

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

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Additional Details

For Financial Period Ended30/06/2021

Attachments

[MIT Announcement_half_year_2021.pdf](#)

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MIT

Manufacturing Integration Technology Ltd.

(Company Registration No. 199200075N)

MANUFACTURING INTEGRATION TECHNOLOGY LTD.

(Registration No: 199200075N)

Condensed Interim Financial Statements

For the six months ended 30 June 2021



MIT *Manufacturing Integration Technology Ltd.*
(Company Registration No. 199200075N)

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

(Company Registration No. 199200075N)

**A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
Period ended 30 June 2021**

	Notes	Group		Change %
		6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	
Revenue	4	5,259	3,920	34
Cost of sales		(5,244)	(4,125)	27
Gross Profit (loss)		15	(205)	NM
Other income and gains		990	797	24
Marketing and distribution costs		(211)	(140)	51
Administrative expenses		(1,682)	(1,942)	(13)
Finance costs		(66)	(82)	(20)
Loss before tax	6	(954)	(1,572)	(39)
Income tax benefit	7	17	–	NM
Loss net of tax		(937)	(1,572)	(40)
<u>Other comprehensive income:</u>				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		127	93	37
Other comprehensive income for the period, net of tax		127	93	37
Total comprehensive loss for the period		(810)	(1,479)	(45)
Loss per share (in cents):				
Basic		(0.39)	(0.65)	
Diluted		(0.39)	(0.65)	

NM: Not meaningful



Manufacturing Integration Technology Ltd.

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**B. Condensed Interim Statements of Financial Position
As at 30 June 2021**

	<u>Notes</u>	<u>Group</u>		<u>Company</u>	
		<u>30 June 2021</u> S\$'000	<u>31 December 2020</u> S\$'000	<u>30 June 2021</u> S\$'000	<u>31 December 2020</u> S\$'000
Assets					
<u>Non-current assets</u>					
Plant and equipment	9	363	549	206	292
Right-of-use assets		1,449	1,740	259	315
Investment properties	10	8,098	8,194	8,098	8,192
Investments in subsidiaries		–	–	861	856
Total non-current assets		<u>9,910</u>	<u>10,483</u>	<u>9,424</u>	<u>9,655</u>
<u>Current assets</u>					
Inventories		2,691	2,124	–	–
Trade and other receivables		2,273	3,026	1,269	664
Other non-financial assets		343	336	233	228
Cash and cash equivalents		6,911	15,550	5,638	14,249
Total current assets		<u>12,218</u>	<u>21,036</u>	<u>7,140</u>	<u>15,141</u>
Total assets		<u>22,128</u>	<u>31,519</u>	<u>16,564</u>	<u>24,796</u>
Equity and liabilities					
<u>Equity</u>					
Share capital	12	20,370	28,294	20,370	28,294
Other reserves		9	(115)	29	32
Accumulated losses		(3,197)	(2,263)	(4,615)	(4,727)
Total equity		<u>17,182</u>	<u>25,916</u>	<u>15,784</u>	<u>23,599</u>
<u>Non-current liability</u>					
Lease liabilities		822	1,229	151	206
Total non-current liability		<u>822</u>	<u>1,229</u>	<u>151</u>	<u>206</u>
<u>Current liabilities</u>					
Other non-financial liabilities		1,046	823	178	178
Lease liabilities		674	674	111	111
Trade and other payables		2,196	2,675	340	702
Other financial liabilities	11	208	202	–	–
Total current liabilities		<u>4,124</u>	<u>4,374</u>	<u>629</u>	<u>991</u>
Total liabilities		<u>4,946</u>	<u>5,603</u>	<u>780</u>	<u>1,197</u>
Total equity and liabilities		<u>22,128</u>	<u>31,519</u>	<u>16,564</u>	<u>24,796</u>

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

(Company Registration No. 199200075N)

