



MIT

Manufacturing Integration Technology Ltd.

(Company Registration No. 199200075N)

MANUFACTURING INTEGRATION TECHNOLOGY LTD.

(Registration No: 199200075N)

Condensed Interim Financial Statements

For the six months and full year ended 31 December 2023

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Manufacturing Integration Technology Ltd.

(Company Registration No. 199200075N)

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group			Group		
		6 months ended 31 December 2023	6 months ended 31 December 2022	Change %	12 months ended 31 December 2023	12 months ended 31 December 2022	Change %
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4	3,067	5,379	(43)	8,369	11,254	(26)
Cost of sales		(2,949)	(5,048)	(42)	(8,124)	(10,344)	(21)
Gross profit		118	331	(64)	245	910	(73)
Other income and gains		376	358	5	1,030	749	38
Marketing and distribution costs		(146)	(196)	(26)	(301)	(402)	(25)
Administrative expenses		(2,171)	(1,761)	23	(4,069)	(3,439)	18
Finance costs		11	(5)	NM	(22)	(41)	(46)
Other losses		(328)	(16)	NM	(333)	(16)	NM
Loss before tax	6	(2,140)	(1,289)	66	(3,450)	(2,239)	54
Income tax benefit	7	–	17	NM	–	17	NM
Loss for the period/year		(2,140)	(1,272)	68	(3,450)	(2,222)	55
Other comprehensive loss:							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of tax		(104)	(186)	(44)	(35)	(96)	(64)
Other comprehensive loss for the period, net of tax		(104)	(186)	(44)	(35)	(96)	(64)
Total comprehensive loss for the period/year		(2,244)	(1,458)	54	(3,485)	(2,318)	50
Loss per share (in cents):							
Basic		(0.89)	(0.53)		(1.43)	(0.92)	
Diluted		(0.89)	(0.53)		(1.43)	(0.92)	

NM: Not meaningful

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B. Condensed Interim Statements of Financial Position**As at 31 December 2023**

	Notes	Group		Company	
		31	31	31	31
		December	December	December	December
		2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
<u>Non-current assets</u>					
Plant and equipment	9	217	227	188	154
Right-of-use assets		1,030	419	367	90
Investment properties	10	7,627	7,816	7,627	7,816
Investments in subsidiaries		–	–	1,314	–
Total non-current assets		8,874	8,462	9,496	8,060
<u>Current assets</u>					
Inventories		2,669	2,662	236	–
Trade and other receivables		1,806	1,515	631	388
Other non-financial assets		221	238	98	112
Cash and cash equivalents		1,221	4,299	255	3,067
Total current assets		5,917	8,714	1,220	3,567
Total assets		14,791	17,176	10,716	11,627
Equity and liabilities					
<u>Equity</u>					
Share capital	12	20,460	20,460	20,460	20,460
Other reserves		(148)	(132)	99	80
Accumulated losses		(10,221)	(6,788)	(12,494)	(9,639)
Total equity		10,091	13,540	8,065	10,901
<u>Non-current liability</u>					
Lease liabilities		678	–	253	–
Total non-current liability		678	–	253	–
<u>Current liabilities</u>					
Other non-financial liabilities		1,185	910	358	–
Lease liabilities		357	468	117	94
Trade and other payables		1,187	2,258	630	632
Other financial liabilities	11	1,293	–	1,293	–
Total current liabilities		4,022	3,636	2,398	726
Total liabilities		4,700	3,636	2,651	726
Total equity and liabilities		14,791	17,176	10,716	11,627

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C. Condensed Interim Statements of Changes in Equity**Year ended 31 December 2023**

