

RESPONSE TO SGX QUERIES::

Issuer & Securities

Issuer/ Manager

MANUFACTURING INTEGRATION TECHNOLOGY LTD.

Securities

MFG INTEGRATION TECHNOLOGY LTD - SG1H45875967 - M11

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Announcement Details

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Response to SGX Queries

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On Financial Statements

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SG210319OTHR1WBI

Submitted By (Co./ Ind. Name)

Lim Chin Hong

Designation

Executive Director and Chief Executive Officer

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

Please see attached.

Attachments

[Responses to queries from SGX.pdf](#)

Total size =153K MB

**MIT***Manufacturing Integration Technology Ltd.*

(Company Registration NO. 199200075N)

(Incorporated in the Republic of Singapore)

RESPONSES TO QUERIES FROM SGX-ST ON THE COMPANY'S FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The board of directors (the "**Board**") of Manufacturing Integration Technology Ltd. (the "**Company**") wishes to announce the response to the following queries received from Singapore Exchange Securities Trading Limited (the "**SGX-ST**") relating to the Company's financial statement for the financial year ended 31 December 2020:

Query 1

Please provide a breakdown of trade and other receivables of \$3,027,000 and \$2,360,000 as at 31 Dec 2020 and 31 Dec 2019 respectively.

Company's response:

The breakdown of trade and other receivables as at 31 Dec 2020 and 31 Dec 2019 are as follows:

	<u>Group</u>	
	<u>2020</u> \$'000	<u>2019</u> \$'000
<u>Trade receivables:</u>		
Outside parties	3,815	3,276
Related party	8	-
Less: allowance for impairment	<u>(1,268)</u>	<u>(1,228)</u>
	<u>2,555</u>	<u>2,048</u>
<u>Other receivables:</u>		
Advances to employees	1	-
Related party	351	209
Other receivables	120	103
	<u>472</u>	<u>312</u>
Total trade and other receivables	<u><u>3,027</u></u>	<u><u>2,360</u></u>
Movements in above allowance:		
At beginning of the year	1,228	1,430
Foreign exchange adjustments	52	(24)
Reversal for trade receivables to profit or loss included in other (gains) losses	<u>(12)</u>	<u>(178)</u>
At end of the year	<u>1,268</u>	<u>1,228</u>

Query 2

Please provide a breakdown of trade and other payables of \$2,675,000 and \$2,085,000 as at 31 Dec 2020 and 31 Dec 2019 respectively and explain the increase in trade and other payables.

Company's response:

The breakdown of trade and other payables as at 31 Dec 2020 and 31 Dec 2019 are as follows:

	<u>Group</u>	
	<u>2020</u> \$'000	<u>2019</u> \$'000
<u>Trade payables:</u>		
Outside parties and accrued liabilities	2,249	1,711
	<u>2,249</u>	<u>1,711</u>
 <u>Other payables:</u>		
Related party	74	16
Other payables	352	358
	<u>426</u>	<u>374</u>
 Total trade and other payables	<u><u>2,675</u></u>	<u><u>2,085</u></u>

Trade and other payables increased by S\$590,000 from S\$2,085,000 in YE2019 to S\$2,675,000 in YE2020 was mainly due to increased purchases of components and materials used for the assembly of machines and expenses incurred in the ordinary course of business. These expenses were incurred in the relevant financial years and due to be paid in the following financial year.

Query 3:

It is noted that the Company has a net cash outflow from operating activities of \$779,000 and a net profit of \$4,834,000 for the financial year ended 31 Dec 2020. Please explain why the Company is unable to generate net cash inflow from its operating activities, despite the Company's net profit position for the financial year.

Company's response:

The Group has a net cash outflow from operating activities of S\$779,000 despite the net profit position for the financial year was mainly due to the net sale proceeds of S\$8,027,000 from the disposal of semiconductor equipment business which accounted for the profit from discontinued operations as at 31 December 2020.

As a result, the Group recorded a net profit of S\$4,834,000 after offsetting the loss from continuing operations of S\$3,193,000 for the financial year ended 31 Dec 2020.

By Order of the Board
Manufacturing Integration Technology Ltd.

Lim Chin Hong
Executive Director and Chief Executive Officer
19 March 2021