C. Condensed Interim Statements of Changes in Equity
Period ended 30 June 2021

<u>Group</u>	<u>Total equity</u> S\$'000	<u>Share capital</u> S\$'000	<u>Accumulated losses</u> S\$'000	<u>Translation reserve</u> S\$'000	<u>Share option reserve</u> S\$'000
Current year:					
Opening balance at 1 January 2021	25,916	28,294	(2,263)	(147)	32
Changes in equity:					
Total comprehensive loss for the period	(810)	–	(937)	127	–
Expiry of share options	–	–	3	–	(3)
Capital reduction (Note 12)	(7,924)	(7,924)	–	–	–
Closing balance at 30 June 2021	<u>17,182</u>	<u>20,370</u>	<u>(3,197)</u>	<u>(20)</u>	<u>29</u>
Previous year:					
Opening balance at 1 January 2020	21,045	28,294	(7,098)	(182)	31
Changes in equity:					
Total comprehensive loss for the period	(1,479)	–	(1,572)	93	–
Share based payment expenses	2	–	–	–	2
Closing balance at 30 June 2020	<u>19,568</u>	<u>28,294</u>	<u>(8,670)</u>	<u>(89)</u>	<u>33</u>

<u>Company</u>	<u>Total equity</u> S\$'000	<u>Share capital</u> S\$'000	<u>Accumulated losses</u> S\$'000	<u>Share option reserve</u> S\$'000
Current year:				
Opening balance at 1 January 2021	23,599	28,294	(4,727)	32
Changes in equity:				
Total comprehensive income for the period	109	–	109	–
Expiry of share options	–	–	3	(3)
Capital reduction (Note 12)	(7,924)	(7,924)	–	–
Closing balance at 30 June 2021	<u>15,784</u>	<u>20,370</u>	<u>(4,615)</u>	<u>29</u>
Previous year:				
Opening balance at 1 January 2020	25,650	28,294	(2,675)	31
Changes in equity:				
Total comprehensive loss for the period	(616)	–	(616)	–
Share based payment expenses	2	–	–	2
Closing balance at 30 June 2020	<u>25,036</u>	<u>28,294</u>	<u>(3,291)</u>	<u>33</u>

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**D. Condensed Interim Consolidated Statement of Cash Flows
Period ended 30 June 2021**

	<u>Group</u>	
	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30 June 2021</u>	<u>30 June 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<u>Cash flows used in operating activities</u>		
Loss before tax from continuing operations	(954)	(1,572)
Adjustments for:		
Depreciation of plant and equipment	198	299
Depreciation of investment properties	96	96
Depreciation of right-of-use assets	291	390
Interest income	(6)	(37)
Interest expense	10	15
Interest on lease liabilities	56	67
Gain on disposal of plant and equipment	(572)	(21)
Net effect of exchange rate changes in consolidating foreign operations	139	(41)
Share based payment expenses	-	2
Operating cash flows before changes in working capital	<u>(742)</u>	<u>(802)</u>
Trade and other receivables	753	297
Other non-financial assets	(7)	86
Inventories	(567)	(740)
Trade and other payables	(479)	(71)
Other non-financial liabilities	223	19
Net cash flow used in operation	<u>(819)</u>	<u>(1,211)</u>
Income tax refund	17	-
Net cash flows used in operating activities	<u>(802)</u>	<u>(1,211)</u>
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(18)	(29)
Proceeds on disposal of plant and equipment	572	21
Interest received	6	37
Net cash flows from investing activities	<u>560</u>	<u>29</u>
<u>Cash flows used in financing activities</u>		
Interest paid	(10)	(15)
Increase in borrowings	-	205
Capital reduction	(7,924)	-
Lease payments paid	(463)	(393)
Net cash used in financing activities	<u>(8,397)</u>	<u>(203)</u>
Net decrease in cash and cash equivalents	(8,639)	(1,385)
Cash and cash equivalents, statement of cash flows, beginning balance	15,550	8,920
Cash and cash equivalents, statement of cash flows, ending balance	<u>6,911</u>	<u>7,535</u>



MIT

Manufacturing Integration Technology Ltd.

