1	0.50	0	0	0	0	1	0.41
	Sub-contractors	0	0	0	0	0	0	0	0
Lost time incident	Employees	0	0	0	0	0	0	1	0.41
	Sub-contractors	0	0	0	0	0	0	0	0

Notes:

1. 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.
2. Incident cases include the number of lost time injuries, restricted work, fatality, first aid and medical treatment cases.
3. 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.
4. 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
5. 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)
6. The 2021 and 2022 figures have been restated as we have separated the calculation for fatality rate, incident rate and lost time incident rate between employees and sub-contractors.
7. All figures rounded up.
8. Please refer to safety performance for our prevention action taken for incidents and lost time incident cases.

SUSTAINABLE BUSINESS

Employee Health and Safety

Safety Performance

The Group is pleased to report that, there were NO fatality case occurred for the past three (3) years reported for Mi Equipment Malaysia and Accurus Scientific Taiwan. However, the Group recorded 1 incident of lost time incident each in Mi Equipment Malaysia and Accurus Scientific Taiwan. EHS personnel had investigated the reported incident, and the case was duly reported via the accident-reporting procedures of the respective business units. Preventive actions were implemented to improve the applicable safety measures to prevent such occurrences from happening again.

Below is the summary of the incident case reported.

Company	Month	Type of Injury	Incident Detail	Preventive Action	Causes Lost Time Incident
Mi Equipment Malaysia	May	Bruise	An employee fell from the motorcycle due to slippery epoxy floor.	Displayed anti-slippery signage and placed anti-slippery bumper.	Yes
Accurus Scientific Taiwan	August	Bone fracture	An employee accidentally tripped over an iron chain while walking.	Remove the iron chains and install notices on site.	Yes

Environment Health & Safety Initiatives and Management

Each business unit appoints dedicated officers, namely the Environment Health & Safety (“EHS”) officers, who are responsible for ensuring the safety measures are compliant with the legal requirements and to protect employee from being exposed to a hazardous working environment. Besides that, we have also established the Emergency Response Team (“ERT”) Committee to discuss matters related to safety and health at the workplace, to report and update safety-related issues, as well as ensuring all pending safety issues are attended to accordingly.

In Mi Equipment Malaysia, we have established Safety & Health Committee (“SHC”) in compliance with the legal requirement of Department of Occupational Safety and Health Malaysia (“DOSH”). The SHC is responsible for reviewing safety and health at the workplace and investigating any complaints or other related matters raised. We have engaged a safety consultant to chair the quarterly SHC meeting to discuss workplace accidents as well as any updates to safety and health laws and regulations.

In Accurus Scientific Taiwan, we have signed a yearly agreement with an accredited hospital to send professional medical personnel to our Company at least four (4) times a month. The medical personnel carry out health management programs for our employees based on the health screening result. They are also responsible for following up with employees on their health conditions and performing health examination analyses for management review.

Hazard Identification Risk Assessment and Risk Control (“HIRARC”)

The purpose of HIRARC is to perform risk assessment to identify hazards and develop measures to eliminate or reduce the risks of these hazards. In FYE 2023, our HIRARC was conducted in April by Mi Equipment Malaysia and in September by Accurus Scientific Taiwan, respectively. The respective person-in-charge assesses the potential risks for all routine and non-routine activities within their scope, inclusive of 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.

SUSTAINABLE BUSINESS

Employee Health and Safety

Safety Inspection Findings

For Occupational Health & Safety, we take all the required precautions in line with local standards and regulations to protect employees from potential harm. Every month, active walk-around inspections are conducted to verify that all safety controls are operating as intended and that pertinent EHS protocols are being followed. The results of these inspections and the relevant reports and minutes of the meeting are reviewed by the Management. Moreover, Accurus Scientific Taiwan is certified with ISO-45001:2018 Occupational Health and Safety Management Systems. Below are the EHS inspection and risk assessment carried out during FYE 2023:

Month	Safety Inspection Findings	Solution	Status
Mi Equipment Malaysia			
January – December	Bi-monthly 6S Audit on: <ul style="list-style-type: none"> - Cable tidiness - Walkways free of obligation 	Respective person-in-charge to do inspection on workplace cleanliness and to submit reports following with memo blast out for awareness-raising purpose as safety is everyone’s responsibility. It also leads to employees taking up the responsibility to ensure that we are in a clean, tidy as well as safe work environment. A good 6S practice and principle helps in building a good image of the company and is key for work efficiency.	Resolved
Accurus Scientific Taiwan			
January	The guard of the grinding wheel cutting machine is damaged.	New purchase and replacement.	Resolved
February	Chemical workplaces should have regulations prohibiting eating and smoking.	Set up a notice board.	Resolved
March	The insulation of the welding machine line at the work site was damaged.	Replaced with new wires.	Resolved
April	The alcohol bottle was not placed on the serving plate after use.	To inform related department managers and educate the employees.	Resolved
May	A melted socket was found which may lead to the risk of wire fire.	Replaced with a new socket.	Resolved
July	Warehouse material rack pallet was obviously damaged and there may be a risk of collapse.	Replace with new pallet immediately.	Resolved
September	The acetylene gas cylinder lines have deteriorated and may pose a risk of gas leakage.	Update gas lines immediately.	Resolved
October	Personnel did not wear proper PPE when operating high-temperature furnaces and may pose a risk of burns.	Strengthen the regulation of wearing PPE through education and training.	Resolved
November	The regional SDS data for chemicals (ethanol) used was out of date.	Update the SDS file in the workplace promptly.	Resolved
December	Absent of pans usage for chemical operations in the production area and may pose a risk of leakage.	Purchase and use a new serving platter.	Resolved

SUSTAINABLE BUSINESS

Employee Health and Safety

Health and Safety Training Program

We provide on-going safety and health training to equip our employees with the ability and awareness needed to prevent accidents and respond to emergencies. The following table summarizes the health and safety training topics attended by our employees from Mi Equipment Malaysia and Accurus Scientific Taiwan in FYE 2023.

