MANUFACTURING INTEGRATION TECHNOLOGY LTD

ANNUAL REPORT 2014

TODAY IN PERSPECTIVE

MANUFACTURING INTEGRATION TECHNOLOGY LTD

ANNUAL REPORT 2014

ANNUAL REPORT 2013

"STAYING RESILIENT"

ANNUAL REPORT 2012

"LEVERAGING ON OUR COMPETENCIES"

ANNUAL REPORT 2011

"POWERING FUTURE GROWTH"

Manufacturing Integration Technology Ltd
Blk 5004, Ang Mo Kio Ave 5 #03-12 TECHplace II,
Singapore 569872
Tel +65 6481 0511 Fax +65 6481 8955
www.mit.com.sg

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MISSION

To provide world class integrated design, engineering and manufacturing solutions in our core businesses whilst enhancing value and maximising returns for the benefit of all our stakeholders.

VISION

To be the ultimate partner of choice as a world-class provider of Semiconductor, Solar and Contract Equipment Manufacturing Solutions.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE

KWONG KIM MONE
(Chairman and Managing Director)

LIM CHIN TONG
(Executive VP and Executive Director)

NON-EXECUTIVE

LEE YONG GUAN
(Lead Independent Director)

LIM YEOK HUA
(Independent Director)

POW TIEN TEE
(Independent Director)

KAM BOON CHEONG
(Independent Director)

BOARD OF COMMITTEES

AUDIT COMMITTEE

LEE YONG GUAN
(Chairman)

LIM YEOK HUA
POW TIEN TEE
KAM BOON CHEONG

NOMINATING COMMITTEE

LIM YEOK HUA
(Chairman)

KWONG KIM MONE
LEE YONG GUAN
POW TIEN TEE
KAM BOON CHEONG

REMUNERATION COMMITTEE

POW TIEN TEE
(Chairman)

LEE YONG GUAN
LIM YEOK HUA
KAM BOON CHEONG

INVESTMENT COMMITTEE

KWONG KIM MONE
(Chairman)

LIM CHIN TONG
LEE YONG GUAN
LIM YEOK HUA
POW TIEN TEE
KAM BOON CHEONG

COMPANY SECRETARY

LYNN WAN TIEW LENG

REGISTERED OFFICE

Blk 5004 Ang Mo Kio Ave 5 #03-12,
TECHplace II,
Singapore 569872
Tel: 65-6481 0511
Fax: 65-6481 8955
Website: www.mit.com.sg
Co. Registration No.: 199200075N

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623
Tel: 65-6536 5355
Fax: 65-6536 1360

AUDITORS

RSM Chio Lim LLP
Public Accountants and Certified Public Accountants
8 Wilkie Road, #03-08 Wilkie Edge
Singapore 228095

AUDIT PARTNER-IN-CHARGE

Chan Sek Wai
Partner-in-charge since financial year ended 31 December 2012

BANKERS

United Overseas Bank Ltd
Citibank, N.A.

COMPANY PROFILE

MIT was founded in 1992 by our Chairman and Managing Director, Mr. Tony Kwong, to provide industrial automation services to the electronics industry in Singapore. In a span of 23 years, we have evolved to become a capital goods supplier serving the semiconductor, solar and contract equipment manufacturing industries, not just in Singapore, but across USA, Europe and Asia. MIT became a publicly listed company in 1999 with its shares traded on the Mainboard of the Singapore Exchange Ltd.

As a capital goods supplier, we do not make end-user products. Instead, we design and build machines that form part of the manufacturing process to produce these end-user products for the mass markets.

Our machines are mainly used by our customers in the assembly and testing of semiconductors to produce devices such as the ubiquitous Apple iphones and iPads, personal computers, medical equipment, automobiles etc. You will not see our MIT brand on these products, but we can safely stake a claim that we have a hand in contributing to (however small) the final production of most of these devices serving the many different industries.

In solar, our equipment play a key role in the making of thin film based solar panels in China. Again, there are no MIT branded solar panels, but we do have a finger in its manufacturing process.

As a contract equipment manufacturer, we also serve leading international companies in assembling their equipment used for making LEDs, semiconductors and medical equipment.

Welcome to our world of making complex electro-mechanical equipment for the global markets.

CHAIRMAN'S MESSAGE

Dear Shareholders

I am delighted to report a strong set of financial results for the year ending 31 Dec 2014. The Group has returned to profitability with a profit after tax of $10.2m from sales of $64.3m, representing a significant turnaround from 2013's sales of $31.3m and a loss of $6.5m.

Our growth was achieved on all-round improvements in the semiconductor, solar and contract equipment manufacturing (CEM) business segments. In addition, the bottom line was helped by a deferred tax assets adjustment of $1.1m and a foreign exchange gain of $0.5m.

The Company's balance sheet was further given a fillip by last year's profits and positive cash flow. Cash and cash equivalents increased to Singapore 7.7 cents per share, which accounts for 44.7% of the Group's net assets. Net Asset Value per Share increased to $0.17 from $0.13 in the last financial year. Net gearing at a lower 23.5% is an improvement over 35.7% a year ago. Earnings per share also improved to 4.6 cents from a loss of 2.9 cents per share in 2013.

As a shareholder, you may be pleased to note that Total Shareholder Returns (TSR) for 2014, which measures the sum of dividends paid and share price movements, went back to a positive 26.8%.

Today in Perspective

Being in the technology space, we are constantly aware of the inherent volatilities in the semiconductor market that has led to gyrations in earnings. From this year's segmental contributions to the overall performance, we believe we had begun to even out the fluctuations as we are now less reliant on the tech sector to produce a more salubrious set of financial numbers for the Group.

Just like any living organism, we will grow by multiplying our product lines, markets and capabilities so as to stay resilient even in times of adverse economic conditions. In the medium term, it is in our plans to cross $100m in sales revenue with decent margins that will give us more growth traction in the years ahead. We believe this target is within sight given our strong fundamentals.

Since the Company's announcement of a total order book of $42m on 5 Jan 2015, we have secured an additional $14m worth of semiconductor equipment orders as at 25 Feb 2015. This brings the current total orders for delivery in this financial year to $56m or about 87% of 2014's sales of $64.3m.

Our growth momentum in the semiconductor segment appears to be in line with several analysts' reports projecting a higher y-o-y growth in semiconductor capital equipment expenditure for 2015, especially in wafer level chip scale packaging technologies as applied in devices for mobile communications, automobile and medical applications. This augurs well for our family of die sorters and vision scanning products.

In solar, we are enhancing our capabilities in the Building Integrated Photovoltaics (BIPV) area and developing new equipment for CIGS (copper, indium, gallium and selenium) solar panel production. While oil prices have dropped significantly in recent months, there are no perceptible signs of a decline in solar investments in China as the country continues to pursue a clean energy strategy to counter its environmental pollution problems.

In the contract equipment manufacturing area, we continue to pursue new opportunities in the LED, semiconductor and clean technology sectors.

Dividends

As we have returned to profitability and subject to approval during the next annual general meeting, your Board has recommended that a first and final dividend of Singapore 0.5 cent per share be paid on 28 May 2015 to all shareholders whose names appear on the share register on 13 May 2015.

At the Board level, Mr Lim Yeok Hua has indicated his intention to step down as Independent Director after the forthcoming AGM to support our Board renewal process. After serving many years on our Board with distinction, Mr Lim deserves our gratitude for his services rendered to the Group. I wish him well in the years ahead.

We would also like to welcome Mr Kam Boon Cheong to the Board as Independent Director. Mr Kam is another semiconductor industry veteran and I am confident that he will contribute significantly to the future success of the Group. Finally, I thank the Board of Directors for their wise counsel, the management and staff for their support and dedication.

Together, we can look forward to another good year ahead.

Mr Kwong Kim Mone
Chairman and Managing Director

"In the medium term, it is in our plans to cross $100m in sales revenue with decent margins that will give us more growth traction in the years ahead. We believe this target is within sight given our strong fundamentals."

BOARD OF DIRECTORS

MR KWONG KIM MONE
Chairman and Managing Director

MR KWONG KIM MONE was appointed Director of the Company on 15 February 1992. He is the Founder and Managing Director of the Company and became its Chairman on 1 November 1999. Mr Kwong has been largely instrumental in providing the strategic direction and driving the business performance of the Group. Under his leadership, the Group has diversified beyond its core semiconductor business to include solar equipment, contract equipment manufacturing and precision machining services. This success has enabled the Group to broaden its revenue, product and customer base towards achieving a more sustainable growth. Mr Kwong was one of the recipients of the Rotary-ASME Entrepreneur of the Year Award in 1998. Under Mr Kwong's stewardship, the Company garnered the "Enterprise 50 Awards" for the years 1996, 1997, 1998 and 1999 jointly organized by the Singapore Business Times and Anderson Consulting. Mr Kwong holds a Diploma in Mechanical Engineering from Singapore Polytechnic and a Diploma in Business Administration from the National Productivity Board.

MR LIM CHIN TONG
Executive VP and Executive Director

MR LIM CHIN TONG was re-designated Executive Director of the Company on 15 August 2007 after serving as an Independent Director of the Company since February 2005. As Executive Director, Mr Lim oversees the formulation and execution of the Group's business and growth strategies particularly in the areas of contract equipment manufacturing and precision engineering services. In his earlier career, Mr Lim held senior appointments in the Economic Development Board and was also Chief Executive Officer of Xpress Holdings Ltd. Mr Lim also sits on the Boards of Catalist-listed Metal Component Engineering Ltd, NYP International Pte Ltd and NPY Ventures Pte Ltd. A mechanical engineer by training, Mr Lim obtained a B. Sc. (Hons) degree from the University of Leeds (UK) and a Diploma in Business Administration from NUS. In addition, he attended the Program for Management Development at the Harvard Business School.