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E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Manufacturing Integration Technology Ltd. is a company incorporated in Singapore with limited liability. The registered office is: 5004, Ang Mo Kio Avenue 5, #05-01, Techplace II, Singapore 569872, and whose shares are publicly traded on the mainboard at Singapore Exchange.

These condensed interim financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the “Group”).

The principal activities of the Company are that of designing, developing, manufacturing and distributing automated equipment for the semiconductor and other industries and an investment holding company.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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2.2 Use of judgements and estimates (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Built-to-print: Mainly engaged in contract equipment manufacturing activities.
- Customised automation: Mainly engaged in designing, developing, and manufacturing of automated equipment.

These operating segments are reported in a manner consistent with internal reporting provided to chief operating decision maker who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

	<u>Built-to- print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
1 January 2021 to 30 June 2021				
Total revenue by segment	4,964	845	–	5,809
Inter-segment sales	(489)	(61)	–	(550)
Total revenue	<u>4,475</u>	<u>784</u>	<u>–</u>	<u>5,259</u>
Recurring EBITDA	572	(1,135)	254	(309)
Interest income	4	2	–	6
Finance costs	(60)	(6)	–	(66)
Depreciation	(336)	(153)	(96)	(585)
(Loss) Profit before tax	<u>180</u>	<u>(1,292)</u>	<u>158</u>	<u>(954)</u>
Income tax benefit				17
Loss net of tax				<u>(937)</u>

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4.1 Reportable segments (cont'd)

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
1 January 2020 to 30 June 2020				
Total revenue by segment	3,236	2,555	–	5,791
Inter-segment sales	(265)	(1,606)	–	(1,871)
Total revenue	<u>2,971</u>	<u>949</u>	<u>–</u>	<u>3,920</u>
Recurring EBITDA	(32)	(897)	187	(742)
Interest income	19	18	–	37
Finance costs	(65)	(17)	–	(82)
Depreciation	(513)	(176)	(96)	(785)
(Loss) Profit before tax	(591)	(1,072)	91	(1,572)
Income tax benefit				–
Loss net of tax				<u>(1,572)</u>

Assets and reconciliations

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<u>30 June 2021:</u>				
Total assets for reportable segments	7,832	6,198	8,098	22,128
Total group assets	<u>7,832</u>	<u>6,198</u>	<u>8,098</u>	<u>22,128</u>
<u>30 June 2020:</u>				
Total assets for reportable segments	10,028	6,397	8,287	24,712
Total group assets	<u>10,028</u>	<u>6,397</u>	<u>8,287</u>	<u>24,712</u>

Liabilities and reconciliations

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<u>30 June 2021:</u>				
Total liabilities for reportable segments	2,964	1,982	–	4,946
Total group liabilities	<u>2,964</u>	<u>1,982</u>	<u>–</u>	<u>4,946</u>
<u>30 June 2020:</u>				
Total liabilities for reportable segments	2,953	2,191	–	5,144
Total group liabilities	<u>2,953</u>	<u>2,191</u>	<u>–</u>	<u>5,144</u>



Manufacturing Integration Technology Ltd.

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4.1 Reportable segments (cont'd)

Other material items and reconciliations

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<u>Capital expenditure</u>				
30 June 2021	–	18	–	18
30 June 2020	15	14	–	29

4.2 Disaggregation of revenue

The group's geographical segments are based on the location of the group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The group's operations are located in Singapore and China.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>6 months ended 30 June 2021</u> S\$'000	<u>6 months ended 30 June 2020</u> S\$'000	<u>6 months ended 30 June 2021</u> S\$'000	<u>6 months ended 30 June 2020</u> S\$'000
China	2,788	1,731	839	1,189
Singapore	784	949	9,071	9,928
Europe and USA	1,687	1,240	–	–
Total continuing operations	5,259	3,920	9,910	11,117

