



## **Mi TECHNOVATION BERHAD**

(Company No. 201701021661(1235827-D))

(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 September 2024

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income<sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30-Sep-2024	30-Sep-2023	30-Sep-2024	30-Sep-2023
	RM '000	RM '000	RM '000	RM '000
<b>Revenue</b>	117,715	98,448	352,023	259,346
Operating expenses	(91,314)	(78,629)	(270,186)	(215,288)
Depreciation and amortisation	(6,109)	(6,301)	(19,134)	(19,006)
Non-operating (loss)/income	(24,294)	7,742	(2,090)	27,658
Finance costs	(342)	(390)	(1,089)	(1,391)
<b>(Loss)/profit before tax</b>	<u>(4,344)</u>	<u>20,870</u>	<u>59,524</u>	<u>51,319</u>
Tax expense	(3,038)	(7,279)	(13,453)	(10,624)
<b>Net (loss)/profit for the financial period</b>	<u>(7,382)</u>	<u>13,591</u>	<u>46,071</u>	<u>40,695</u>
<b>Other comprehensive (loss)/income, net of tax:</b>				
<b>Items that may be subsequently reclassified to profit or loss</b>				
Foreign currency translations	(38,443)	(3,379)	(42,646)	3,358
Remeasurements of defined benefit obligations	(850)	-	(850)	-
<b>Total comprehensive (loss)/income</b>	<u>(46,675)</u>	<u>10,212</u>	<u>2,575</u>	<u>44,053</u>
<b>Net (Loss)/profit attributable to:</b>				
Owners of the parent	(7,199)	14,158	47,172	43,288
Non-controlling interests	(183)	(567)	(1,101)	(2,593)
	<u>(7,382)</u>	<u>13,591</u>	<u>46,071</u>	<u>40,695</u>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the parent	(46,601)	10,752	3,536	46,732
Non-controlling interests	(74)	(540)	(961)	(2,679)
	<u>(46,675)</u>	<u>10,212</u>	<u>2,575</u>	<u>44,053</u>
<b>Earnings per share attributable to owners of the parent:</b>				
Basic (sen) <sup>(2)</sup>	<u>(0.80)</u>	<u>1.58</u>	<u>5.28</u>	<u>4.83</u>
Diluted (sen) <sup>(2)</sup>	<u>(0.80)</u>	<u>1.58</u>	<u>5.27</u>	<u>4.83</u>

Notes:

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

**Unaudited Condensed Consolidated Statement of Financial Position <sup>(1)</sup>**

	<b>Unaudited As at 30-Sep-2024 RM'000</b>	<b>Audited As at 31-Dec-2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	174,135	195,978
Right-of-use assets	29,441	34,044
Investment properties	43,292	34,324
Intangible assets	74,056	78,352
Investment in associate	59,413	40,938
Goodwill on consolidation	120,635	120,635
Deferred tax assets	9,121	10,357
Lease receivable	3,109	3,597
Defined benefit asset	41	2,771
<b>Total non-current assets</b>	<b>513,243</b>	<b>520,996</b>
<b>Current assets</b>		
Inventories	156,151	130,626
Trade and other receivables	159,404	144,923
Lease receivable	1,547	1,416
Current tax assets	1,037	1,193
Short term funds <sup>(2)</sup>	71,933	98,174
Cash and bank balances	256,196	324,554
<b>Total current assets</b>	<b>646,268</b>	<b>700,886</b>
<b>TOTAL ASSETS</b>	<b>1,159,511</b>	<b>1,221,882</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	855,459	855,459
Treasury shares	(11,000)	(9,561)
Reserves	192,462	229,124
	1,036,921	1,075,022
Non-controlling interests	(1,286)	(325)
<b>TOTAL EQUITY</b>	<b>1,035,635</b>	<b>1,074,697</b>

