

GENERAL ANNOUNCEMENT::UPDATE ON THE RELEASE OF FINAL ESCROW AMOUNT ARISING FROM DISPOSAL OF MIT SEMICONDUCTOR PTE. LTD.

Issuer & Securities

Issuer/ Manager

MANUFACTURING INTEGRATION TECHNOLOGY LTD.

Securities

MFG INTEGRATION TECHNOLOGY LTD - SG1H45875967 - M11

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

24-Aug-2020 18:26:10

Status

New

Announcement Sub Title

UPDATE ON THE RELEASE OF FINAL ESCROW AMOUNT ARISING FROM DISPOSAL OF MIT SEMICONDUCTOR PTE. LTD.

Announcement Reference

SG200824OTHRG749

Submitted By (Co./ Ind. Name)

Lim Chin Hong

Designation

Executive Director and Chief Executive Officer

Description (Please provide a detailed description of the event in the box below)

UPDATE ON THE RELEASE OF THE FINAL ESCROW AMOUNT ARISING FROM THE DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF MIT SEMICONDUCTOR PTE. LTD.

Please see attached.

Attachments

[Announcement Final Escrow Payment.pdf](#)

Total size =75K MB

MANUFACTURING INTEGRATION TECHNOLOGY LTD.

(Company Registration Number 199200075N)

(Incorporated in the Republic of Singapore)

UPDATE ON THE RELEASE OF THE FINAL ESCROW AMOUNT ARISING FROM THE DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF MIT SEMICONDUCTOR PTE. LTD.

1. Introduction

The Board of Directors (the “**Board**”) of Manufacturing Integration Technology Ltd. (the “**Company**”) refers to the following:

- (a) its circular to shareholders dated 2 January 2019 (the “**Circular**”) in relation to the disposal by the Company to MIT Semiconductor (Tian Jin) Company Limited (砺铸智能设备(天津)有限公司) (the “**New Purchaser**”) of the entire issued and paid-up share capital of MIT Semiconductor Pte. Ltd. at a cash consideration of up to S\$84,500,000, subject to the agreed adjustments, if any, to be made (the “**Disposal**”);
- (b) its announcement dated 20 February 2019 in relation to the completion of the Disposal and that the Actual Sale Price for the Disposal was S\$84,500,000 (the “**Completion Announcement**”). It was also disclosed in the Completion Announcement that the Company had received 80% of the Actual Sale Price amounting to S\$67,600,000 and that the balance 20% of the Actual Sale Price amounting to S\$16,900,000 (the “**Escrow Amount**”) was paid to the Industrial and Commercial Bank of China Limited, Singapore Branch (the “**Escrow Agent**”), being the escrow agent jointly appointed by the Company and the New Purchaser to hold and deal with the Escrow Amount in accordance with the terms of an escrow agreement dated 20 February 2019 entered into among the Company, the New Purchaser and the Escrow Agent; and
- (c) its announcement dated 28 June 2019 in relation to the release and distribution of 50% of the Escrow Amount, or the sum of S\$8,450,000 (the “**First Escrow Payment**”), of which a sum of S\$7,114,000 was released to the Company and the balance sum of S\$1,336,000 was returned to the New Purchaser.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Circular.

2. Release of the Second and Final Escrow Payment

Following the release and distribution of the First Escrow Payment, the balance 50% of the Escrow Amount, amounting to S\$8,450,000 (the “**Second and Final Escrow Payment**”), was held by the Escrow Agent pending its release in accordance with the terms of the Share Purchase Agreement.

Under the terms of the Share Purchase Agreement, the release of the Second and Final Escrow Payment is subject to any claim by the New Purchaser against the Company for any breach of the representations and warranties provided by the Company under the Share Purchase Agreement, such claim, if any, is to be made within the period of 18 months from the completion date of 20 February 2019 (the “**Escrow Claim Period**”).

The Board is pleased to announce that no claims has been made by the New Purchaser against the Company during the Escrow Claim Period, and following the expiry of the Escrow Claim Period, the entire sum of the Second and Final Escrow Payment of S\$8,450,000 has been released to the Company.

Further details relating to the escrow arrangement and the release of the Escrow Amount are set out in the Circular.

3. Return of the Net Sale Proceeds from the Disposal to the Shareholders

As of the date of this announcement, the Company has returned the Net Sale Proceeds from the Disposal, other than the Second and Final Escrow Payment, to its Shareholders by way of declaration of special dividends and capital reduction.

The management of the Company is contemplating the manner for which the Second and Final Escrow Payment is to be returned to the Shareholders and an announcement in relation thereto will be made by the Company as soon as practicable.

By Order of the Board
Manufacturing Integration Technology Ltd.

Lim Chin Hong
Executive Director and Chief Executive Officer
24 August 2020