<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 2023	13,540	20,460	(6,788)	(212)	80
<u>Changes in equity:</u>					
Total comprehensive loss for the year	(3,485)	–	(3,450)	(35)	–
Expiry of share options	–	–	17	–	(17)
Shares based payment expenses	36	–	–	–	36
Closing balance at 31 December 2023	10,091	20,460	(10,221)	(247)	99
Previous year:					
Opening balance at 1 January 2022	15,765	20,415	(4,578)	(116)	44
<u>Changes in equity:</u>					
Total comprehensive loss for the year	(2,318)	–	(2,222)	(96)	–
Expiry of share options	–	–	12	–	(12)
Shares based payment expenses	93	–	–	–	93
Issuance of shares pursuant to employee share option scheme	–	45	–	–	(45)
Closing balance at 31 December 2022	13,540	20,460	(6,788)	(212)	80

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C. Condensed Interim Statements of Changes in Equity (cont'd)**Year ended 31 December 2023**

<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 2023	10,901	20,460	(9,639)	80
<u>Changes in equity:</u>				
Total comprehensive loss for the year	(2,872)	–	(2,872)	–
Expiry of share options	–	–	17	(17)
Shares based payment expenses	36	–	–	36
Closing balance at 31 December 2023	8,065	20,460	(12,494)	99
Previous year:				
Opening balance at 1 January 2022	14,005	20,415	(6,454)	44
<u>Changes in equity:</u>				
Total comprehensive loss for the year	(3,197)	–	(3,197)	–
Expiry of share options	–	–	12	(12)
Shares based payment expenses	93	–	–	93
Issuance of shares pursuant to employee share option scheme	–	45	–	(45)
Closing balance at 31 December 2022	10,901	20,460	(9,639)	80

**MIT****Manufacturing Integration Technology Ltd.****(Company Registration No. 199200075N)****D. Condensed Interim Consolidated Statement of Cash Flows
Year ended 31 December 2023**

	<u>Group</u>	
	<u>12 months ended 31 December 2023</u>	<u>12 months ended 31 December 2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<u>Cash flows used in operating activities</u>		
Loss before tax	(3,450)	(2,239)
Adjustments for:		
Depreciation of plant and equipment	105	210
Depreciation of investment properties	189	189
Depreciation of right-of-use assets	487	663
Interest income	(32)	(56)
Finance expenses	22	41
Gains on disposal of plant and equipment	(218)	-
Share based payment expenses	36	93
Reversal of impairment loss on inventories	-	(17)
Provision for inventories obsolescence	270	-
Net effect of exchange rate changes in consolidating foreign operations	(84)	(84)
Operating cash flows before changes in working capital	<u>(2,675)</u>	<u>(1,200)</u>
Trade and other receivables	(290)	554
Other non-financial assets	16	90
Inventories	(282)	(69)
Other non-financial liabilities	275	(374)
Trade and other payables	(1,013)	(330)
Net cash flow used in operation	<u>(3,969)</u>	<u>(1,329)</u>
Income tax refund	-	17
Net cash flows used in operating activities	<u>(3,969)</u>	<u>(1,312)</u>
<u>Cash flows from investing activities</u>		
Proceeds on disposal of plant and equipment	225	-
Purchase of plant and equipment	(105)	(180)
Interest received	32	56
Net cash flows from (used in) investing activities	<u>152</u>	<u>(124)</u>
<u>Cash flows used in financing activities</u>		
Decrease in borrowings	-	(205)
Interest paid	(5)	-
Lease payments paid	(549)	(819)
Net cash from (used in) financing activities	<u>(554)</u>	<u>(1,024)</u>
Net decrease in cash and cash equivalents	(4,371)	(2,460)
Cash and cash equivalents, statement of cash flows, beginning balance	4,299	6,759
Cash and cash equivalents, statement of cash flows, ending balance	<u>(72)</u>	<u>4,299</u>
Cash and cash equivalents consists of:		
Cash not restricted in use	1,221	4,299
Bank overdrafts	(1,293)	-
	<u>(72)</u>	<u>4,299</u>



MIT

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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 31 December 2023 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 31 December 2023 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 2022.

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 2022.

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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 factors during the financial year.