MR LEE YONG GUAN
Lead Independent Director

MR LEE YONG GUAN was appointed Independent Director of the Company on 11 March 2005. Mr Lee, a FCPA Singapore and a Fellow member with Association of Chartered Certified Accountants, is currently the Executive Director of UnionPay International Co, a wholly owned subsidiary of China UnionPay Company in Shanghai. He was the past President of Visa Worldwide Pte Ltd overseeing the growth of Visa's business in the Asia Pacific region. Mr Lee was awarded the Lee Foundation Prize by Singapore's Association of Chartered Certified Accountants (ACCA) for being ranked first in their professional examination. Mr Lee currently serves as a member of the SMU School of Accountancy Advisory Board. He is also a member of the Singapore Harvard Club.

MR LIM YEOK HUA
Independent Director

MR LIM YEOK HUA was invited to re-join the Board as an Independent Director on 1 May 2006. Mr Lim has extensive experience in the fields of tax planning, mergers and acquisitions of companies, financial and management consultancy. He is a Chartered accountant, Singapore, a Fellow member of the Association of Chartered Certified Accountants and an accredited tax advisor of the Singapore Institute of Accredited Tax Professionals. He is also currently a member of the Singapore Institute of Directors and an Independent Director of three other public companies listed on SGX-ST.

MR POW TIEN TEE
Independent Director

MR POW TIEN TEE was appointed Independent Director of the Company on 28 April 2014.

Mr Pow had worked many years in the semiconductor industry covering the whole APEC region. In 2013, he retired as the Regional President and MD of Infineon Technologies Asia Pacific Pte Ltd., and Chairman of Infineon China, Infineon Shanghai, Infineon Wuxi and Infineon Xi'an, and Managing Director of Infineon Technologies Hong Kong Co. Ltd.

Mr Pow has a degree in Business Administration in Political Science and History from Nanyang University, Singapore. He is currently the Principal Consultant of ORTUS Consulting Group, China. He was conferred Honorary Professorship by Xi'an University of Electronic Science and Technology, Xi'an, in 2009 and had also authored a book for the University entitled "High Performance Enterprise Management" in 2013.

MR KAM BOON CHEONG
Independent Director

MR KAM BOON CHEONG was appointed Independent Director of the Company on 5 May 2014. He graduated from Glasglow University, Scotland, with a degree in Mechanical Engineering in 1987. He began his engineering career in Apple Computer before moving to several high technology companies such as ICOS Vision Systems and KLA-Tencor with regional responsibilities. Mr Kam was the Managing Director of ICOS at the time of its acquisition by KLA-Tencor in 2008 and remained in the latter until 2011. Thereafter, he has been providing corporate advisory services to local corporations.

KEY EXECUTIVES

MR TAN BAN HEE

is our Executive VP and Chief Financial Officer overseeing the entire financial management of the Group at both operational and strategic levels. He also has responsibility for the Group's IT function in his concurrent capacity as Head of the MIS Department. Prior to joining the Company in November 1999, he had held key finance portfolios in several local private and public listed companies. Mr Tan, who graduated from Foon Yew High School in 1985, holds a Bachelor of Accountancy degree from the National University of Singapore and is currently a Fellow member of the Institute of Singapore Chartered Accountants.

MR DAVID FOO WAH MENG

joined the Company in March 1998 and is the VP of the Company's Semiconductor business overseeing Sales and Marketing, as well as Service. Mr Foo graduated from the Singapore Polytechnic with a Diploma in Electronics and Communications. He was also awarded a scholarship by the then Trade Development Board to pursue an International Marketing program in collaboration with Denmark's Niels Brock Business Institute.

MR EDDY LIM KOK YEOW

joined the Company in March 2009. As VP and Head of Technology & Development, Mr Lim spearheads all new product design and development work leveraging on advanced packaging manufacturing technologies. Mr Lim has a B. Eng (Hons) in Mechanical Engineering from the Nanyang Technological University, Master of Science in Manufacturing Technology and Automation from the National University of Singapore and a Certificate in Ultra Precision Machine Design from Cranfield University, UK. He also has more than 20 years of working experience in system design and development involving ultra precision applications. Prior to joining the Company, Mr Lim had held several Director level positions in other semiconductor equipment and wafer bumping technology companies.

MR BOH TECK KEONG

joined the Company in November 2002 as General Manager with responsibility for Technology & Product Engineering. From March 2012, he took up a new appointment as Senior VP and General Manager of Casem (Asia) Pte Ltd. Prior to joining the Company, Mr Boh had worked with various semiconductor MNCs overseeing Engineering and Sales. Mr Boh graduated from the University of Singapore (Mechanical Engineering) in 1980. He also holds a Graduate Diploma in Business Administration from the Singapore Institute of Management.

MR DENNIS FOO PIAU YEW

is the VP of Sales in Casem (Asia) Pte Ltd with responsibility for sales, marketing and business development of the Group's contract equipment manufacturing (CEM) business. In his earlier career, he had held senior engineering and operations positions in various American and European MNCs related to harddisk, IC and lead-frame manufacturing as well as in automotive electronics. Mr Foo graduated with a Bachelor degree in Mechanical and Production Engineering from Nanyang Technological University in 1993 and a MBA from the University of Nottingham Business School in 2004.

MR HOWE WENG KHIONG

joined Generic Power Pte Ltd as General Manager in January 2010, overseeing the vision inspection business. Mr Howe is concurrently the Senior VP and General Manager of iPAC Manufacturing Pte Ltd with responsibility for Manufacturing, Materials and Supply Chain operations supporting the various business units in the Group. Prior to joining the Company, Mr Howe was the General Manager of a semiconductor silicon wafer reclaim company. He was also an Investment Manager with EDB Investments Pte Ltd from the period 1996 to 2000. Mr Howe holds a Bachelor of Accounting degree from the Nanyang Technological University.

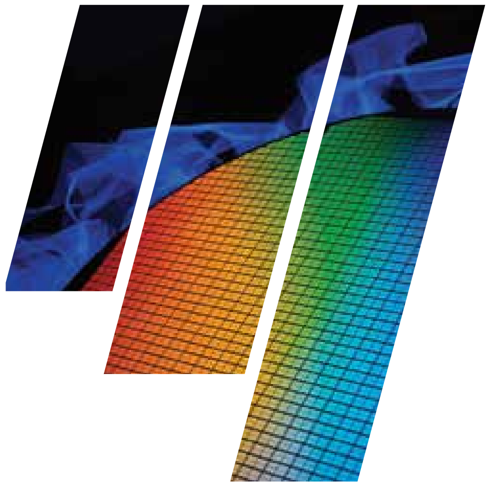
MR CAVIN TEO SIEW HENG

joined the Company in March 2001 as Senior Human Resource and Administration Manager. He concurrently holds the appointment as Head of Corporate Services overseeing HRM and Corporate Affairs. Before joining the Company, Mr Teo had held various senior managerial appointments in local, Japanese and American MNCs. He graduated with a MBA from the Central Queensland University (Australia) with several Dean's Letter of Commendation; and a Bachelor of Business from the University of Tasmania (Australia) ("UTAS"). At UTAS, he was also a recipient of the Dean's Roll of Excellence conferred by the Faculty of Commerce. As a training practitioner, he completed his ACTA training at the Institute of Adult Learning.

We operate from two rented facilities; one in Ang Mo Kio (Singapore) and the other in Jiading District (Shanghai, China). Our corporate headquarters is in Singapore together with our R&D centre for semiconductor and solar equipment. The semiconductor equipment are manufactured in Singapore while the solar machines are assembled in our Jiading facility closer to our major market. Both facilities also service their respective CEM customers.

MIT had also acquired 2 units of industrial space at North Spring BizHub in Yishun in 2012 with a total space area of 33,000 sq ft. These premises are currently fully leased out to third parties, generating a recurrent rental income of $0.66m per year. It is our intention to consolidate our Singapore operations in this facility in the future.

Semiconductor Segment



Most of our customers in the semiconductor, solar and CEM businesses are leading market players in their respective industry space. In the semiconductor area, our major customers are mainly Integrated Device Manufacturers (IDMs) and Outsourced Semiconductor Assembly and Test (OSATs) houses and foundries. They usually have a manufacturing or design presence in Asia, typically Singapore, Philippines, Taiwan, China, Malaysia and Korea.

After a slow start in 1H 2014, orders picked up steadily in our semiconductor segment. Sales in all three families of die sorters, vision inspection and laser markers rose strongly in the second half of the year. We continued to benefit from the smart phone and tablets revolution, and growth in the global automotive industry. Going forward, we see exciting new opportunities in the wearable electronics business as well as in The Internet of Things (IoT) arena, for example in new sensor technologies.

As such, we will continue to invest in R&D in areas such as motion control, ultra-precision engineering and assembly etc as the market demands faster processing of smaller and ultra-precision parts.

Solar Segment

Currently, PRC is our sole market as they are the global leader and unarguably the most competitive in the world. After a few years of consolidation, the solar market in PRC has begun to re-illuminate. It is also supported by the Government's reiterated commitment to have 20% of China's energy needs from renewable sources by 2030. The recent slide in global oil prices has not affected solar demand in China as they are focusing on renewable sources of clean energy to alleviate pollution concerns.

With the recovery of the solar market in PRC, we managed to secure a $10m new contract for equipment to assemble Building Integrated Photovoltaic (BIPV) solar panels.

BIPV are basically glass window panes and claddings of buildings that serve as solar panels to generate electricity from the sun. This is in addition to its usual protective and decorative functions. The recent strong sales order augurs well for 2015 and we are working towards securing more contracts in this area.

In our roadmap, we are also planning to enter into new thin-film based solar technology, involving equipment for CIGS (copper, indium, gallium and selenium) solar panel production. CIGS has significantly higher solar conversion efficiency rates. We will be enhancing our design and development capabilities to stay on top of this technology curve.

Contract Equipment Manufacturing Segment

Our Contract Equipment Manufacturing business continued its steady performance in 2014 for our built-to-print equipment manufacturing projects. In this model, our customers provide us with the drawings upon which MIT will procure the necessary components and materials (that may involve a few thousand parts-lists) as well as to provide the necessary assembly services. In some cases, we will also offer value added engineering services and design content to improve on the manufacturability and reliability of the products at lower costs. Given the lower margins in this segment, it is essential that we build up our revenue base with steady and repeatable volume projects. We have therefore been marketing our services aggressively, especially in the clean energy sector which builds on the capabilities present in the assembly of solar and LED equipment.