	<u>6 months ended 30 June 2021</u> S\$'000	<u>6 months ended 30 June 2020</u> S\$'000
Capital Expenditure:		
China	–	–
Singapore	18	29
	18	29

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4.2 Disaggregation of revenue (cont'd)**Information about major customers**

	<u>6 months</u> <u>ended 30</u> <u>June 2021</u> <u>S\$'000</u>	<u>6 months</u> <u>ended 30</u> <u>June 2020</u> <u>S\$'000</u>
Top 1 customer in built-to-print segment	1,790	1,362
Top 2 customers in built-to-print segment	<u>2,987</u>	<u>2,379</u>
Top 1 customer in customised automation segment	488	362
Top 2 customer in customised automation segment	<u>632</u>	<u>706</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	<u>Group</u>		<u>Company</u>	
	<u>30 June</u> <u>2021</u> <u>S\$'000</u>	<u>31</u> <u>December</u> <u>2020</u> <u>S\$'000</u>	<u>30 June</u> <u>2021</u> <u>S\$'000</u>	<u>31</u> <u>December</u> <u>2020</u> <u>S\$'000</u>
<u>Financial assets:</u>				
Financial assets at amortised costs	9,184	18,576	6,907	14,913
	<u>9,184</u>	<u>18,576</u>	<u>6,907</u>	<u>14,913</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	3,900	4,780	602	1,019
	<u>3,900</u>	<u>4,780</u>	<u>602</u>	<u>1,019</u>

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

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6. Loss before tax**6.1 Significant items**

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	S\$'000	S\$'000
Income		
- Interest income	6	37
- Rental income	322	232
- Grant income	18	496
- Gain on disposal of plant and equipment	572	21
- Foreign exchange adjustment gains	24	5
Expenses		
- Interest on borrowings	(10)	(15)
- Interest on lease liabilities	(56)	(67)
- Depreciation of property, plant and equipment and investment properties	(294)	(395)

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<u>6 months ended 30 June 2021</u> S\$'000	<u>6 months ended 30 June 2020</u> S\$'000
Current income tax benefit (Over provision in respect of prior years)	17	-
	<u>17</u>	<u>-</u>

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

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8. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	<u>30 June</u> <u>2021</u> S\$	<u>31</u> <u>December</u> <u>2020</u> S\$	<u>30 June</u> <u>2021</u> S\$	<u>31</u> <u>December</u> <u>2020</u> S\$
Net asset value per ordinary share (in cents)	7.16	10.79	6.57	9.83

9. Plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$18,000 (30 June 2020: S\$29,000) and disposed of assets amounting to NIL (30 June 2020: NIL) net book value for proceeds of S\$572,000 (30 June 2020: S\$21,000).

10. Investment properties

	<u>Group and company</u>	
	<u>2021</u> S\$'000	<u>2020</u> S\$'000
<u>At cost:</u>		
At beginning of financial year and at end of interim period	9,471	9,471
<u>Accumulated depreciation:</u>		
At beginning of financial year	1,277	1,088
Depreciation charge for the interim period	96	96
At end of interim period	1,373	1,184
<u>Carrying value:</u>		
As at 30 June	8,098	8,287
Fair value for disclosure purposes only:		
Fair value at end of the interim period	11,676	11,676
Rental income from investment properties	299	232

Details of leasehold properties:

<u>Description/Location</u>	<u>Tenure of Land/ (Gross floor area)</u>	<u>Last valuation date</u>
Singapore:		
(A) 7 Yishun Industrial Street 1, #07-38, Singapore 768162	Property: 60 years from 2011 (1,062 square metres)	Commercial property. Revalued in October 2018.
(B) 7 Yishun Industrial Street 1, #06-38/39, Singapore 768162	Property: 60 years from 2011 (2,290 square metres)	Commercial property. Revalued in October 2018.