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</u> <u>automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
1 July 2023 to				
31 December 2023				
Total revenue by segment	2,604	1,408	–	4,012
Inter-segment sales	(758)	(187)	–	(945)
Total revenue	<u>1,846</u>	<u>1,221</u>	<u>–</u>	<u>3,067</u>
Recurring EBITDA	(615)	(1,434)	277	(1,772)
Interest income	4	–	–	4
Finance costs	18	(7)	–	11
Depreciation	(139)	(151)	(93)	(383)
(Loss) Profit before tax	<u>(732)</u>	<u>(1,592)</u>	<u>184</u>	<u>(2,140)</u>
Income tax benefit				–
Loss net of tax				<u>(2,140)</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 July 2022 to 31 December 2022				
Total revenue by segment	4,984	1,239	–	6,223
Inter-segment sales	(841)	(3)	–	(844)
Total revenue	<u>4,143</u>	<u>1,236</u>	<u>–</u>	<u>5,379</u>
Recurring EBITDA	1,052	(2,072)	248	(772)
Interest income	23	20	–	43
Finance costs	(1)	(4)	–	(5)
Depreciation	(239)	(223)	(93)	(555)
(Loss) Profit before tax	835	(2,279)	155	(1,289)
Income tax benefit				17
Loss net of tax				<u>(1,272)</u>

	<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 2023 to 31 December 2023				
Total revenue by segment	6,670	3,562	–	10,232
Inter-segment sales	(1,615)	(248)	–	(1,863)
Total revenue	<u>5,055</u>	<u>3,314</u>	<u>–</u>	<u>8,369</u>
Recurring EBITDA	(500)	(2,710)	531	(2,679)
Interest income	19	13	–	32
Finance costs	(13)	(9)	–	(22)
Depreciation	(332)	(260)	(189)	(781)
(Loss) Profit before tax	(826)	(2,966)	342	(3,450)
Income tax benefit				–
Loss net of tax				<u>(3,450)</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 2022 to 31 December 2022				
Total revenue by segment	8,607	4,797	–	13,404
Inter-segment sales	(1,051)	(1,099)	–	(2,150)
Total revenue	<u>7,556</u>	<u>3,698</u>	<u>–</u>	<u>11,254</u>
Recurring EBITDA	787	(2,481)	502	(1,192)
Interest income	31	25	–	56
Finance costs	(33)	(8)	–	(41)
Depreciation	(546)	(327)	(189)	(1,062)
(Loss) Profit before tax from continuing operations	239	(2,791)	313	(2,239)
Income tax benefit				17
Loss net of tax				<u>(2,222)</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>31 December 2023:</u>				
Total assets for reportable segments	4,070	3,094	7,627	14,791
Total group assets	<u>4,070</u>	<u>3,094</u>	<u>7,627</u>	<u>14,791</u>
<u>31 December 2022:</u>				
Total assets for reportable segments	5,448	3,912	7,816	17,176
Total group assets	<u>5,448</u>	<u>3,912</u>	<u>7,816</u>	<u>17,176</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>31 December 2023:</u>				
Total liabilities for reportable segments	2,182	2,518	–	4,700
Total group liabilities	<u>2,182</u>	<u>2,518</u>	<u>–</u>	<u>4,700</u>
<u>31 December 2022:</u>				
Total liabilities for reportable segments	1,694	1,942	–	3,636
Total group liabilities	<u>1,694</u>	<u>1,942</u>	<u>–</u>	<u>3,636</u>

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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>				
31 December 2023	52	53	–	105
31 December 2022	<u>77</u>	<u>103</u>	<u>–</u>	<u>180</u>

