

RESPONSE TO SGX QUERIES::

Issuer & Securities

Issuer/ Manager

MANUFACTURING INTEGRATION TECHNOLOGY LTD.

Securities

MFG INTEGRATION TECHNOLOGY LTD - SG1H45875967 - M11

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No

Announcement Details

Announcement Title

Response to SGX Queries

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On Annual Reports

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SG210504OTHRHJ30

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

[MIT Responses to queries.pdf](#)

Total size = 185K 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 ANNUAL REPORT 2020**

The board of directors (the “**Board**”) of Manufacturing Integration Technology Ltd. (the “**Company**”) wishes to announce the response to the following query received from Singapore Exchange Securities Trading Limited (the SGX-ST”) relating to the Company’s Annual Report for the financial year ended 31 December 2020 (“Annual Report 2020”) and the Company’s clarification announcement dated 26 April 2021 (the “Announcement”):

SGX-ST’s Query

With regard to the Company’s response to query (a) as set out in the Announcement, please provide further information on the adjustments arising from the effect of currency translation differences in consolidation of MIT Group foreign operation’s – MIT (Shanghai) Co., which resulted in the material discrepancies for net cash flows used in operating activities and net cash flows used in financing activities. Please also explain whether and how the Company has complied with Listing Rule 704(6).

Company’s response:**Consolidated Statement of Cash Flows
Year Ended 31 December 2020**

	Unaudited	Audited	Variance
	S\$'000	S\$'000	S\$'000
Cash flows from operation activities			
Loss before tax from continuing operations	(3,193)	(3,193)	-
Profit before tax from discontinued operations	8,027	8,027	-
	4,834	4,834	-
Adjustments for:-			
Depreciation of property, plant and equipment	590	590	-
Depreciation of investment properties	190	189	1
Depreciation of right-of-use assets	741	741	-
Interest income	(304)	(304)	-
Interest expense	30	30	-
Lease interest	112	112	-
Gains on disposal of other assets, non-current	(22)	(22)	-
(Gains) Loss on disposal of plant and equipment	(7)	16	(23)
Gain on disposal of subsidiary	(8,027)	(8,027)	-
Reversal on allowance for impairment loss on trade receivables	(11)	(12)	1
Allowance for impairment loss on inventories	128	153	(25)
Reversal of impairment loss on inventories	-	(25)	25
Share based payment	2	2	-
Net effect of exchange rate changes in consolidation foreign operations	(35)	23	(58)
Operating cash flow used in changes in working capital	(1,779)	(1,700)	(79)
Trade and other receivables	(656)	(597)	(59)
Other non-financial assets	(82)	(77)	(5)
Other non-financial liabilities	312	312	-
Inventories	836	856	(20)
Trade and other payables	590	539	51
Net cash flow used in operations	(779)	(667)	(112)
Income tax paid	-	-	-
Net cash flow used in operating activities	(779)	(667)	(112)
Cash flow from investing activities			
Proceeds on disposal of subsidiaries	8,027	8,027	-
Proceeds on disposal of plant and equipment	46	2	44
Purchase of plant and equipment	(33)	(33)	-
Interest received	304	304	-
Net cash flow from investing activities	8,344	8,300	44
Cash flows used in financing activities			
Interest paid	(30)	(30)	-
Net decrease in borrowings	(184)	(199)	15
Lease payments - principal portion paid	(721)	(774)	53
Net cash used in financing activities	(935)	(1,003)	68
Net increase (decrease) in cash and cash equivalents	6,630	6,630	-
Cash and cash equivalents, beginning balance	8,920	8,920	-
Cash and cash equivalents, ending balance	15,550	15,550	-

Notes:

1. The variances in net cash flows used in operating activities are due to: -
 - (a) adjustments of S\$89,000 to account for the effect of currency translation differences arising from consolidating the cash flows from a foreign subsidiary; and
 - (b) adjustments of S\$23,000 to reflect the actual cash proceeds from disposal of the Group's plant and equipment.

The variances in net cash flows used in financing activities are mainly due to the adjustments to account for the effect of currency translation differences and other adjustments for other financial liabilities and lease liabilities as elaborated in Note 21A of the Annual Report 2020.

2. These variances do not have any impact to the consolidated statement of profit or loss and statements of financial position. Cash and cash equivalents of S\$15,550,000 as at 31 December 2020 in the consolidated statement of cash flows remain unchanged as stated in the announced unaudited full year financial results for FY2020 and the audited financial statements in the Annual Report 2020.
3. Therefore, the Company did not consider the changes to be material adjustments to the audited consolidated statement of cash flows and accordingly did not proceed with an announcement in accordance with Listing Rule 704(6). The Company has complied with Listing Rule 704(6).

By Order of the Board
Manufacturing Integration Technology Ltd.

Lim Chin Hong
Executive Director and Chief Executive Officer

4 May 2021