Our plant in Jiading, Shanghai remains our key supply chain partner for machined fabrication parts and equipment modules to ensure certainty of parts supply at competitive cost levels and scalability of production.

We will continue to develop MIT Shanghai into our centre-of-excellence for assembly and engineering to serve the solar industry. This is on top of its other principal activities in precision machining and CEM business for customers operating within and outside of China.

Order Book

We started 2015 on a relatively high note. As at 25 Feb, we had already received POs and sales contracts worth a total of \$56m for delivery in 2015. This does not include other routine service or upgrading jobs that come in on a regular basis. Barring unforeseen developments, we should do just as well in 2015 if not better.

Revenue

In 2014, the Group achieved sales of $64.3m, an increase of 104% when compared to the previous year's figure of $31.3m. The revenue is the highest that we have achieved in our corporate history. This stellar performance was largely due to the all-round growth in our semiconductor, solar and CEM business segments.

At this level, we are at the cusp of reaching our medium term goal of $100m sales per year. Having already secured $56m in sales contracts as at 25 Feb 2015, we aim to have another breakthrough year by the end of FY2015.

Earnings

With a two-fold increase in revenue, we recorded a Profit after tax of $10.2m in FY2014, a turnaround from a Loss after tax of $6.5m in the previous corresponding financial year. This record profit was achieved on the back of a higher Gross Margin of 31% in FY2014 compared with 13% in FY2013.

In addition, we benefitted from foreign currency translation gains of $0.55m and a recognition of additional deferred tax assets of $1.1m. In 2014, almost 82% of our sales were transacted in USD.

In accounting jargon, deferred tax assets are mainly derived from tax losses and temporary differences from capital allowances that can be carried forward and utilized to offset future income tax benefits in other profitable years. In MIT's books, there remains a deferred tax assets of $1.57m that can be utilized in future years.

Earnings per share had improved to Singapore 4.6 cents from a loss of Singapore 2.9 cents per share in FY2013.

Expenses

In line with the higher revenue and increased business activities, our Selling and Distribution Expenses as well as Administrative Expenses rose by 13% and 39% respectively.

Finance costs increased as mortgage loans for our investment properties in Yishun were fully drawn down upon issuance of TOP.

There were lower impairment losses on inventories and development expenditure when compared to the last financial year.

Despite differences in gross margin yields across our various business segments, we aim to consistently achieve strong earnings overall through sustainable growth.

Assets and Liabilities

After depreciation and amortization charged during the year, Investment properties, Plant and equipment and Intangible assets decreased respectively.

Although a desktop valuation of our investment properties in Yishun showed a market value of $12.8m as at year end, the increase of $3.3m was not booked in as the Group has adopted the cost method as its accounting treatment.

Inventories increased by $5.2m to $20.3m in view of strong on-going business activities and new orders to be expected in the coming months.

In line with the higher revenue, Trade and Other Receivables increased by 65% to $19.2m during this financial year.

The increase in Trade and Other Payables as well as provisions was also the result of the higher inventory level maintained.

Overall, our return on shareholders' equity (ROE) was 26.8%. Net asset value per share also increased to $0.17 from $0.13.

Cash Flow

Operating cash flow from operations was a positive $10.2m in FY2014, a vast improvement over the negative cash outflow of $9.3m in FY2013. As a result, the Group's Cash and Cash equivalents at 31 December 2014 climbed 98.4% to $16.9m compared to $8.5m as at 31 December 2013. The stronger cash flow position was due to the Group's positive results and efforts made in the account receivables collection.

With this strong cash position, the Cash and Cash equivalents per share stood at 7.7 cents, which accounts for about 44.7% of the Net Asset Value per share.

The gearing ratio also has seen an improvement at 23.5% down from its previous high of 35.7%.

Dividends

The Board has recommended a first and final dividend of Singapore 0.5 cent per share for approval at the forthcoming Annual General Meeting.

It has been our general practice to make dividend payments in profitable years only as the presence of accumulated losses in our books dictates that they can only be paid out of the current year's profit. Going forward, we aim to erase all accumulated losses soon with each profitable year and will even consider higher payouts to our shareholders with our continuing strong earnings hopefully in the very near future.

FIVE-YEAR FINANCIAL HIGHLIGHTS

(All amounts in S$'000)

Statement of Comprehensive Income	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenue	51,682	51,941	40,609	31,301	64,273
EBITDA	5,501	5,789	1,348	(5,207)	10,963
(Earnings Before Interest, Tax , Dep & Amort)					
EBIT	3,611	3,986	(247)	(6,505)	9,493
(Earnings Before Interest & Tax)					
Finance Cost	97	126	117	85	261
Profit (Loss) before tax from continuing operations	3,579	3,908	(276)	(6,491)	9,305
Profit (Loss) attributable to owners of the parent, net of tax	2,995	3,781	311	(6,491)	10,172
Statement of Financial Position					
Current Assets	49,259	41,179	33,211	35,457	56,698
Current Liabilities	21,853	12,233	7,845	16,410	27,839
Total Assets	56,333	48,096	43,070	48,575	70,316
Total Borrowings	2,149	1,947	793	9,866	8,913
Cash and Cash Equivalents	15,129	15,087	13,952	8,541	16,945
Shareholders' Equity	31,057	34,303	33,907	27,598	37,930
Net Tangible Assets	30,896	34,143	33,772	27,481	37,834
Net Asset Value per Share (cents)	14.27	15.77	15.58	12.68	17.43
Financial Ratios					
Profitability					
Return on Equity (%)	9.6%	11.0%	0.9%	-23.5%	26.8%
Return on Assets (%)	5.3%	7.9%	0.7%	-13.4%	14.5%
Liquidity					
Current Ratio (times)	2.3	3.4	4.2	2.2	2.0
Cash as a percentage of NAV (%)	48.7%	44.0%	41.1%	30.9%	44.7%
Leverage					
Gearing (%)	6.9%	5.7%	2.3%	35.7%	23.5%
Interest Cover (times)	37.2	31.6	N.A.	N.A.	36.4
Investment					
Earnings per Share (cents)	1.38	1.74	0.14	-2.98	4.65
Gross Dividend per Share (cents)	0.25	0.25	N.A.	N.A.	0.50
Gross Dividend Yield (%)	1.8%	3.6%	N.A.	N.A.	6.7%
Dividend Payout Ratios	18.1%	14.4%	N.A.	N.A.	10.7%
Productivity					
Number of Employees (Local & Overseas)	397	301	303	256	301
Revenue/Employee (S$'000)	130.18	172.56	134.02	122.27	213.53

We recognize that businesses must take risks in order to make a profit and to grow. Management will take the necessary risks to achieve our corporate objectives, but in a responsible and measured way. We will not undertake more risks beyond what we can afford in terms of financial and operational assets.

The Group has formed an Enterprise Risk Management Committee (ERMC) comprising Senior Management staff to oversee the identification and implementation of risk management measures in the financial, operational and compliance areas. It reports to the Audit Committee of the Board.

A list of the key risk areas and our risk control measures as identified by the ERMC is set out below. The list is not exhaustive.

Operating Risks

Inherent cyclical nature of the semiconductor industry

As our core business has traditionally been in the semiconductor space, we are exposed to fluctuations in the demand for semiconductor chips and related equipment which, historically, has been highly cyclical in nature. At various times, we have experienced slowdowns in the semiconductor industry characterized by production overcapacity, inventory overhang and rapid erosion of the average selling prices of IC devices.

MIT's transformation strategy to turn itself from a pure play semiconductor company to a well-diversified high tech capital goods engineering company is well on track. This is evidenced by the growing contributions from our Solar and CEM segments.

Rapidly changing technology may make our products obsolete

Technology advancements especially in the semiconductor and solar arena can make fast obsolescence of expensive capital equipment. Our customers' needs may change in line with rapid changes in technology and market demands. Windows of opportunities may be lost if we do not respond fast.

We need to continue to invest aggressively in design, research and development. In FY 2014, we invested about 3.6% of our revenue in research and development to hone and acquire new capabilities to enable us to stay competitive and relevant.

Disruptions in the supply chain for key components and fabricated parts

We provide turnkey contract equipment manufacturing services to customers and are generally responsible for procuring components and fabricated parts required for the manufacturing process. Certain critical components and parts may from time to time be in short supply, see a spike in prices or may not meet our delivery schedules.

To overcome some of the possible disruptions in our supply chain, our precision machining facility in Shanghai plant is well-equipped to produce some of these fabricated parts, particularly common machine modules to complement our other external sources. We will also continue to broaden our vendor base for alternative parts supply and to forge key partnership relationship with our top tier suppliers to improve demand planning and ensure certainty of supply.

We may not have enough manufacturing capacity during peak periods

Delivery lead times are increasingly compressed by our customers. During peak periods we may face insufficient manpower and facilities to cater to short term and rapid demands. As a matter of operational strategy, we also avoid adding fixed internal capacity to cater for all peak demands as this will pose a serious cost issue during periods of industry downturns.

To alleviate this risk, we outsource some of the assembly work to local subcontractors. We are also extending this source to Malaysian parties at the module or subsystem levels.

We may not always be successful in attracting and retaining key personnel to support or drive our growth

Our future success depends largely on the services of key talents in our management and technical ranks, who may be difficult to attract and retain, especially in a tight labor market situation.

In attracting talents, the current issues we face centre around scarcity. Retention of key leadership talent and succession planning are also ongoing challenges. The Company aims to address these issues by developing and rewarding our employees accordingly (for example, through training, coaching and mentoring as well as introducing stock ownership and incentive plans like performance shares and stock options).

We are dependent on a few key customers

We are dependent on a few major customers for a significant portion of our sales. For FY2014, 5 of them accounted for approximately 74% of our total sales turnover. These key customers are expected to remain significant sales contributors even for the foreseeable future as they are also major industry players in their own right.

The Company has always placed strong emphasis on retaining and growing our existing customer base and securing new major accounts. Consistent with the Group's diversification strategy to reduce its dependency on any one cluster of customers, we have already made inroads into the CEM and Solar markets to broaden our revenue and customer base.