**Unaudited Condensed Consolidated Statement of Financial Position <sup>(1)</sup> (Cont'd)**

	<b>Unaudited As at 30-Sep-2024 RM'000</b>	<b>Audited As at 31-Dec-2023 RM'000</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	16,814	18,432
Government grants	3,104	3,549
Provisions	3,550	1,782
Lease liabilities	12,671	16,362
Deferred tax liabilities	16,110	16,809
<b>Total non-current liabilities</b>	<u>52,249</u>	<u>56,934</u>
<b>Current liabilities</b>		
Trade and other payables	48,718	50,125
Contract liabilities	5,858	6,846
Borrowings	7,069	17,916
Government grants	191	208
Provisions	2,180	2,732
Lease liabilities	2,842	2,679
Current tax liabilities	4,769	9,745
<b>Total current liabilities</b>	<u>71,627</u>	<u>90,251</u>
<b>TOTAL LIABILITIES</b>	<u>123,876</u>	<u>147,185</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,159,511</u>	<u>1,221,882</u>
Net asset per share (RM)	<u>1.16</u>	<u>1.20</u>

Notes:

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

	<b>30-Sep-2024 RM'000</b>	<b>31-Dec-2023 RM'000</b>
<b>Short term funds</b>		
Money market funds	71,933	98,174
	<u>71,933</u>	<u>98,174</u>

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**Unaudited Condensed Consolidated Statement of Changes in Equity <sup>(1)</sup>**

	←			Non-distributable			→		Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Legal reserve RM'000	Share grant reserve RM'000	Exchange translation reserve RM'000	Reorganisation debit reserve RM'000	Distributable Retained earnings RM'000	Non-controlling interests RM'000	
Balance as at 1 January 2024	855,459	(9,561)	8,158	1,969	2,188	(63,558)	280,367	(325)	1,074,697
Profit for the financial period	-	-	-	-	-	-	47,172	(1,101)	46,071
Other comprehensive income, net of tax	-	-	-	-	(42,786)	-	(850)	140	(43,496)
Share grant scheme ("SGS") expenses	-	-	-	530	-	-	-	-	530
Share vested under SGS	-	522	-	(1,155)	-	-	633	-	-
Transfer to legal reserve	-	-	2,292	-	-	-	(2,292)	-	-
Dividends paid	-	-	-	-	-	-	(40,206)	-	(40,206)
Purchase of treasury share	-	(1,961)	-	-	-	-	-	-	(1,961)
<b>Balance as at 30 September 2024</b>	<b>855,459</b>	<b>(11,000)</b>	<b>10,450</b>	<b>1,344</b>	<b>(40,598)</b>	<b>(63,558)</b>	<b>284,824</b>	<b>(1,286)</b>	<b>1,035,635</b>
Balance as at 1 January 2023	855,459	(4,700)	5,001	3,072	(9,840)	(63,558)	267,675	(4,434)	1,048,675
Profit for the financial period	-	-	-	-	-	-	43,288	(2,593)	40,695
Other comprehensive income, net of tax	-	-	-	-	3,444	-	-	(86)	3,358
Share grant scheme ("SGS") expenses	-	-	-	1,460	-	-	-	-	1,460
Share vested under SGS	-	965	-	(2,311)	-	-	1,346	-	-
Transfer to legal reserve	-	-	3,157	-	-	-	(3,157)	-	-
Dividends paid	-	-	-	-	-	-	(35,814)	-	(35,814)
Purchase of treasury share	-	(4,271)	-	-	-	-	-	-	(4,271)
Acquisition of equity interest of non-controlling interest	-	-	-	-	(86)	-	-	1,930	1,844
Accretion of equity interest of a subsidiary	-	-	-	-	-	-	(4,706)	4,706	-
<b>Balance as at 30 September 2023</b>	<b>855,459</b>	<b>(8,006)</b>	<b>8,158</b>	<b>2,221</b>	<b>(6,482)</b>	<b>(63,558)</b>	<b>268,632</b>	<b>(477)</b>	<b>1,055,947</b>

Note:

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

**Unaudited Condensed Consolidated Statement of Cash Flows <sup>(1)</sup>**

	9 months ended 30-Sep-2024 RM '000	9 months ended 30-Sep-2023 RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	59,524	51,319
Adjustments for:		
Amortisation of intangible assets	4,311	5,050
Depreciation of property, plant and equipment	10,349	11,285
Depreciation of right-of-use assets	3,821	2,189
Depreciation of investment properties	653	482
Interest expense	1,088	1,378
Impairment loss on trade receivables	270	270
Defined benefit expenses	399	169
Interest income	(10,277)	(7,907)
Inventories written down	135	720
Loss/(Gain) on disposal of property, plant and equipment	180	(1,355)
Property, plant and equipment written off	-	1,323
Provision for warranty replacement costs	2,837	1,713
Reversal of impairment loss on trade receivables	(4)	-
Reversal of inventories written down	(564)	(2,010)
Reversal of provision for warranty replacement costs	(960)	(1,284)
Share grant expenses	530	1,460
Share of result of an associate, net of tax	(30)	1,639
Unrealised loss/(gain) on foreign exchange	20,108	(15,398)
Operating profit before changes in working capital	92,370	51,043
(Increase)/Decrease in inventories	(24,973)	15,104
Increase in trade and other receivables	(29,899)	(547)
Decrease in trade and other payables	(1,164)	(14,236)
(Decrease)/increase in contract liabilities	(987)	708
Cash generated from operations	35,347	52,072
Lease payment received	466	236
Defined benefit paid	(660)	(461)
Defined benefit refund received	539	-
Warranty paid	(590)	(197)
Tax paid	(18,908)	(17,008)
Net cash from operating activities	16,194	34,642

**Unaudited Condensed Consolidated Statement of Cash Flows <sup>(1)</sup> (Cont'd)**

	9 months ended 30-Sep-2024 RM '000	9 months ended 30-Sep-2023 RM '000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of interests in associate	(21,135)	(14,946)
Net proceeds of shares from non-controlling interest	-	1,930
Interest received	10,168	7,793
Proceeds from disposal of property, plant and equipment	5,294	27,110
Purchase of intangible asset	(180)	(211)
Purchase of property, plant and equipment	(17,203)	(888)
Reversal of defined benefit plan	1,769	-
Net cash (used in)/from investing activities	<u>(21,287)</u>	<u>20,788</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(40,206)	(35,814)
Interest paid	(1,088)	(1,249)
Drawdown of borrowings	14,684	42,057
Repayment of borrowings	(23,362)	(87,432)
Payment of lease liabilities	(3,332)	(2,169)
Repurchase of treasury shares	(1,960)	(4,271)
Withdrawn of deposits pledged to a licensed bank	-	131
Net cash used in financing activities	<u>(55,264)</u>	<u>(88,747)</u>
Net decrease in cash and cash equivalents	(60,357)	(33,317)
Effect on foreign exchange rates changes	(34,242)	9,741
<b>Cash and cash equivalents at beginning of financial period</b>	422,728	418,395
<b>Cash and cash equivalents at end of financial period</b>	<u>328,129</u>	<u>394,819</u>
<b>Cash and cash equivalents at end of financial period comprises:</b>		
Cash and bank balances	255,266	287,525
Money market funds	71,933	107,294
Deposits with a licensed bank	930	-
	<u>328,129</u>	<u>394,819</u>

Notes:

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

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

### A1. Basis of Preparation

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

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

### A2. Material Accounting Policies

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

#### a) New MFRSs adopted during the financial year

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

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

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



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

**A2. Material Accounting Policies (Cont'd)**

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

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

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

**A3. Auditors' Report**

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

**A4. Seasonal or Cyclical Factors**

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

**A5. Material Unusual Items**

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

**A6. Material Changes in Estimates**

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

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

**A7. Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and equity securities during the current quarter under review except for the repurchase and transfer of treasury shares. The details of the shares held as treasury shares for the financial period ended 30 September 2024 were as follows:

	<b>Number of Treasury Shares ('000)</b>	<b>Total Cost Consideration RM'000</b>
Balance as at 1 January 2024	6,414	9,561
Repurchased during the financial period	1,036	1,961
Transferred during the financial period	(350)	(522)
Balance as at 30 September 2024	7,100	11,000

**A8. Dividends Paid**

Dividend paid during current quarter under review are as follows:

- a) A first single-tier dividend of 2.5 sen per ordinary shares amounting to RM22.33 million in respect of the financial year ended 31 December 2024 was paid on 18 September 2024.