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</u> <u>ended 31</u> <u>December</u>	<u>6 months</u> <u>ended 31</u> <u>December</u>	<u>12 months</u> <u>ended 31</u> <u>December</u>	<u>12 months</u> <u>ended 31</u> <u>December</u>	<u>12 months</u> <u>ended 31</u> <u>December</u>	<u>12 months</u> <u>ended 31</u> <u>December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
China	88	2,124	1,495	3,899	3	216
Singapore	995	1,074	2,884	3,523	8,838	8,246
Europe and USA	1,802	2,046	3,605	3,697	–	–
Asia excluding China and Singapore	182	135	385	135	33	–
Total continuing operations	<u>3,067</u>	<u>5,379</u>	<u>8,369</u>	<u>11,254</u>	<u>8,874</u>	<u>8,462</u>

	<u>12 months</u> <u>ended 31</u> <u>December</u> <u>2023</u> S\$'000	<u>12 months</u> <u>ended 31</u> <u>December</u> <u>2022</u> S\$'000
Capital Expenditure:		
Malaysia	2	–
Singapore	<u>103</u>	<u>180</u>
	<u>105</u>	<u>180</u>

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

	<u>6 months</u> <u>ended 31</u> <u>December</u> <u>2023</u> S\$'000	<u>6 months</u> <u>ended 31</u> <u>December</u> <u>2022</u> S\$'000	<u>12 months</u> <u>ended 31</u> <u>December</u> <u>2023</u> S\$'000	<u>12 months</u> <u>ended 31</u> <u>December</u> <u>2022</u> S\$'000
Top 1 customer in built-to-print segment	1,127	946	2,273	2,721
Top 2 customers in built-to-print segment	<u>1,603</u>	<u>2,246</u>	<u>3,604</u>	<u>5,398</u>
Top 1 customer in customised automation segment	430	469	1,678	1,696
Top 2 customers in customised automation segment	<u>665</u>	<u>935</u>	<u>2,341</u>	<u>2,392</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 31 December 2023 and 31 December 2022:

	<u>Group</u>		<u>Company</u>	
	<u>31</u> <u>December</u> <u>2023</u> S\$'000	<u>31</u> <u>December</u> <u>2022</u> S\$'000	<u>31</u> <u>December</u> <u>2023</u> S\$'000	<u>31</u> <u>December</u> <u>2022</u> S\$'000
<u>Financial assets:</u>				
Financial assets at amortised costs	<u>3,027</u>	<u>5,814</u>	<u>886</u>	<u>3,455</u>
	<u>3,027</u>	<u>5,814</u>	<u>886</u>	<u>3,455</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	<u>3,515</u>	<u>2,726</u>	<u>2,293</u>	<u>726</u>
	<u>3,515</u>	<u>2,726</u>	<u>2,293</u>	<u>726</u>

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

	Group		Group	
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Income				
- Interest income	4	43	32	56
- Rental income	328	322	639	644
- Reversal on allowance for impairment loss on inventories	1	17	13	17
- Gain on disposal of plant and equipment	28	-	218	-
Expenses				
- Interest on borrowings	(5)	-	(5)	-
- Interest on lease liabilities	(16)	(5)	(17)	(41)
- Depreciation of property, plant and equipment and investment properties	(145)	(187)	(294)	(399)
- Provision for inventories obsolescence (Other losses)	(270)	-	(270)	-
- Foreign exchange adjustment losses (Other losses)	(45)	(49)	(50)	(16)
- Restructuring costs (Administrative expenses)	(434)	-	(434)	-

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 31 December 2023</u> S\$'000	<u>6 months ended 31 December 2022</u> S\$'000	<u>12 months ended 31 December 2023</u> S\$'000	<u>12 months ended 31 December 2022</u> S\$'000
Current tax benefit:				
Over provision in respect of prior years	—	17	—	17
	—	17	—	17

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8. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>
	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Net asset value per ordinary share (in cents)	4.18	5.62	3.34	4.52

9. Plant and equipment

During the twelve months ended 31 December 2023, the Group acquired assets amounting to S\$105,000 (31 December 2022: S\$180,000) and disposed of assets amounting to S\$11,000 (31 December 2022: NIL) net book value for proceeds of S\$225,000. (31 December 2022: NIL).