We are exposed to risks associated with overseas operations

In FY 2014, our Shanghai plant contributed 14.7% of our Group revenue. This is expected to grow as we expand and carry out more assembly jobs in China. We are exposed to operational, financial, economic and political risks associated with operating in foreign countries.

We are exposed to the risk of unutilized stocks

We manufacture our products based largely on confirmed orders as well as informed demand forecasts by our customers. In the case of the former, customers will generally be responsible for any changes or cancellation to their orders. Depending on market conditions and in anticipation of possible ramp in demand, we may procure additional parts and/or manufacture our products to stock. If there are variations in our customers' technical specifications, this may result in unutilized inventories which comprise mainly of raw materials and semi-finished products.

To minimize our risk exposure to such situations, we engage our key customers ahead of schedule and collaborate closely with them on their technology roadmaps to insure our product acceptance.

In addition, we are upgrading our ERP system to ensure integrated controls from sales planning and order processing stage to design, procurement, manufacturing right up to final delivery and post shipment support services.

Financial Risks

Exposure to foreign exchange risk

MIT's main trading currencies are USD, Euro and SGD, with the majority in USD. With increasing contributions from our Shanghai plant, more exposure to fluctuations in the RMB will also be imminent.

In FY2014, USD transactions contributed almost 82% of the total sales revenue. As such, the Group is susceptible to exchange rate fluctuations.

The Group aims to mitigate these risks in several ways. One strategy is through natural hedging by procuring raw materials at source where the currency rate is in its favor. There is also a treasury policy in place to provide guidance on hedging of foreign currencies. The policy and practices are reviewed periodically to ensure that they are line with prevailing market conditions and currency trends. The current Group's policy is to hedge at least 50% of net USD position by entering into forward contracts to minimize exposure to USD. Despite this, there can be no assurance that our profitability will not be adversely affected by the unpredictable currency movements.

Financial instruments risk

We do not participate in any form of financial derivative instruments or engage in trading of such instruments.

We are subject to investment risk

Apart from organic growth, the Group will also take the Mergers and Acquisitions (M&A) route to grow its business. Various acquisition and business risks are unavoidable.

All investment proposals will continue to be judiciously evaluated by the Investment Committee and aided by external professional advisers for more complex transactions, before they are finally tabled for the Board's approval.

We are subject to liquidity risk

Liquidity management is an integral part of MIT's treasury policy. To ensure that the Group has access to liquidity when needed, its cash management practices take into account the Group's long and short term operational and general funding requirements.

To manage liquidity risk, the Group sets internal liquidity targets based on the forecasted working capital requirements and cash flow generation from operating activities.

With our net cash position and low bank debt, we are not facing liquidity pressures nor are we in violation of any bank covenants.

Credit risk

The Group has a concentration of several key customers. They are mainly large multinationals and represent leading players in their respective industries with good credit ratings and financial standing. Nevertheless, we are still exposed to a certain amount of credit risks. We aim to mitigate these risks by stepping up our checks on material developments affecting their operations or other areas of heightened risks that could impair their financial stability.

In engaging new customers and even key vendors, the Group also has strict credit review and due diligence policies to assess the financial worthiness and viability of these Companies.

Interest rate risk

As the Group has a healthy cash position with minimal amount of borrowings, it is not subject to any significant exposure to interest rate rises that may take place during the year.

Regulatory Risks

Intellectual property risk

Being in the technology space, intellectual property ("IP") rights and the risks of infringing these rights of others (and by others) will always be present. Our R&D team will be rigorous in their patent searches and will be uncompromising in their exercise of due diligence even as we continue to build on our portfolio of patents to defend our own IP rights. The Group has 13 approved patents to-date.

Risk Management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, the Group can make more informed decisions and benefit from a better balance between risk and reward. This will help protect and also enhance our shareholders' value.

FINANCIAL CONTENTS

The Board of Directors (the “Board”) and management of Manufacturing Integration Technology Ltd (the “Company”) and its subsidiaries (the “Group”) are committed to maintaining high standards of corporate governance. This report describes the Group’s corporate governance practices and structures that were in place during the financial year ended 31 December 2014, with specific reference to the principles and guidelines of the Code of Corporate Governance 2012 (the “Code”).

Board Matters (Principle 1)

Board of Directors

The Board of Directors (the “Board”) comprises six Directors, four of whom are Independent Directors and two are Executive Directors. The members of the Board have an appropriate mix of core competencies and diversity of experience, with extensive senior-level operational, business and corporate experience in the relevant industries.

Role of the Board of Directors

Apart from its fiduciary duties under the Companies Act, Chapter 50, and requirements pursuant to the SGX-ST Listing Manual, the Board sets the overall strategy of the Group and establishes policies on matters such as financial control, financial performance and risk management practices.

Board Processes and Conduct of Affairs

To assist in the execution of its responsibilities, the Board has established several Board Committees namely; an Audit Committee (“AC”), a Nominating Committee (“NC”), a Remuneration Committee (“RC”), and an Investment Committee (“IC”). These Committees function within clearly defined terms of reference, which are reviewed on a regular basis. The terms of reference for the respective Committees have incorporated the changes under the Code. The overall effectiveness of the Board as a whole is also being assessed as part of the Group’s continuing efforts to raise the level of corporate governance.

In addition to the scheduled meetings to release half yearly results and approve the annual budget, the Board also holds separate meetings and discussions at such other times as may be necessary to address any specific significant matters that may arise.

Matters Requiring Board Approval

The Board has direct approving and decision-making responsibilities for the following:

- approving broad policies, strategies and financial objectives of the Group and monitoring the performance of management;
- convening of shareholders’ meetings;
- declaration of interim dividends and proposal of final dividends;
- reviewing the adequacy of internal controls, risk management and review of the Group’s financial performance, compliance and resource allocation;
- establishing a proper risk management system to ensure that key potential risks faced by the Group are properly identified and managed;
- approving half-year and full-year results announcements;
- approving the annual report and accounts;
- providing oversight in the proper conduct of the Company’s business and assuming responsibility for corporate governance;
- approving annual budgets, major funding proposals, material investments and divestment proposals, acquisitions and disposal of assets; and
- approving interested person transactions.

All other matters are delegated to the respective Committees whose actions are reported to and monitored by the Board.

Training of Directors

All new Directors, namely Mr Pow Tien Tee and Mr Kam Boon Cheong had undergone an orientation programme to familiarize them with the Company's structure, organization, businesses and governance policies. In addition, all directors receive appropriate training to develop their knowledge of the Company's business, industry environment and competence necessary to be effective in their roles. The Company also provides ongoing updates and briefings, particularly on relevant new laws, regulations and changing commercial risks, from time to time to enable them to make well-informed decisions. Directors also visit the Shanghai plant to gain first-hand updates of the internal and external environments affecting the business.

Directors' Meetings held in 2014

In the course of the year under review, the number of meetings held and attended by each member of the Board was as follows:

Name of director	**Number of Board Meetings held**	**Attendance**
Executive Director		
Mr Kwong Kim Mone (Chairman and Managing Director)	3	3
Mr Lim Chin Tong	3	3
Independent Director		
Mr Lee Yong Guan	3	3
Mr Lim Yeok Hua	3	3
Mr Pow Tien Tee (appointed on 28 April 2014)	3	2
Mr Kam Boon Cheong (appointed on 5 May 2014)	3	2

Chairman and Managing Director/Chief Executive Officer (Principle 3)

The Board is of the view that as the Company and Board size is relatively small, it is in the best interest of the Group to adopt a single leadership structure, whereby the Managing Director and the Chairman of the Board is the same person, so as to ensure that the decision-making process of the Group would not be unnecessarily hindered.

The Executive Chairman and Managing Director is Mr Kwong Kim Mone, who with the support and advice of the Board, plays an instrumental role in setting the strategic direction of the Group and ensuring that its organizational objectives are achieved.

Separate roles have not been established for the Executive Chairman and Managing Director. The Company is of the view that it is unlikely that the discharge of responsibilities in these roles by the same person will be compromised as all major financial decisions made are reviewed by the AC and approved by the Board. The Nominating Committee (the "NC") reviews his performance and considers his re-election. His remuneration package is governed by the recommendations of the Remuneration Committee (the "RC") with the approval of the Board.

The NC is made up of a majority of Independent Directors, whereas the RC comprises entirely Independent Directors. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority vested in any one individual.

Lead Independent Director

The Board has appointed Mr Lee Yong Guan as Lead Independent Director to comply with Guideline 3.3 of the Code, which recommends that the Company may appoint a Lead Independent Director where the Chairman and the Managing

Director is the same person.

The major roles and responsibilities of the Lead Independent Director are as follows:

- To meet with shareholders if they have concerns which have not been resolved by the Chairman, the Managing Director or the Chief Financial Officer through the normal channels or for where such contact is inappropriate;

- To lead the Independent and Non-executive Directors in providing and facilitating a non-executive perspective and contribute a balance of viewpoints to the Board in particular, acting as principal liaison between the Independent and Non-executive Directors and the Chairman on sensitive issues;

- To coordinate the activities and schedule meetings of Independent and Non-executive Directors and to chair such meetings without the presence of the Executive Directors, if necessary;

- To promote high standards of corporate governance; and

- To undertake such further responsibilities as may be determined by the Board from time to time.

Board Composition and Guidance/Board Membership (Principles 2 & 4)

Independent Members of the Board of Directors

The Board of Directors has four independent members, representing 67% of the Board: Mr Lee Yong Guan, Mr Lim Yeok Hua, Mr Pow Tien Tee and Mr Kam Boon Cheong. The other two directors, Mr Kwong Kim Mone and Mr Lim Chin Tong are executive directors. Mr Kwong is the Chairman and Managing Director of the Company. With four Independent Directors, the Board is able to exercise independent judgment on corporate affairs and provide Management with a diverse and objective perspective on issues.

The NC has adopted the Code's definition of what constitutes an Independent Director in its review. Mr Lim Yeok Hua and Mr Lee Yong Guan have served on the Board for more than nine years. The NC has conducted a rigorous review of their independence and contributions to the Board. Whilst the NC acknowledges their strong support for Board renewal, it also takes the view that despite their long service, both Mr Lim and Mr Lee had contributed significantly to the Board and have continued to exhibit objectivity in their deliberations and independent judgement to enhance the quality of the Board's decisions.