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10.1 Valuation of investment properties

The fair value of each investment property as at end of the reporting year is based on a valuation made by CKS Property Consultants Pte Ltd, a firm of independent professional valuers on 24 October 2018 adjusted with fluctuation of Industrial Property price index published by Singapore Government. The valuation method was based on market comparison method, a comparison with recent transactions of similar properties, preferably in vicinity, and adjusted to take into account certain factors and circumstances.

For fair value measurements categorised within the fair value hierarchy below, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Assets:	(A) 7 Yishun Industrial Street 1, #07-38, Singapore 768162 (B) 7 Yishun Industrial Street 1, #06-38/39, Singapore 768162
Fair value and fair value hierarchy – Level:	(A) S\$4,045,000 (2020: S\$4,045,000), Level 3 (2020: Level 3); (B) S\$7,631,000 (2020: S\$7,631,000), Level 3 (2020: Level 3).
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent offer to sell prices for similar properties.
Significant unobservable (2021 and 2020: observable) inputs and range:	Price per square meters. (A) \$3,809 (2020 : \$3,809) (B) \$3,332 (2020: \$3,332)
Relationship of unobservable inputs to fair value:	Favourable (adverse) change in the latest selling price in the market will increase (decrease) fair value
Sensitivity on management’s estimates – 10% variation from estimate	2021 Impact (A) – lower by \$405,000; higher by \$405,000 (B) – lower by \$763,000; higher by \$763,000

11. Other financial liabilities

	<u>Group and company</u>	
	<u>31</u>	
	<u>30 June</u>	<u>December</u>
	<u>2021</u>	<u>2020</u>
	<u>S\$’000</u>	<u>S\$’000</u>
<u>Amount repayable within one year or on demand</u>		
Secured	<u>208</u>	<u>202</u>
<u>Amount repayable after one year</u>		
Secured	<u>–</u>	<u>–</u>

The short-term bank loan of S\$208,000 (approximately RMB1,000,000) to the wholly owned subsidiary, MIT (Shanghai) Co., Ltd. is guaranteed by the Company.

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12. Share capital

<u>Group and Company</u>	<u>Number of ordinary shares issued</u> '000	<u>Share capital</u> S\$'000
<u>Ordinary shares of no par value:</u>		
Balance at 1 January 2020	240,112	28,294
Capital reduction	–	(7,924)
Balance at 31 December 2020 and 30 June 2021	<u>240,112</u>	<u>20,370</u>

The Company undertook a capital reduction and cash distribution pursuant to Section 78G of the Companies Act, Chapter 50 after obtaining approvals from shareholders at the extraordinary general meeting held on 20 November 2020 and the subsequent approval by the High Court of the Republic of Singapore on 22 December 2020. The Capital Reduction has taken effect on 5 January 2021 and the Company has also made payment of S\$0.033 for each ordinary share to shareholders for the sum of S\$7,923,712 on 8 January 2021.

(i) Share Options

As at 30 June 2021, the number of outstanding options under the Scheme was 409,000 (31 December 2020: 534,000). During the period January to June 2021, no options were exercised under the Scheme. 125,000 unexercised options had lapsed and were cancelled during the period.

(ii) Performance Shares

As at 30 June 2021, there was 1,000,000 outstanding share awards under the MIT Performance Share Plan (31 December 2020: 1,000,000).

(iii) Treasury Shares

As at 30 June 2021, no ordinary shares were held as Treasury Shares (31 December 2020: NIL). No shares were bought back by the Company during the period.

13. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.



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F. Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed interim statements of financial position of Manufacturing Integration Technology Ltd and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended, including certain explanatory notes have not been audited or reviewed.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Turnover

The Group managed to achieved revenue of S\$5.26m during 1H 2021, despite the continued ongoing Covid-19 pandemic impact on the operations of the Group, which is a 34% increase from S\$3.92m from 1H 2020. The revenue growth was largely due to strong orders from a growing global semiconductor market and contributions from our customized automation and built-to-print business.