**A9. Segment Information**

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

The major reportable segments of the Group are as follows:

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

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

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

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

**A9. Segment Information (cont'd)**

**(b) Semiconductor Material Business Unit (“SMBU”)**

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

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

**(c) Semiconductor Solution Business Unit (“SSBU”)**

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

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

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

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

**A9. Segment Information (cont'd)**

Results for the financial period ended 30 September 2024<sup>(1)</sup>

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
Revenue from external customers	195,947	153,173	2,903	-	-	352,023
Inter-segment revenue	-	-	-	2,932	(2,932)	-
<b>Total revenue</b>	<b>195,947</b>	<b>153,173</b>	<b>2,903</b>	<b>2,932</b>	<b>(2,932)</b>	<b>352,023</b>
Interest income	3,197	324	2,395	4,361	-	10,277
Interest expense	(1,382)	(611)	(276)	(72)	1,253	(1,088)
Net interest income/(expense)	<b>1,815</b>	<b>(287)</b>	<b>2,119</b>	<b>4,289</b>	<b>1,253</b>	<b>9,189</b>
Share of result of an associate						30
<b>Segment profit/(loss) before tax</b>	<b>25,885</b>	<b>39,779</b>	<b>(3,528)</b>	<b>435</b>	<b>(3,047)</b>	<b>59,524</b>
Tax expense						(13,453)
<b>Other material non-cash items:</b>						
- Depreciation of property, plant and equipment	(4,083)	(5,993)	(75)	(198)	-	(10,349)
- Depreciation of right-of-use assets	(1,766)	(52)	(1,211)	(792)	-	(3,821)
- Depreciation of investment properties	(482)	-	-	(171)	-	(653)
- Amortisation of intangible assets	(984)	(3,196)	-	(131)	-	(4,311)
- Inventories written down	-	(135)	-	-	-	(135)
- Reversal of inventories written down	-	564	-	-	-	564
- Unrealised (loss)/gain on foreign exchange	(18,854)	1,379	(708)	(1,925)	-	(20,108)
- Provision for warranty replacement costs	(2,837)	-	-	-	-	(2,837)
- Reversal of provision for warranty replacement costs	960	-	-	-	-	960

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

**A9. Segment Information (cont'd)**

Results for the financial period ended 30 September 2024<sup>(1)</sup> (cont'd)

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
<b>Assets</b>						
Segment assets	325,216	372,454	21,638	49,438	(6,976)	761,770
Investment in associate						59,413
Deferred tax assets						9,121
Defined benefit asset						41
Current tax assets						1,037
Short term funds						71,933
Cash and bank balances						256,196
						<u>1,159,511</u>
<b>Liabilities</b>						
Segment liabilities	84,841	41,262	6,429	3,818	(33,353)	102,997
Deferred tax liabilities						16,110
Current tax liabilities						4,769
						<u>123,876</u>

Notes:

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

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

**A9. Segment Information (cont'd)**

Results for the financial period ended 30 September 2023 <sup>(1)</sup>

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
Revenue from external customers	131,535	127,811	-	-	-	259,346
Inter-segment revenue	-	-	-	41,201	(41,201)	-
<b>Total revenue</b>	<b>131,535</b>	<b>127,811</b>	<b>-</b>	<b>41,201</b>	<b>(41,201)</b>	<b>259,346</b>
Interest income	1,682	220	-	6,005	-	7,907
Interest expense	(3,049)	(1,001)	-	(97)	2,769	(1,378)
Net interest (expense)/income	(1,367)	(781)	-	5,908	2,769	6,529
Share of results of an associate						(1,639)
<b>Segment profit/(loss) before tax</b>	<b>23,434</b>	<b>20,120</b>	<b>-</b>	<b>11,628</b>	<b>(3,863)</b>	<b>51,319</b>
Tax expense						(10,624)
<b>Other material non-cash items:</b>						
- Depreciation of property, plant and equipment	(5,058)	(6,037)	-	(280)	90	(11,285)
- Depreciation of right-of-use assets	(1,413)	(65)	-	(711)	-	(2,189)
- Depreciation of investment properties	(482)	-	-	-	-	(482)
- Amortisation of intangible assets	(1,496)	(3,423)	-	(131)	-	(5,050)
- Inventories written down	(720)	-	-	-	-	(720)
- Unrealised gain on foreign exchange	6,189	2,485	-	6,724	-	15,398
- Provision for warranty replacement costs	(1,713)	-	-	-	-	(1,713)
- Reversal of provision for warranty replacement costs	1,284	-	-	-	-	1,284