The names and the key information of the directors of the Company in office at the date of this Statement are set out in the Directors' Report and Page 4 & 5 of this Annual Report.

The NC reviews the size and composition of the Board annually to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective and informed decision-making. When a vacancy exists, or where it is considered that the Board would benefit from the services of a new director with specific skills-sets in a particular area or areas of expertise, the NC is tasked to identify and consider such individual(s) for appointment to the Board.

The NC is of the view that the current size of the Board is appropriate, taking into account the nature and scope of the Group's operations. The NC is satisfied that the Board comprises directors who as a group provides adequate knowledge and expertise in such areas as accounting, finance, business and management experience, industry and customer knowledge, and strategic planning with an orientation towards the market.

Audit Committee ("AC") (Principle 12)

The AC comprises 4 members, including the Chairman, all of whom are Independent Directors.

The members of the AC at the date of this Report are:

Mr Lee Yong Guan	(Chairman)
Mr Lim Yeok Hua	
Mr Pow Tien Tee	(appointed on 5 May 2014)
Mr Kam Boon Cheong	(appointed on 5 May 2014)

The overall objective of the AC is to ensure that Management has created and maintained effective control mechanisms within the Company and that such controls are strictly adhered to by all levels of management and employees.

The AC has the explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of management and the full discretion to invite any director or senior manager to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities efficiently.

As a sub-committee of the Board, the AC provides a channel of communication between the Board, management, the internal and external auditors with regards to findings and recommendations arising from internal and external audits.

In FY2014, the terms of reference for AC were amended to be in line with the recommendations of the Code.

Specifically the AC:

- assists the Board in discharging its statutory responsibilities on financial and accounting matters;
- reviews the financial and operating results and accounting policies of the Group;
- reviews significant financial reporting issues and judgments relating to financial statements for each financial year, interim and annual results announcement of financial statements before their submission to the Board for approval and the external auditors' report on the financial statements;
- reviews the adequacy of the Company's internal controls (financial, compliance and operational) and risk management policies and systems established by the management; considers and reviews the assistance given by Management of the Group to the auditors;
- reviews the external audit plans and the results of the external auditors' examination and evaluation of the Group's internal control systems; reviews the audit plans and reports of the external auditors and considers the effectiveness of the actions taken by management on the auditors' recommendations;
- recommends the re-appointment of the external auditors, approves their compensation and their terms of engagement;
- reviews interested person transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its shareholders;
- reviews the internal audit plan and findings of the internal audit;
- review annually to ensure that the nature and extent of non-audit services provided by external auditors would not affect their independence as external auditors of the Company; and generally undertakes such other functions and duties as may be required by statute or the Listing Manual of the SGX-ST, and by such amendments made thereto from time to time;
- meets with the external and the internal auditors at least once a year without the presence of management.

In FY2014, the number of AC meetings held and attended by each member of the Committee was as follows:

Name of director	**Appointment**	**Number of meetings held**	**Attendance**
Mr Lee Yong Guan (Chairman)	Independent	2	2
Mr Lim Yeok Hua	Independent	2	2
Mr Pow Tien Tee	Independent	2	1
Mr Kam Boon Cheong	Independent	2	1

The Group has complied with Rule 712 and Rule 715 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors.

In addition to the activities undertaken to fulfill its responsibilities, the AC is kept abreast by the Management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

The amount of audit and non-audit fees for FY2014 paid to the external auditors, RSM Chio Lim LLP were $114,200 and $27,400 respectively. The AC confirms that it has undertaken a review of all the non-audit services provided by the external auditors, RSM Chio Lim LLP, during the year and is satisfied that such services, would not affect the independence of the external auditors. The AC meets with the external auditors, without the presence of Management, at least once a year. No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

Whistle-Blowing Policy

The Company has put in place a whistle-blowing framework, endorsed by the AC where employees of the Company may, in confidence, raise concerns about possible corporate improprieties on matters of financial reporting or other legal or ethical issues whilst ensuring that comprehensive procedures are in place to address them. The details of the whistle-blowing policy and reporting mechanisms have been made available to all employees.

The Whistle Blowing Officers are all members of the AC. Any Whistle Blowing Officer to whom a concern has been raised, is obliged to make a report to the Board of the substance of the concern without breaching employee confidentiality. The AC is obliged to review all reports received and take or approve the appropriate actions.

There was no whistle blowing complaints received during FY 2014.

Nominating Committee ("NC")

The NC comprises 5 Directors, a majority of whom, including the Chairman, are Independent Directors.

The members of the NC at the date of this Report are:

Mr Lim Yeok Hua	(Chairman)
Mr Kwong Kim Mone	
Mr Lee Yong Guan	(appointed on 5 May 2014)
Mr Pow Tien Tee	(appointed on 5 May 2014)
Mr Kam Boon Cheong	(appointed on 5 May 2014)

In FY2014, the terms of reference for NC were amended to be in line with the recommendation of the Code.

Specifically the NC:

- develops and maintains a formal and transparent process for the appointment and re-appointment of members of the Board; having regard to the directors' contributions and performance;
- identifies candidates and reviews all nominations for appointment of new directors, determining whether or not such nominee has the requisite qualifications; sets up a process for the selection of such appointments and recommends all appointments of directors to the Board and Board Committees;
- decides how the Board's performance may be evaluated, and prepares objective performance criteria to assess the effectiveness of the Board as a whole and its committees.
- identifies gaps in the mix of skill, experience and other qualities required in an effective Board so as to nominate or recommend suitable candidates to fill the gaps;
- reviews the independence of each Director annually, decides whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when the Director has multiple Board representations; and
- reviews training and professional development programmes for the Board.

The NC in carrying out its tasks under these terms of reference may obtain such outside or other independent professional advice, as it considers necessary to carry out its duties.

The NC acknowledges the importance of a formal assessment of Board performance and for FY 2014, this was conducted by means of a performance appraisal completed by all Directors and a performance review facilitated by the NC Chairman. The attendance, participation and contributions of each Director at Board, Audit and other Committee meetings were also considered. The NC meets at least once annually.

In FY2014, the number of NC meetings held and attended by each member of the Committee was as follows:

Name of director	Appointment	Number of meetings held	Attendance
Mr Lim Yeok Hua	Independent	1	1
Mr Kwong Kim Mone	Executive	1	1
Mr Lee Yong Guan	Independent	1	N.A.
Mr Pow Tien Tee	Independent	1	N.A.
Mr Kam Boon Cheong	Independent	1	N.A.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is an interested party.

Article 91 of the Articles of Association of the Company requires one-third of the Board to retire by rotation at every AGM. Article 97 of the Articles of Association of the Company requires the Director to retire following the first appointment. The retiring Directors are eligible to offer themselves for re-election. A director over 70 years of age is required to be re-appointed every year at the AGM pursuant to Section 153(6) of the Companies Act, Chapter 50.

The NC, has recommended the re-election of Mr Kwong Kim Mone and Mr Lee Yong Guan who will be retiring at the forthcoming AGM, following a review of their performance and contributions. Mr Pow Tien Tee who is retiring pursuant to Section 153(6) of the Companies Act Cap 50, is seeking re-appointment. Mr Kam Boon Cheong who is retiring pursuant to Article 97 of the Articles of Association of the Company is also seeking for re-election at the forthcoming AGM.

Mr Kwong will, upon re-election as a Director of the Company, remain as the Chairman & Managing Director and a member of the Nominating Committee and Chairman of the Investment Committee.

Mr Lee will, upon re-election as a Director of the Company, remain as the Lead Independent Director and the Chairman of the Audit Committee and a member of the Nominating, Remuneration and Investment Committees and will be considered independent.

Mr Kam will, upon re-election as a Director of the Company, remain as a member of the Audit, Nominating, Remuneration and Investment Committees and will be considered independent.

Mr Pow will, upon re-appointment as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit, Nominating and Investment Committees and will be considered independent.

The NC has guidelines addressing competing time commitments faced when Directors serve on multiple listed company boards or have other principal commitments. Each Director shall not serve more than a maximum of 5 Board Directorships in public listed companies at any one time and each Director is required to disclose to the NC his board representation(s).

The NC has reviewed and is satisfied that the directors have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as directors of the Company.

Remuneration Committee ("RC")

The RC presently consists of 4 members, all of whom including the Chairman are Independent Directors.

The members of the RC at the date of this Report are:

Mr Pow Tien Tee	(Chairman, appointed on 5 May 2014)
Mr Lim Yeok Hua	
Mr Lee Yong Guan	
Mr Kam Boon Cheong	(appointed on 5 May 2014)

In FY2014, the terms of reference for RC were amended to be in line with the recommendation of the Code.

The duties of the RC include:

- to review and recommend to the Board, a framework of remuneration for the Board and key executives, and to determine specific remuneration packages for each Executive Director. RC's recommendations will be made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. RC's review covers all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits-in-kind;

- to function as "The Committee" referred to in the MIT Employees' Share Option Scheme ("the Scheme") and shall have all the powers as set out in the Scheme as per Prospectus dated 22 November 1999; and under the new Scheme as per Circular dated 13 April 2009 (the "new Scheme"); and

- to administer the MIT Performance Share Plan upon the terms and conditions as defined in the Performance Share Plan.

As part of its review, the RC shall ensure that:

- all aspects of remuneration including directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are covered.

- the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive directors' and key executives' performances.

- the remuneration package of employees related to executive directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

In FY2014, the number of RC meetings held and attended by each member of the Committee was as follows:

Name of director	Appointment	Number of meetings held	Attendance
Mr Lim Yeok Hua	Independent	2	2
Mr Lee Yong Guan	Independent	2	2
Mr Pow Tien Tee	Independent	2	1
Mr Kam Boon Cheong	Independent	2	1

Board Performance (Principle 5)

For the current year under review, the NC has conducted a formal assessment of the effectiveness of the Board as a whole, and is of the view that the current Board comprises directors who, as a group, possess the necessary core competencies to lead and direct the Company and its Management to perform effectively and efficiently.

At the individual level, each of the directors has also made invaluable contributions towards the overall improvement of the Board's performance and raising the level of corporate governance.