Training Topic	Month	Number of staff trained	Target Audience
Mi Equipment Malaysia			
Safety and health training	February, May, September	21	New hired
Walkie-talkie usage and functionality training	March	14	ERT members
In-house first aid and Cardiopulmonary Resuscitation (“CPR”) training	September	20	ERT members and employee
ERT training at the Fire and Rescue Department of Malaysia	October	15	ERT members
Fire Drill Training	December	130	All employees
Total Number of Staff Trained:		200	
Accurus Scientific Taiwan			
TSMC only contact window policy training	January	10	Employees
Conflict minerals general education and training	January	29	EHS & Purchasing Team
Business Continuity Plan (“BCP”) education and training	January	29	Employees
Responsible Business Alliance Training	January	29	Employees
Personal Protective Equipment (“PPE”) operation training	February, March, April	51	Employees
On-the-job safety and health education and training	April	17	Employees
Health promotion management training	April, May	26	Employees
Disaster prevention training	June	16	Employees
Safety and health education and training	June, September, December	47	New hired
ISO internal auditor training	October	15	Employees
Occupational Safety and Health Committee personnel training.	November	12	Employees
Education and training related to unlawful infringement prevention.	December	28	Employees
Disaster prevention training (H2)	December	35	Employees
Total Number of Staff Trained:		344	

SUSTAINABLE BUSINESS

Employee Health and Safety

Internal EHS Audit and Verification:

The following are the EHS management system activities conducted at Mi Equipment Malaysia and Accurus Scientific Taiwan, as overseen by the respective EHS officers in FYE 2023.

EHS Management System Activities	Objective	Frequency	Mi Equipment Malaysia	Accurus Scientific Taiwan
Fire alarm, fire extinguisher and lift inspection and maintenance	To ensure the fire safety system and building lifts are functional.	Monthly	✓	✓
First aid kit inspection	To ensure the first aid kit is in good condition for situations requiring first aid.	Bi-monthly	✓	✓
Management of dangerous and hazardous substances	To ensure proper use, handling and storage practices and procedures.	Monthly	-	✓
Safety and Health Regulations Review	To ensure our safety and health is in compliance with regulations.	Monthly	-	✓
Management of Personal Protective Equipment	To minimize exposure to hazards that cause serious workplace injuries and illnesses.	Monthly	-	✓
Annual fire drill	To ensure employees are familiar with the proper evacuation routes and evacuate safely in an orderly manner.	Annually	✓	✓
Emergency response management	To confirm employees are well trained in accident and disaster handling.	Half-yearly	-	✓

EHS Management System Activities that Require External Party Verification and Certification:

EHS Management System Activities	Objective	Frequency	Mi Equipment Malaysia	Accurus Scientific Taiwan
Renewal of Fire Certificate	Fire and Rescue Department to issue Fire Certificate to ensure that the buildings are safe to be occupied.	Annually	✓	✓
ERT Certificate training	ERT team to undergo training to become qualified members to handle different types of emergencies.	Bi-annually	✓	-
Inspection of machinery, equipment, and appliances	Verified third-party checks on machinery and equipment regularly to ensure safety when are in use.	Monthly	-	✓
Environmental monitoring system inspection & calibration	Verified third-party checks to maintain accuracy, standardization, and repeatability in measurements.	Bi-annually	-	✓

SUSTAINABLE BUSINESS

Employee Health and Safety

Health & Safety Campaign

An overview of our health campaigns in Mi Equipment Malaysia and Accurus Scientific Taiwan conducted during FYE 2023 are as follows:

Mi Equipment Malaysia

Health Talk & Fire Prevention Event April 2023

A Health Talk event organized with the topic of “Stress Management & Workplace Healthy Lifestyle” attended by 109 employees. To equip employee with firefighting skills, EHS Team collaborated with Fire Preventors’ Society to conduct “Fire Prevention Awareness Talk”.



Mi Health Day July 2023

Mi Health day intended to raise awareness of employee about common health problem and encourage blood donation to help save lives. 95 employees attended either blood donation, eyes screening or health screening booth.



Accurus Scientific Taiwan

Health Seminar April & May 2023

EHS team organized a Health Seminar namely “Understand Metabolism and Three High Diseases” given employees an opportunity to learn how to eat correctly and have a healthy lifestyle. 26 employees attended the seminar.



Health Screening November 2023

EHS team organized a health screening with a participation of 233 employees in collaboration with Sinlau Christian Hospital to provide health screening for employees. Consultation was given to employee to maintain healthy lifestyle.