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

**A9. Segment Information (cont'd)**

Results for the financial period ended 30 September 2023 <sup>(1)</sup> (cont'd)

	SEBU RM '000	SMBU RM '000	SSBU RM '000	Others RM '000	Adjustment RM '000	Consolidated RM '000
<b>Assets</b>						
Segment assets	322,914	377,953	-	98,646	(55,979)	743,534
Investment in an associate						38,836
Deferred tax assets						7,598
Defined benefit asset						2,812
Current tax assets						501
Short term funds						107,294
Cash and bank balances						287,525
						<u>1,188,100</u>
<b>Liabilities</b>						
Segment liabilities	130,016	57,508	-	4,000	(81,911)	109,613
Deferred tax liabilities						16,537
Current tax liabilities						6,003
						<u>132,153</u>

Notes:

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

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

**A10. Material Events Subsequent to the end of the Quarter**

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

**A11. Changes in the Composition of the Group**

Investment in an associated company

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

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

Voluntary liquidation of dormant subsidiary

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

The financial result of the abovementioned subsidiaries and associated company is insignificant and will not have any material impact on the earnings and net assets of the Group for the financial period ended 30 September 2024.

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

**A12. Contingent Liabilities and Contingent Assets**

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



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

**A13. Material Capital Commitment**

Save as disclosed below, as of 30 September 2024, the Group does not have any material capital commitment:

	RM'000
Material capital expenditure in respect of purchase of property, plant and equipment:	
- Approved but not contracted for	8,875
- Contracted but not provided for	9,844
	18,719

**A14. Significant Related Party Transactions**

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

**A15. Fair Value of Financial Liabilities**

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

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

**B1. Review of Performance**

**Individual Quarter:**

**Comparison with corresponding quarter in previous financial year (Q3 2024 vs Q3 2023)**

	INDIVIDUAL QUARTER 3 months ended		Changes	
	30-Sep-2024 RM'000	30-Sep-2023 RM'000	RM'000	%
Revenue	117,715	98,448	19,267	19.6%
(Loss)/Profit before tax	(4,344)	20,870	(25,214)	-120.8%
(L)/PBT Margin	-3.7%	21.2%		
Net (loss)/profit attributable to owners of the parent	(7,199)	14,158	(21,357)	-150.8%
Net (loss)/profit margin	-6.1%	14.4%		
Diluted earnings per share (sen)	(0.80)	1.58	(2.38)	-150.7%

The Group recorded a revenue of RM117.7 million for the current quarter, an increase of 19.6% year-on-year.

SEBU contributed RM62.7 million to the Group's top line during the current quarter, representing 53.3% of total revenue. The revenue increased by 22.7% from RM51.1 million last year due to an increase in machine deliveries especially in Taiwan and Southeast Asia markets.

SMBU contributed RM55.0 million to the Group's top line during the current quarter, representing 46.7% of total revenue. The revenue increased by 16.3% from RM47.3 million last year due to sustainable demand especially in Taiwan and China market.

SSBU recorded a lower revenue of RM61 thousand during the current quarter.

The Group experienced a loss before tax of RM4.3 million and a net loss of RM7.2 million for the current quarter respectively. This loss was primarily caused by a huge unfavorable foreign exchange loss in the current quarter.