Access to Information (Principle 6)

Management regularly updates the Directors on developments within the Group. All directors have unrestricted access to the Company's records and information and receive periodic management accounts to enable them to constantly keep track of the Group's financial position. Detailed papers are prepared for each meeting and are normally circulated before each Board meeting. Board directors have access to all levels of senior executives in the Group, and are encouraged to interact with other employees to seek additional information if they so require.

The Company Secretary or her representative attends all Board meetings. The role of the Company Secretary includes responsibility for ensuring that Board procedures are followed and applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary also ensures timely information flows within the Board and its Board Committees and between the Management and Independent Directors.

The annual calendar of Board activities is set in advance. Board papers are dispatched to Directors at least a week in advance before Board meetings so that Directors have sufficient time to consider the background and explanatory information relating to matters to be tabled and discussed at relevant Board meetings. Senior Management may attend the Board meetings to provide additional insights into matters to be discussed. The Board also has separate and independent access to the Company's Management and the Company Secretary.

Remuneration Matters/Level and Mix of Remuneration/Disclosure on Remuneration (Principles 7, 8 and 9)

The Group's remuneration policy is to provide compensation packages at market rates to reward, retain and motivate high levels of performance. In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual.

The RC determines the remuneration packages for all Directors. The Executive Chairman, the executive director(s) and key executives are paid based on their job functions, the performance of the Group and their individual performance. Non-executive directors are paid directors' fees, determined by the full Board based on their contributions and scope of responsibilities. The payment of Directors' fees is subject to approval at each AGM. No director is involved in deciding his own remuneration.

Only the Executive Directors have Service Agreements. Each Service Agreement is for a renewable period of two years and may be terminated by either party giving not less than three months written notice. The RC shall review the terms of the Service Agreement at the appropriate time prior to the expiry of the Agreement and shall submit their recommendations to the Board.

The performance of CEO/Managing Director, Executive Director and other key executives are reviewed periodically by the RC to ensure that their remuneration commensurate with their scope of responsibilities, contributions and performance.

The CG Code No. 8.4 recommends that companies are encouraged to consider the use of contractual provisions to allow companies to reclaim incentive components of remuneration from executive directors and key management personnel, in exceptional circumstances of misstatement and misconduct resulting in financial loss to the Company. The Company is looking into the implementation of this claw-back provision for its key office holders.

Directors of the Company	Total Remuneration (S$)	Fee	Salary	AWS/ Bonus (Contractual)	Allowances and Other Benefits	CPF	Total
Mr Kwong Kim Mone	660,000	-	53%	35%	11%	1%	100%
Mr Lim Chin Tong	332,000	-	55%	32%	11%	2%	100%
Mr Lee Yong Guan	30,000	100%	-	-	-	-	100%
Mr Lim Yeok Hua	29,000	100%	-	-	-	-	100%
Mr Pow Tien Tee	19,000	100%	-	-	-	-	100%
Mr Kam Boon Cheong	19,000	100%	-	-	-	-	100%

Key Executives of the Group	Fee	Salary	AWS / Bonus	Allowances and Other Benefits	CPF	Total
Below $250,000						
Mr David Foo Wah Meng	0%	69%	6%	18%	7%	100%
Mr Cavin Teo Siew Heng	0%	67%	6%	21%	6%	100%
Mr Boh Teck Keong	0%	74%	7%	15%	4%	100%
Mr Tan Ban Hee	0%	73%	7%	15%	5%	100%
Mr Dennis Foo Piau Yew	0%	70%	6%	17%	7%	100%
Mr Eddy Lim Kok Yeow	0%	71%	7%	16%	6%	100%
Mr Howe Weng Khiong	0%	70%	6%	17%	7%	100%

The total remuneration of the top five key executives (who are not directors or the CEO) is $958,000.

The RC and the Board are of the view that the remuneration of the Directors and key executives are adequate but not excessive in order to attract, retain and motivate them to run the Company successfully.

There are no employees who are immediate family members of the directors and whose remuneration exceeded $50,000 during the year.

Long Term share incentives – MIT Performance Share Plan and Employees' Share Option Scheme

As the Group seeks to foster a culture that aligns the interests of employees with those of shareholders, it has put in place share-based plans for employees. These plans allow employees to participate, contribute and share in the Group's growth and success.

Information on Employees' Share Options Scheme are set out in the Directors' Report on Page 27 & 28. No Performance Shares were granted to participants during the year.

Investment Committee ("IC")

The IC comprises all 6 directors: 2 executive directors and 4 Independent Directors.

The members of the IC at the date of this Report are:

Mr Kwong Kim Mone	(Chairman)
Mr Lim Chin Tong	
Mr Lee Yong Guan	
Mr Lim Yeok Hua	
Mr Pow Tien Tee	(appointed on 5 May 2014)
Mr Kam Boon Cheong	(appointed on 5 May 2014)

The duties of the IC include:

- to approve, implement and review the Group's investment strategy and policy;
- to evaluate the investment decisions of a non-operating and non-revenue nature for the Group and / or its subsidiary companies;
- to review deployment of financial resources with a view to ensure efficient allocation to the various businesses of the Group;
- to review and approve the incorporation of new subsidiary companies, corporate finance activities including joint ventures, mergers and acquisition; and
- to undertake any responsibilities relating to investment policy and procedures as determined by the Board.

In FY2014, the number of IC meetings held and attended by each member of the Committee was as follows:

Name of director	Appointment	Number of meetings held	Attendance
Mr Kwong Kim Mone	Executive	2	2
Mr Lim Chin Tong	Executive	2	2
Mr Lee Yong Guan	Independent	2	2
Mr Lim Yeok Hua	Independent	2	2
Mr Pow Tien Tee	Independent	2	1
Mr Kam Boon Cheong	Independent	2	1

Accountability and Audit (Principle 10)

In presenting the annual financial statements and half-yearly result announcements to shareholders, it is the responsibility of the Board to provide shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. News releases and half-yearly results announcements are published through SGXNET. For interim financial statement, it is released within 45 days from the end of the period, and full-year results within 60 days from the financial year end. For interim financial statement, the Board has provided negative assurance confirmation to the shareholders.

Management currently provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a quarterly basis.

Risk Management and Internal Controls (Principle 11)

The Board has put in place an internal control and risk management system to safeguard shareholders' investment and company's assets.

To assist the Board in carrying out its responsibility, Management has established an Enterprise Risk Management Committee ("ERMC"). The ERMC is chaired by Mr. Lim Chin Tong, the Executive Director and comprises the Chief Financial Officer ("CFO") and key management from business units and functional departments. It reports to the AC.

The system of internal control provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen in the light of current business environment and its inherent risks.

The Group's internal auditors have in the course of their audits carried out stringent reviews to identify weak links and potential risk areas. The AC reviews these reports and ensures that appropriate and timely counter-measures are taken by Management as part of its continuous improvement efforts to enhance further its internal control systems and practices.

During the financial year, the Group's external and internal auditors had conducted annual review of the adequacy and effectiveness of the Group's internal controls that address financial, operational, information technology and compliance risks. No significant weaknesses were noted.

The Board has also received assurance from the Managing Director and CFO that as at 31 December 2014:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2014 give a true and fair view of the Group's operations and finances; and

(b) the systems of internal controls and risk management in place were adequate and effective as at 31 December 2014, to address financial, operational, information technology and compliance risks which are considered relevant and material to its operations.

Based on the internal control and risk management systems established and maintained by the Group, work performed by external and internal auditors and periodic reviews (by Management, the Board and various Board Committees), the Board with concurrence of the AC, is of the opinion that the Group's internal control and risk management systems were adequate and effective as at 31 December 2014 to address financial, operational, information technology, and compliance risks, which the Group considers relevant and material to its operations.

Internal Audits (Principle 13)

The Company's internal audit function has been outsourced to Baker Tilly TFW LLP. The internal auditor reports directly to the chairman of the AC. The AC also reviews and approves the annual internal audit plans to ensure that the internal auditor has the necessary resources to adequately perform its functions. The AC meets with the internal auditor, without the presence of Management, at least once a year.

Shareholders Rights and Responsibilities (Principles 14, 15 & 16)

In line with the continuous disclosure obligations of the Company pursuant to the SGX-ST's Listing Rules and the Companies Act, the Board's policy is that all shareholders should be equally informed of all major developments that impact the Group.

Any major or material developments is first disseminated via SGXNET followed by a press release, whenever necessary.

Price sensitive information is first publicly released, either before the Group meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period. The Company does not practice selective disclosure of information.

All shareholders of the Company will receive the Annual Report and Notice of Annual General Meeting ("AGM"). The AGM of the Company provides a principal forum for dialogue and interaction with shareholders. At each AGM, the Board encourages shareholders to participate in the question-and-answer session. Board Committees' Chairpersons, Members of the Board and the external auditors of the Company are present to answer questions raised at the AGM.

Shareholders have the opportunity to participate effectively in and to vote at general meetings of Shareholders. The Board noted that voting by poll will be compulsory from August 2015, the Company is taking steps to adopt poll voting for its general meetings in the coming year. The Company's Articles of Association provides that Shareholders of the Company are allowed to vote in person or by way of duly appointed proxies.

Material Contracts

There are no material contracts or loans of the Company or its subsidiaries involving the interests of the Managing Director, each Director or Controlling shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are at arm's length basis. All interested person transactions are subject to review by the AC to ensure compliance with the established procedures.

During the financial year ended 31 December 2014, the Company did not enter into any interested person transaction which value exceeds $100,000 for each transaction.

Securities Transactions

The Company has a clear policy on the trading of its share by directors and executives within the Group. The Company has adopted its own internal Code of Best Practices on Securities Transactions ("the Securities Transactions Code"); The Securities Transactions Code provides guidance to the directors and executives of the Group with regard to dealing in the Company's shares. It emphasizes that the law on insider trading is applicable at all times, notwithstanding the window periods for dealing in the shares. The Securities Transactions Code also enables the Company to monitor such share transactions by requiring employees to report to the Company whenever they deal in the Company's shares.