10. Investment properties

	<u>Group and company</u>	
	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<u>At cost:</u>		
At beginning of financial year and at end of financial year	9,471	9,471
<u>Accumulated depreciation:</u>		
At beginning of financial year	1,655	1,466
Depreciation charge for the financial year	189	189
At end of financial year	1,844	1,655
<u>Carrying value:</u>		
As at 31 December	7,627	7,816
Fair value for disclosure purposes only:		
Fair value at end of the financial year	14,200	12,100
Rental income from investment properties	626	598

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 December 2021.
(B) 7 Yishun Industrial Street 1, #06-38/39, Singapore 768162	Property: 60 years from 2011 (2,290 square metres)	Commercial property. Revalued in August 2023.

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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 the valuations made by CKS Property Consultants Pte Ltd and Premas Valuers & Property Consultants Pte Ltd, firms of independent professional valuers on 31 December 2021 and 11 August 2023 respectively 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\$4,200,000 (2022: S\$4,200,000), Level 3 (2022: Level 3); (B) S\$10,000,000 (2022: S\$7,900,000), Level 3 (2022: Level 3).
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent offer to sell prices for similar properties.
Significant unobservable (2023 and 2022: observable) inputs and range:	Price per square meters. (A) \$3,955 (2022 : \$3,955) (B) \$4,367 (2022: \$3,450)
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	2023 Impact (A)– lower by \$420,000; higher by \$420,000 (B)– lower by \$1,000,000; higher by \$1,000,000

11. Other financial liabilities

	<u>Group and company</u>	
	<u>31</u>	<u>31</u>
	<u>December</u>	<u>December</u>
	<u>2023</u>	<u>2022</u>
	S\$’000	S\$’000
<u>Amount repayable within one year or on demand</u>		
Secured	1,293	–
<u>Amount repayable after one year</u>		
Secured	–	–

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11. Other financial liabilities (cont'd)

The bank overdraft of S\$1,293,000 was drawn down from UOB bank. The Company's investment property during the year has been pledged to UOB bank for the banking facilities taken.

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 2022	240,612	20,415
Issuance of shares under performance share plan	500	45
Balance at 31 December 2022	<u>241,112</u>	<u>20,460</u>
New issued shares	–	–
Balance at 31 December 2023	<u><u>241,112</u></u>	<u><u>20,460</u></u>

As at 31 December 2023, the number of ordinary shares issued was 241,112,470 (31 December 2022: 241,112,470 ordinary shares).

(i) Share Options

As at 31 December 2023, the number of outstanding share options to subscribe for ordinary shares under the Scheme was 4,334,000 (31 December 2022: 5,934,000). During the year, no options were issued or exercised under the Scheme. 1,600,000 unexercised options had lapsed and were cancelled during the year.

(ii) Performance Shares

As at 31 December 2023, there was no outstanding performance shares held under the MIT Performance Share Plan (31 December 2022: NIL).

(iii) Treasury Shares

As at 31 December 2023, no ordinary shares were held as Treasury Shares (31 December 2022: NIL). No shares were bought back by the Company during the year.

The Company does not have any subsidiary holdings.

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 31 December 2023 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 twelve-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.**

Revenue

The Group recorded a lower revenue of S\$3.07m in 2H2023 and S\$8.37m for the full year ended 31 December 2023 when compared with S\$5.38m in 2H2022 and S\$11.25m for the full year ended 31 December 2022. The decline was mainly due to lower build-to-print and customized automation sales.

Gross profit

The Group posted a lower gross profit margin of 4% in 2H2023 as compared with 6% in 2H2022 and lower gross profit margin from 8% in FY2022 to 3% in FY2023. This is largely attributable to the unabsorbed fixed costs during the year.

Other income and gains

The other income and gains increased by S\$0.28m from S\$0.75m in FY2022 to S\$1.03m in FY2023, mainly due to gain on disposal of plant and equipment of S\$0.22m from MIT Shanghai.