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

**B1. Review of Performance (cont'd)**

**Cumulative Quarter: Comparison with preceding financial period (9M 2024 vs 9M 2023)**

	CUMULATIVE QUARTER 9 months ended		Changes	
	30-Sep-2024 RM'000	30-Sep-2023 RM'000	RM'000	%
Revenue	352,023	259,346	92,677	35.7%
Profit before tax	59,524	51,319	8,205	16.0%
PBT Margin	16.9%	19.8%		
Net profit attributable to owners of the parent	47,172	43,288	3,884	9.0%
Net profit margin	13.4%	16.7%		
Diluted earnings per share (sen)	5.27	4.83	0.44	9.1%

The Group recorded a revenue of RM352.0 million for the current financial period ended 30 September 2024, which shows an increase by 35.7% from RM259.3 million in the previous year. The increase is in comparison to a lower revenue base in the previous year.

Accordingly, the Group achieved a profit before tax (PBT) of RM59.5 million for the cumulative 9 months' period, an increase of 16% from the previous year.

The Group's net profit attributable to owners of the parent ("Net Profit") for the cumulative 9 months' period closed at RM47.2 million, showing an increase by 9.0% from the previous year. This resulted in the Group's Diluted EPS up by 9% to 5.27 sen in the cumulative 9 months' period.

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

**B2. Comparison with Immediate Preceding Quarter (Q3 2024 vs Q2 2024)**

	INDIVIDUAL QUARTER 3 months ended		Changes	
	30-Sep-2024	30-Jun-2024	RM'000	%
	RM'000	RM'000		
Revenue	117,715	127,183	(9,468)	-7.4%
(Loss)/profit before tax	(4,344)	33,096	(37,440)	-113.1%
(L)/PBT Margin	-3.7%	26.0%		
Net (loss)/profit attributable to owners of the parent	(7,199)	27,577	(34,776)	-126.1%
Net (loss)/profit margin	-6.1%	21.7%		
Diluted Earnings per share (sen)	(0.80)	3.08	(3.88)	-126.1%

The Group recorded a lower revenue of RM117.7 million as compared to RM127.2 million in the previous quarter, a decrease of 7.4%.

SEBU posted a 12.9% decrease in revenue to RM62.7 million from RM72.0 million the previous quarter. SMBU posted a 5.0% increase in revenue to 55.0 million from RM52.4 million the previous quarter. SSBU recorded a lower revenue of RM61 thousand during the current quarter.

The Group experienced a loss before tax of RM4.3 million and a net loss of RM7.2 million for the current quarter respectively. This loss was primarily caused by a huge unfavorable foreign exchange loss in the current quarter.

**B3. Prospects for the Financial Year Ending 31 December 2024**

The Group expect a double-digit revenue growth for both SEBU and SMBU in FY2024, while SSBU will complete its first phase of talent recruitment as well as the establishment of laboratories and testing departments in FY2024. The sample of the first-generation products had been delivered to customer for qualification and the current progress of SSBU is in line with the Group's progress plan.

Following the stellar growth in Malaysia's gross domestic product (GDP) in the third quarter of 2024 and the continued substantial foreign investments, the Group foresee that the ringgit could further strengthen by the end of the fourth quarter of 2024. Consequently, the Board foresee that the Group's PAT for FY2024 will be under pressure from both the unrealized foreign currency losses and higher R&D expenditures. To address these, the Group continue implementing action plans including forward hedging to mitigate foreign exchange risks effectively.

Barring any unforeseen circumstances, the Board maintains a cautious and conservative attitude towards the Group's PAT for FY2024.