The Group issues circulars to its directors and officers informing them that they must not trade in the listed securities of the Company one month before the announcement of the Group's half-yearly and full year results and ending on the date of the announcement of such results. Directors and executives of the Group are also encouraged not to deal in the Company's securities on short-term considerations.

The directors are required to notify the Company of any dealings in the Company's securities (during the open window period) within two (2) business days of the transactions). The Board is satisfied with the Group's commitment in compliance with the Code, and on the adequacy of internal controls within the Group.

The Group has complied with its Best Practices on Securities Transactions.

The directors of the company are pleased to present their report together with the audited financial statements of the company and of the group for the reporting year ended 31 December 2014.

1. Directors at date of report

The directors of the company in office at the date of this report are:

Kwong Kim Mone	(Chairman and Managing Director)
Lim Chin Tong	(Executive Director)
Lee Yong Guan	(Independent Director)
Lim Yeok Hua	(Independent Director)
Pow Tien Tee	(Independent Director, appointed on 28 April 2014)
Kam Boon Cheong	(Independent Director, appointed on 5 May 2014)

2. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate except for the option rights mentioned below.

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in the share capital and options of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act"), except as follows:

Name of directors and companies in which interest are held	Shareholdings registered in the name of the directors		Shareholdings in which directors are deemed to have an interest	
The company:	At beginning of the reporting year or date of appointment if later	At end of the reporting year	At beginning of the reporting year or date of appointment if later	At end of the reporting year
Manufacturing Integration Technology Ltd	Number of ordinary shares of no par value			
Kwong Kim Mone	4,634,118	4,634,118	120,627,910	120,627,910
Lim Chin Tong	357,000	946,000	–	–
Lee Yong Guan	300,000	311,000	–	–
Pow Tien Tee	–	–	9,000	9,000
Kam Boon Cheong	1,000,000	1,600,000	–	–
Ultimate parent company:				
MIT Technologies Pte Ltd				
Kwong Kim Mone	260,000	260,000	–	–

3. Directors' interests in shares and debentures (cont'd)

By virtue of section 7 of the Act, Mr Kwong Kim Mone with shareholdings as above is deemed to have an interest in the company and in all the related corporations of the company.

The directors' interests as at 21 January 2015 were the same as those at the end of the reporting year.

4. Contractual benefits of directors

Since the beginning of the reporting year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Act by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5. Shares options

Employees' Share Option Scheme ("ESOS") of Manufacturing Integration Technology Ltd :-

(i) enables directors and selected full-time employees of the company and/or its subsidiary companies to acquire unissued ordinary shares of the company.

(ii) is administered by the Remuneration Committee (the "Committee") comprising 3 independent directors of the company. It shall continue to be in force at the discretion of the Committee based on details as stated below. However, the period may be extended with the approval of shareholders at a general meeting of the company and any relevant approval which may then be required.

At the end of the reporting year, there were 14,350,000 unissued ordinary shares of the company under options granted pursuant to the ESOS.

Details of the options to subscribe for ordinary shares of no par value in the capital of the company, pursuant to the ESOS are as follows :-

Date of grant	Balance as at 1.1.2014	Granted	Lapsed	Exercised	Balance as at 31.12.2014	Exercise Price $	Expiry Date	
Options to subscribe number of unissued ordinary shares of no par value:								
5 September 2007	75,000	–	–	–	75,000	0.1900*	4 September 2017	
5 September 2007	75,000	–	–	–	75,000	0.1520**	4 September 2017	
6 March 2008	330,000	–	–	–	330,000	0.1500*	5 March 2018	
6 March 2008	330,000	–	–	–	330,000	0.1200**	5 March 2018	
9 September 2009	75,000	–	–	–	75,000	0.1930*	8 September 2019	
9 September 2009	75,000	–	–	–	75,000	0.1540**	8 September 2019	
15 June 2010	75,000	–	–	–	75,000	0.1470*	14 June 2020	
15 June 2010	75,000	–	–	–	75,000	0.1180**	14 June 2020	
14 May 2012	2,425,000	–	(165,000)	–	2,260,000	0.1000*	13 May 2022	#
14 May 2012	2,425,000	–	(165,000)	–	2,260,000	0.0800**	13 May 2022	#
9 June 2014	–	4,140,000	(130,000)	–	4,010,000	0.0650*	8 June 2024	#
9 June 2014	–	4,140,000	(130,000)	–	4,010,000	0.0520**	8 June 2024	#
11 August 2014	–	300,000	–	–	300,000	0.0570*	10 August 2024	#
11 August 2014	–	300,000	–	–	300,000	0.0460**	10 August 2024	#
15 December 2014	–	50,000	–	–	50,000	0.0830*	14 December 2024	
15 December 2014	–	50,000	–	–	50,000	0.0660**	14 December 2024	
	5,960,000	8,980,000	(590,000)	–	14,350,000			

* Market price

** 20% discount to the market price

Includes options granted to directors (marked #)

5. Shares options (cont'd)

The following are details of options granted to the directors of the company under the scheme:-

Name of directors	Options granted during the reporting year	Aggregate options granted since commencement of scheme to end of the reporting year	Aggregate options exercised since commencement of scheme to end of the reporting year	Aggregate options cancelled since commencement of scheme to end of the reporting year	Aggregate options outstanding as end of the reporting year	Exercise price
Kwong Kim Mone	600,000	2,640,000	(240,000)	(1,800,000)	1,200,000	$0.052–$0.10
Lim Chin Tong	350,000	250,000	–	–	600,000	$0.052–$0.10
Lee Yong Guan	150,000	250,000	–	(100,000)	150,000	$0.046–$0.057
Lim Yeok Hua	150,000	250,000	–	(100,000)	150,000	$0.046–$0.057
Pow Tien Tee	150,000	150,000	–	–	150,000	$0.046–$0.057
Kam Boon Cheong	150,000	150,000	–	–	150,000	$0.046–$0.057

The terms of the share options under the ESOS to the directors of the company are the same as those granted to the employees of the group.

The market price refers to average of the last three dealt prices for the three consecutive market days immediately preceding the grant date. No share options have been granted at a discount of more than 20% during the reporting year. Other than disclosed above, there is presently no other options scheme on unissued shares in respect of the company and of the group.

During the reporting year, there is no employee of the group and or the ultimate parent company, MIT Technologies Pte Ltd, who was granted 5% or more of the total options available under the scheme.

6. Audit committee

The members of the audit committee at the date of this report are as follows:-

Lee Yong Guan	(Chairman of audit committee and Lead Independent Director)
Lim Yeok Hua	(Independent Director)
Pow Tien Tee	(Independent Director)
Kam Boon Cheong	(Independent Director)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by the company's officers to them;
- Reviewed with the internal auditors the scope and results of the internal audit procedures (including those relating to financial, operational, compliance controls and risk management) and the assistance given by the management to the internal auditor;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and

6. Audit committee (cont'd)

- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company also includes an explanation of how independent auditors objectivity and independence is safeguarded where the independent auditors provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next annual general meeting of the company.

7. Independent auditor

The independent auditor, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the company, work performed by the internal and external auditor, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 December 2014.

9. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements' as announced on 26 February 2015, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On Behalf of the Directors

....	....
Kwong Kim Mone	Lim Chin Tong
Director	Director

20 March 2015

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto set out on pages 33 to 84 are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at 31 December 2014 and of the results and cash flows of the group and changes in equity of the company and of the group for the reporting year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

On Behalf of the Directors

....	....
Kwong Kim Mone	Lim Chin Tong
Director	Director

20 March 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

MANUFACTURING INTEGRATION TECHNOLOGY LTD (Registration No: 199200075N)

Report on the financial statements

We have audited the accompanying financial statements of Manufacturing Integration Technology Ltd (the "company") and its subsidiaries (the "group") set out on pages 33 to 84; which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair consolidated statement of profit or loss and other comprehensive income and statements of financial position and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

MANUFACTURING INTEGRATION TECHNOLOGY LTD (Registration No: 199200075N)

Opinion

In our opinion, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at 31 December 2014 and of the results, changes in equity and cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and those subsidiaries incorporated in Singapore of which we are the independent auditor have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

20 March 2015

Partner in charge of audit: Chan Sek Wai
Effective from reporting year ended 31 December 2012

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COPREHENSIVE INCOME

Year Ended 31 December 2014

	Notes	Group 2014 $'000	Group 2013 $'000
Revenue	4	64,273	31,301
Cost of sales		(44,644)	(27,287)
Gross profit		19,629	4,014
Other items of income			
Interest income	5	73	99
Dividend income from quoted corporation		–	35
Other gains	6	2,205	382
Other items of expense			
Marketing and distribution costs		(3,796)	(3,371)
Administrative expenses		(7,637)	(5,513)
Finance costs	7	(261)	(85)
Other losses	6	(908)	(2,052)
Income (loss) before tax from continuing operations		9,305	(6,491)
Income tax income	10	867	–
Income (loss) from continuing operations, net of tax		10,172	(6,491)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets, net of tax		–	(49)
Exchange differences on translating foreign operations, net of tax		98	246
Other comprehensive income for the year, net of tax		98	197
Total comprehensive income (loss)		10,270	(6,294)
Earnings (Loss) per share			
Earnings (Loss) per share currency unit		Cents	Cents
– Basic	11	4.68	(2.98)
– Diluted	11	4.65	(2.98)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

	Notes	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Non-current assets:					
Property, plant and equipment	12	1,287	11,325	346	9,885
Investment properties	13	9,329	–	9,329	–
Intangible assets	14	53	67	25	17
Development projects	15	1,335	1,167	1,232	1,167
Investments in subsidiaries	16	–	–	16,131	15,471
Deferred tax assets	10	1,571	509	1,181	–
Other assets, non-current	17	43	50	43	50
Total non-current assets		13,618	13,118	28,287	26,590
Current assets:					
Inventories	18	20,308	15,156	4,953	4,224
Trade and other receivables	19	19,186	11,619	20,838	18,087
Other assets, current	20	259	141	149	62
Cash and cash equivalents	21	16,945	8,541	8,596	4,882
Total current assets		56,698	35,457	34,536	27,255
Total assets		70,316	48,575	62,823	53,845
Equity and liabilities					
Equity					
Share capital	22	45,768	45,768	45,768	45,768
Other reserves	24	440	280	187	125
Accumulated losses		(8,278)	(18,450)	(9,678)	(17,101)
Total equity		37,930	27,598	36,277	28,792
Non-current liabilities:					
Other finance liabilities, non-current	25	4,547	4,567	4,547	4,567
Total non-current liabilities		4,547	4,567	4,547	4,567
Current liabilities:					
Income tax payable		151	–	–	–
Provisions	26	207	65	198	61
Trade and other payables	27	23,115	11,046	17,861	16,485
Other financial liabilities, current	25	4,366	5,299	3,940	3,940
Total current liabilities		27,839	16,410	21,999	20,486
Total liabilities		32,386	20,977	26,546	25,053
Total equity and liabilities		70,316	48,575	62,823	53,845