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

- Rental income (2H2023: S\$0.33m; FY2023: S\$0.64m)
- Gain on disposal of fixed assets (2H2023: S\$0.03m; FY2023: S\$0.22m)
- Interest income (2H2023: S\$0.01m; FY2023: S\$0.03m)

Marketing and distribution costs

Following the lower revenue base and slower business activities, marketing and distribution costs were lower by 25%.



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Administrative expenses

Administrative expenses rose by S\$0.63m or 18% from S\$3.44m in FY2022 to S\$4.07m in FY2023 mainly due to incremental expenditure for business development for the Group and restructuring costs in MIT Shanghai during the year.

Finance costs

Finance costs decreased due to lower interest expenses on lease liabilities.

Other losses

The other losses were impairment loss on inventories of S\$0.27m and foreign exchange losses of S\$0.05m during the financial year.

Assets and Liabilities

The decrement of plant & equipment and investment properties at the end of the financial year, was after consideration of the annual depreciation charges.

The Group has renewed lease agreements for 3 years from December 2023 till December 2026 for Blk 5004 and Blk 38 at Ang Mo Kio Ave 5. As a result, right-of-use assets rose by S\$0.61m from S\$0.42m in FY2022 to S\$1.03m in FY2023.

Other non-financial assets decreased due to lower prepayment and deposits when compared to last year.

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

Cash Flow

The cash & cash equivalents of negative S\$0.07m represents a decrease of S\$4.34m from 31 Dec 2022 and was mainly attributable to:

- Trade and other payables (S\$1.01m)
- Lease payment (S\$0.55m)
- Inventories (S\$0.28m)
- Plant and equipment (S\$0.11m)

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

The results are in line with the prospect statement disclosed in the previous results announcement.



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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 global situation of the COVID-19 pandemic had stabilized to an endemic reality in 2023, and therefore we expected the business situation to regain some semblance of normalcy. However, most of the global economies and industries were caught with another disruptive impact of capacity and capital spending correction. The electronics, computing and IT industries' phenomenal growth demands from remote working and non-physical interactions due to COVID-19 ceased, and unfortunately entered a correction phase. Thus, MIT had to replan our resources and react to the downturn accordingly, which included the reduction of workforce and space on a local entity-level.

We had re-organized our customised automation business to focus on a few key customers' accounts that have a better prospect of revenue growth, and we introduced more value-added services for such customers to get a deeper business engagement. We had chosen to forego some long revenue business cycle projects to mitigate incurring higher business risk.

Our investment in resources to develop our own automated smart system solution equipment is realised with our inaugural system shipment to an overseas customer. This flawless execution of combining the competencies of our one-year-old MIT Penang Operation, and with the Enabling Smart Technology Development Centre in MIT Singapore is validated through this shipment. We usher our ability to address the growing market of ESG industrial needs and adaptation forward speedily. We believe that our 30-year pedigree experiences in equipment building heritage will help us forge ahead in this focused area in the near-term future.

The Contract Equipment Manufacturing (CEM) business in Singapore continues to grow healthily and we had increased our value-added service offerings with them. We have learned to stay competitive despite all the inflationary cost pressure of operating in Singapore. Our key CEM customer in MIT Shanghai was acquired by another company, which has a solely in-house sourcing supply-chain model. Thus, we have had a seamless successful transition and transfer of assembly activities in the third quarter with the customer, and subsequently re-structured MIT-Shanghai to be a supporting sales and service function for our future automated smart system solution equipment business in China.



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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. This is in line with our operating performance amidst a difficult business environment.

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.

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

The Company has procured the requisite undertakings from all its directors and executive officers are referred to in the Listing Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.



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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 months and full year ended 31 December 2023 to be false or misleading.

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement by the Board Pursuant to Rule 705(5) of the Listing Manual.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

ON BEHALF OF THE BOARD

Lim Chin Hong
Executive Director and Chief Executive Officer

27 February 2024