**B4. Profit Forecast**

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

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

**B5. Taxation**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30-Sep-2024	30-Sep-2023	30-Sep-2024	30-Sep-2023
	RM '000	RM '000	RM '000	RM '000
Tax Expense (RM'000)	3,085	3,793	12,387	7,313
Deferred Tax (RM'000)	(211)	(212)	(635)	(635)
Withholding Tax (RM'000)	164	3,698	1,701	3,946
<b>Total (RM'000)</b>	<b>3,038</b>	<b>7,279</b>	<b>13,453</b>	<b>10,624</b>
Effective Tax Rate (%)	(69.9)	34.9	22.6	20.7
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The Group's effective tax rate for the current period and cumulative quarter under review remains below the statutory tax rate of 24%. This is mainly due to the relatively lower statutory tax rate of overseas subsidiaries, primarily Accurus Scientific Co. Ltd. The current provision of income tax includes the tax expenses in relation to certain non-business income and non-tax-exempted income. There was a withholding tax payment amounting RM1.25 million in relation to the dividend received from our Taiwan subsidiary in the current quarter, which represents a 12.5% withholding tax on the gross dividend received.

Mi Equipment (M) Sdn. Bhd. was granted pioneer status for its promoted principal activities, the statutory income of which is 100% tax-exempted for a total period of 10 years. The extended 5-year pioneer period expired on 17 January 2024. A new application for tax incentive as submitted by Mi Equipment (M) Sdn. Bhd. is currently under the final review stage by Malaysian Investment Development Authority ("MIDA") as at the date of this interim financial report.

**B6. Status of Corporate Proposals**

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

**B7. Utilization of Proceeds from the Private Placement**

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

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

**B8. Group Borrowings and Debt Securities**

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

	Unaudited As at 30-Sep-2024 RM '000	Unaudited As at 30-Sep-2023 RM '000
<u>Borrowings (Secured)</u>		
Short term portion	7,069	13,967
Long term portion	16,814	27,851
Total	23,883	41,818

The Group's borrowings comprise the following:

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

**B9. Material Litigation**

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

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

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

**B9. Material Litigation (cont'd)**

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

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

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

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

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

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

In response to the Application, the four (4) parties filed three separate applications to set aside the order the High Court granting the Leave Order. These applications were also called up for hearing on 25 April 2024. After considering the written submissions and oral submissions of counsel for the parties, the High Court dismissed the three (3) applications filed by the four (4) parties to set aside the Leave Order, as well as the Companies’ application for committal, both with no orders as to costs.

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

**B9. Material Litigation (cont'd)**

(b) (cont'd)

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

The High Court set down the matter for Case Management before the Deputy Registrar on 15 July 2024, 26 August 2024 and 25 October 2024 respectively. The parties updated the Court that the analysis exercise is still being carried out. Hence, the Court fixed the next case management on 20 December 2024 for parties to update on the status of the analysis exercise.

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

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

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

**B10. Dividend Declared**

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

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



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

**B11. Earnings Per Share (“EPS”)**

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

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 9 months ended	
	30-Sep-2024	30-Sep-2023	30-Sep-2024	30-Sep-2023
Net (loss)/profit attributable to owners of the parent (RM'000)	(7,199)	14,158	47,172	43,288
Weighted average number of ordinary shares in issue ('000)	894,659	895,458	893,951	895,365
Adjusted weighted average no. of ordinary shares in issue ('000)	896,278	896,730	894,532	896,637
Basic EPS (sen) <sup>(1)</sup>	(0.80)	1.58	5.28	4.83
Diluted EPS (sen) <sup>(2)</sup>	(0.80)	1.58	5.27	4.83

Notes:

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

**B12. Profit Before Tax**

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

	INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 9 months ended	
	30-Sep-2024 RM '000	30-Sep-2023 RM '000	30-Sep-2024 RM '000	30-Sep-2023 RM '000
Interest income	(2,983)	(2,490)	(10,277)	(7,907)
Interest expense	341	386	1,088	1,378
Amortisation of intangible asset	1,336	1,692	4,311	5,050
Depreciation of property, plant and equipment	3,276	3,687	10,349	11,285
Depreciation of right-of-use asset	1,281	761	3,821	2,189
Depreciation of investment properties	216	161	653	482
Realised loss/(gain) on foreign exchange	1,110	(2,773)	(2,448)	(2,713)
Unrealised loss/(gain) on foreign exchange	28,387	(88)	20,108	(15,398)

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

**BY ORDER OF THE BOARD**  
**20 November 2024**