Earnings

With significantly higher revenue, the Group recorded a gross profit margin of S\$0.02m in 1H 2021, a turnaround from a gross loss of S\$0.21m in the previous corresponding financial period.

The other income and gains for this period was mainly from:

- Gain on disposal of plant and equipment (S\$0.57m)
- Rental income (S\$0.32m)
- Foreign exchange adjustment gains (S\$0.02m)
- Grant income (S\$0.02m)

In line with the higher revenue base and business activities, marketing and distribution costs increased by 51%.

Administrative expenses were lower by 13% as a result of cost control measures during the period.

Finance costs decreased due to repayment of short-term bank loan in MIT Shanghai.



MIT

Manufacturing Integration Technology Ltd.

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Assets and Liabilities

After depreciation charges during the period, plant & equipment and investment properties decreased accordingly during the financial period.

The decrease in right-of-use assets was mainly a result of depreciation expenses during the period.

Inventories increased by S\$0.57m from S\$2.12m in YE2020 to S\$2.69m in anticipation of major deliveries in the coming months.

Trade and other receivables lowered by 25%, with intensive collection effort during the period.

Other non-financial assets increased due to higher prepayment and deposits when compared to last year.

The increase in other non-financial liabilities was mainly due to increase in down payment provision received from customers during the period.

Cash Flow

The cash & cash equivalents of S\$6.91m represents a decrease of S\$8.64m from 31 Dec 2020 was mainly attributable to:

- Capital reduction (S\$7.92m)
- Inventories (S\$0.57m)
- Trade and other payables (S\$0.26m)
- Plant and equipment (S\$0.02m)
- Offsetting a decrease in trade and other receivables (S\$0.75m).

Cash and cash equivalents per share stood at 2.88 cents, which accounts for about 40% of the net asset per share.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The 1H 2021 financial performance is in line with the Group's profit guidance announcement on 28th July 2021.



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4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Built-to-Print business continues to firm up and is growing modestly with the momentum gain from the later half of last year. We continue to watch the tightened supply chain environment and manage the situation proactively.

Our Shanghai Operation has also been operating smoothly without disruption, as China is able to rein in the pandemic situation. The challenges of supply chain management are mitigated by tightened planning and collaborating with customers and suppliers.

After the divestment of our semiconductor equipment business, our initiatives to venture into new business segments and customers was trending positively for the AMS (Customized Automation) business. However, the pandemic situation has continued to cause aberrations to our customers' orders and delaying some equipment delivery schedule. The business development team will continue to aggressively work on the sales funnel and seek other business opportunity to mitigate the sluggish order situation in first half of 2021. We are expecting some delayed orders to be firmed up in the later part of the year.

We continue our belt tightening and cost control measures to reduce our operating losses and continue to acquire talents only for critical functions and capability development.

There is active effort in our exploration of seeking strategic partnerships, so that we could accelerate our business growth instead of growing organically.

The COVID-19 pandemic uncertainties have continued to create extremely challenging order rate scenario for us, and the added difficulties of managing the tightened supply chain situation. The worldwide semiconductor shortages have also pushed out some of our lead time availability for our customers. Overall, we anticipate the disruptions will start to ease later part of the year or even early next year.

We will focus our effort to address the Contract Equipment Manufacturing ("CEM") business and will aggressively pursue new opportunities in the food, pharmaceutical, med-tech; healthcare consumer product areas.



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5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

No applicable.

(d) Record date

No applicable.

6. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended due to loss making situation.

7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a shareholders' mandate for IPTs.

During the period ended 30 June 2021, the Group did not enter into any interested person transaction which aggregate value exceeds S\$100,000.

8. Confirmation Pursuant to Rule 720(1) of the Listing Manual - The Directors' and Executive Officers' Undertakings.

The Company confirms that it has procured the requisite undertakings from all its directors and executive officers under Listing Rule 720(1).

9. Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to their attention which may render the condensed interim financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Lim Chin Hong
Executive Director and Chief Executive Officer

4 August 2021