

REPL::ANNUAL GENERAL MEETING::VOLUNTARY

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MANUFACTURING INTEGRATION TECHNOLOGY LTD.

Security

MFG INTEGRATION TECHNOLOGY LTD - SG1H45875967 - M11

Announcement Details

Announcement Title

Annual General Meeting

Date & Time of Broadcast

27-Apr-2021 18:22:14

Status

Replacement

Announcement Reference

SG210412MEETYZXB

Submitted By (Co./ Ind. Name)

Lim Chin Hong

Designation

Executive Director and Chief Executive Officer

Financial Year End

31/12/2020

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attached documents: ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2021 - RESPONSES TO QUERIES FROM THE SHAREHOLDERS

Event Dates

Meeting Date and Time

28/04/2021 10:00:00

Response Deadline Date

26/04/2021 10:00:00

Event Venue(s)

Place

Venue(s)	Venue details
Meeting Venue	The Annual General Meeting will be held by way of electronic means. Shareholders will not be able to attend the Annual General Meeting in person.

Attachments

[MIT_Responses_to_shareholders_queries.pdf](#)

Total size = 155K MB

Related Announcements

Related Announcements

[12/04/2021 18:16:51](#)



MIT

Manufacturing Integration Technology Ltd.

(Company Registration NO. 199200075N)

(Incorporated in the Republic of Singapore)

**ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2021
– RESPONSES TO QUERIES FROM THE SHAREHOLDERS**

The Board of Directors (the “**Board**”) of Manufacturing Integration Technology Ltd. (the “**Company**”) would like to thank the Company’s shareholders for their efforts in submitting their questions in advance of the Annual General Meeting (“**AGM**”) for the financial year ended 31 December 2020, which will be held via electronic means on 28 April 2021 at 10:00 a.m. As several questions are overlapping in nature, the Company will not be providing responses to every question. Instead, responses to substantial and relevant questions have been set out via the following topics:

(A) Board of Directors

- 1) Does the Company have a mandatory retirement age? Why did Mr Lim Chin Tong retire after less than 1.5 years as CEO?**

Company’s response:

The Company does not have a mandatory retirement age.

Mr Lim Chin Tong had already planned for his retirement at 65 years old, prior to his appointment as CEO.

- 2) I note that Mr Lee Yong Guan, and independent director, is up for re-election. Because he has been an independent director for more than 9 years, he is subject to two-tier voting. How independent is Mr Lee Yong Guan? Please highlight what positive contributions Mr Lee Yong Guan made towards the company over the past years?**

Company’s response:

The Nominating Committee and the Board had made the assessment of Mr Lee Yong Guan’s independence based on his contributions as a Lead Independent Director and Chairman of the Audit Committee, and his judicial engagements with all the external and internal auditors of the Company over the past years. The results of the Company’s many years of financial reports without having any reserved comments will be a testament of his positive contributions.

(B) Financial statements

- 1) What is the valuation method was used to value the investment properties? Why did the valuation of your investment properties’ valuation drop from 12.2 million to 11.6 million, when the rental income had actually increased from 451k to 486k? Are there any plan to dispose of the investment properties in the near future?**

Company’s response:

The valuation method was based on market comparison method, a comparison with recent transactions of similar properties, preferably in vicinity, and adjusted with considerations for any prevailing exceptional factors and circumstances.

The valuation reduced from S\$12.2 million to S\$11.6 million was due to the annual depreciation charges being taken into consideration. The rental increased from S\$451,000 to S\$486,000 mainly due to the Company renting out a unit from the investment properties which has been vacant since Q4 2019.

There is no current plan to dispose of the investment properties.

- 2) Page 107 shows that you have a significant 322k of trade receivables that are owed for more than 180 days. Will these receivables be collectable eventually? Who is the customer(s)? Will the company need to impair these receivables in due course?**

Company's response:

The outstanding amount of S\$322,000 derived from one of the Company's key e-cigarette machine customers, who had faced some regulatory issues in the United States. As the Company has already received the full amount of S\$322,000 in January 2021, thus, no impairment of trade receivables is needed.

- 3) Why is the interest rate so low? Which bank are you putting your cash balances in?**

Company's response:

To deal with the economic fall-out caused by COVID-19 pandemic ("the Pandemic"), governments around the world have reduced their interest rates. The Federal Reserve lowers interest rates in order to stimulate growth during the period of economic decline and uncertainty.

United Overseas Bank Limited ("UOB") is the Company's principal banker and most of the Company's cash balances have been deposited with UOB.

- 4) What is the company doing to at least achieve Operating cash flow positive?**

Company's response:

The Company has been aggressively growing the top line to achieve cash positive position.

(C) Business updates

- 1) What are you doing to improve your revenue? What are you doing to reduce your cost of sales? Why is management confident of turning it around in the near future?**

Company's response:

The Company has hired additional business development and project management resources to accelerate the revenue growth. The Company is also actively working with governmental institutions and establishing collaborative partnership to acquire capabilities and expertise to support the Company's growth initiatives.

The Company has continuously reviewing its costs and removing any programs that are redundant such as reducing discretionary expenses and fixed cost.

Management is confident as the Company has a strong team in place and working on executing its business plan.

- 2) How is it that our BTP and customized automation business are not profitable all these years? With the lower order backlog, will this year's financial performance be worse than last year? When do you think the company will be able to achieve profitability?**

Company's response:

On the core business, the Company incurred an operating loss due to the lower sales demand in capital spending, resulting from the disruption of the Pandemic and economic uncertainties.

The Company expects to sustain or make a modest improvement in operational performance this coming year, based on the assumption that the geo-political situation will return to some level of normalcy.

However, the Company will take time to develop in-depth capabilities and grow its customized automation business to address new segments of market with a new portfolio of customers. Backed by its strong balance sheet, the Company is scouting around for new or related businesses to partner with or acquire in order to accelerate its growth.

3) Is your business viable? If the business is not viable, should the company think about pivoting into another business?

Company's response:

All businesses are subjected to cyclical and seasonal nature, and not to mention the Pandemic crisis that is still disrupting global businesses. Thus, this question of viability is premature and unrealistic.

The Company is constantly exploring new opportunities and will consider pivoting, only when there is a strategic need to do so in the future.

4) Should we sell of our existing business, our investment properties and distribute the proceeds to shareholders?

Company's response:

The Company had already distributed the last remaining and final 10% of the semiconductor business divestment proceeds in January 2021. Management is confident of the prospects of building the current built-to-print and customized automation business segments. It will need a little more time to grow and contribute to its top and bottom lines, because of the unprecedented global business uncertainties caused by the Pandemic. Hence, the Company will continue to explore new opportunities to invest or acquire other business to complement the current CEM business. Thus, the Company does not have any plan to sell of its existing businesses nor its investment properties, for distribution of any proceeds to shareholders in its current planning horizon.

By Order of the Board
Manufacturing Integration Technology Ltd.

Lim Chin Hong
Executive Director and Chief Executive Officer

27 April 2021