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2014

Group	Total Equity	Attributable to Parent Sub-total	Share Capital	Accumulated Losses	Other Reserves	Translation Reserves	Share Option Reserve	Non-Controlling Interests
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current year:								
Opening balance at 1 January 2014	27,598	27,598	45,768	(18,450)	–	155	155	–
Movement in equity:								
Total comprehensive income for the year	10,270	10,270	–	10,172	–	98	–	–
Expiry of share options (Note 23)	(12)	(12)	–	–	–	–	(12)	–
Share based payment expenses (Note 23)	74	74	–	–	–	–	74	–
Closing balance at 31 December 2014	37,930	37,930	45,768	(8,278)	–	253	187	–
Previous year:								
Opening balance at 1 January 2013	34,472	33,907	45,768	(11,944)	49	(91)	125	565
Movement in equity:								
Total comprehensive loss for the year	(6,294)	(6,294)	–	(6,491)	(49)	246	–	–
Expiry of share options (Note 23)	(38)	(38)	–	–	–	–	38	–
Share based payment expenses (Note 23)	38	38	–	–	–	–	38	–
Acquisition of non-controlling interests without a change in control	(580)	(15)	–	(15)	–	–	–	(565)
Closing balance at 31 December 2013	27,598	27,598	45,768	(18,450)	–	155	125	–

Company	Total Equity	Share Capital	Accumulated Losses	Other Reserves	Share Option Reserve
	$'000	$'000	$'000	$'000	$'000
Current year:					
Opening balance at 1 January 2014	28,792	45,768	(17,101)	–	125
Movement in equity:					
Total comprehensive income for the year	7,423	–	7,423	–	–
Expiry of share options (Note 23)	(12)	–	–	–	(12)
Share based payment expenses (Note 23)	74	–	–	–	74
Closing balance at 31 December 2014	36,277	45,768	(9,678)	–	187
Previous year:					
Opening balance at 1 January 2013	34,695	45,768	(11,247)	49	125
Movement in equity:					
Total comprehensive loss for the year	(5,903)	–	(5,854)	(49)	–
Expiry of share options (Note 23)	(38)	–	–	–	(38)
Share based payment expenses (Note 23)	38	–	–	–	38
Closing balance at 31 December 2013	28,792	45,768	(17,101)	–	125

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2014

	Group	
	2014	2013
Cash flows from operating activities	$'000	$'000
Profit (Loss) before tax	9,305	(6,491)
Adjustments for :		
Depreciation of plant and equipment	873	970
Depreciation of investment properties	142	–
Interest income	(73)	(99)
Interest expense	261	85
Dividend income from quoted corporation	–	(35)
Gains on disposal of plant and equipment	(11)	–
Amortisation of development projects	402	296
Amortisation of intangible assets	52	32
Impairment in value of development expenditures	–	111
Impairment of other assets, non-current	7	–
Share based payment	62	–
(Gains) losses on disposal of development projects	(326)	22
Net effect of exchange rate changes in consolidating foreign operations	132	125
Operating cash flow from (used in) changes in working capital	10,826	(4,984)
Trade and other receivables	(7,567)	(1,711)
Other assets	(118)	38
Inventories	(5,152)	(5,984)
Trade and other payables	12,069	3,344
Provisions	142	(38)
Net cash flow from (used in) operating activities	10,200	(9,335)
Cash flows from investing activities		
Disposal of development projects	2,074	627
Additions of patents	(38)	(14)
Proceeds on disposal of plant and equipment	17	–
Purchase of plant and equipment (Note 12)	(304)	(5,896)
Disposal of other financial assets	–	1,000
Development projects incurred	(2,318)	(335)
Interest received	73	99
Dividend income received	–	35
Net cash flow used in investing activities	(496)	(4,484)
Cash flows from financing activities		
Acquisition of non-controlling interest without a change in control	–	(580)
Decrease in borrowings	(1,833)	(150)
Increase from new borrowings	920	9,263
Interest paid	(261)	(85)
Cash restricted in use	–	830
Decrease in finance leases	(40)	(40)
Net cash (used in) from financing activities	(1,214)	9,238
Net increase (decrease) in cash and cash equivalents	8,490	(4,581)
Cash and cash equivalents, statement of cash flows, beginning balance	8,541	13,122
Effect of foreign exchange rate adjustments	(86)	–
Cash and cash equivalents, statement of cash flows, ending balance (Note 21)	16,945	8,541

The accompanying notes form an integral part of these financial statements.

1. **General**

The company is incorporated in Singapore with limited liability. It is listed on the Singapore Exchange Securities Trading Limited. The financial statements are presented in Singapore dollars and they cover the company (referred to "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activities of the company are that of designing, developing, manufacturing and distributing automated equipment for the semiconductor industry and an investment holding company. The principal activities of the subsidiaries are described in Note 16 to the financial statements.

The registered office is: Blk 5004, Ang Mo Kio Avenue 5, #03-12, Techplace II, Singapore 569872. The company is situated in Singapore.

2. **Summary of significant accounting policies**

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

2. Summary of significant accounting policies (cont'd)

Basis of presentation (cont'd)

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, returns and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest revenue is recognised using the effective interest method. Dividend revenue from equity instruments is recognised as income when the entity's right to receive payment is established.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the subsidiary in the PRC have participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiary in the PRC is required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the group.

Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a

2. Summary of significant accounting policies (cont'd)

Share-based compensation (cont'd)

straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using the Binomial pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

2. Summary of significant accounting policies (cont'd)

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Property, plant and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Renovations	–	33%
Plant and equipment	–	10% to 33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

2. Summary of significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Investment properties

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes, the fair values are measured periodically on a systematic basis at least once in three years by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The annual rates of depreciation are as follows:
Investment properties – 2%

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. Summary of significant accounting policies (cont'd)

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Development projects	–	1 to 5 years
Patents	–	3 years

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Summary of significant accounting policies (cont'd)

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. When the settlement date accounting is applied, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is recognised in net profit or loss for assets classified as trading.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date, there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment,

2. Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year date, there were no financial assets classified in this category.

4. Available-for-sale financial assets: As at end of the reporting year date, there were no financial assets classified in this category.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Derivatives instruments and hedging activity

The entity is exposed to currency and interest rate risks. The policy is to reduce currency and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of the financial assets and liabilities. They are carried at fair value. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in profit or loss. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

Derivatives: All derivatives are initially recognised and subsequently carried at fair value. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in profit or loss and the hedged item follows normal accounting policies.

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

2. Summary of significant accounting policies (cont'd)

Financial liabilities (cont'd)

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Fair value measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

2. Summary of significant accounting policies (cont'd)

Fair value measurement (cont'd)

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur. Warranty provisions are measured using probability models based on past experience.

Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. A grant in recognition of specific expenses is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

2. Summary of significant accounting policies (cont'd)

Critical judgements, assumptions and estimation uncertainties (cont'd)

Allowance for doubtful accounts:
An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 19 on trade and other receivables.

Net realisable value of inventories:
A review is made periodically on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount is disclosed in the Note 18 on inventories.

Development projects:
The estimates for the useful lives and related amortisation charges for development projects are based on commercial and production factors which could change significantly as a result of technical innovations and competitor actions in response to severe market conditions. The amortisation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete or assets that have been abandoned or sold. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount is disclosed in the Note 15 on development projects.

Useful lives of plant and equipment:
The estimates for the useful lives and related depreciation charges for plant and equipment is based on commercial and other factors which could change significantly as a result of innovations and competitor actions in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset (or class of assets) at the end of the reporting year affected by the assumption is approximately $1,149,000 (2013: $1,559,000).

2. Summary of significant accounting policies (cont'd)

Critical judgements, assumptions and estimation uncertainties (cont'd)

Measurement of impairment of subsidiary:
Where a subsidiary is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset. The carrying amount of the specific asset (or class of assets) at the end of the reporting year affected by the assumption is approximately $8,228,000 (2013: $7,567,000).

Warranty claims:
Certain products are covered by product warranty plans of varying periods, depending on local practices and regulations. A related provision is made for future warranty claims after taking into account the historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The warranty obligations are affected by actual product failure rates and by material usage and service delivery costs incurred in correcting a product failure. The amount at the end of the reporting year is disclosed in Note 26 on provisions.

3. Related party relationships and transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

<u>3A Related companies:</u>

The company is a subsidiary of MIT Technologies Pte Ltd, a company incorporated in Singapore, that is also the company's ultimate parent company. Related companies in these financial statements include the members of the ultimate parent company's group of companies. The ultimate controlling party is Mr Kwong Kim Mone.

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees no interest or charge is imposed unless stated otherwise.

3. Related party relationships and transactions (cont'd)

3A Related companies: (cont'd)

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

The trade transactions and the trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Subsidiaries	
	2014 $'000	2013 $'000
Company		
Other receivables:		
Balance at beginning of the year	10,662	9,669
Amounts paid in and settlement of liabilities on behalf of the company	(24,050)	(7,031)
Amounts paid out and settlement of liabilities on behalf of subsidiaries	21,259	8,024
Balance at end of the year (Note 19)	7,871	10,662

	Subsidiaries	
	2014 $'000	2013 $'000
Company		
Other payables:		
Balance at beginning of the year	950	7
Amounts paid in and settlement of liabilities on behalf of the company	684	950
Amounts paid out and settlement of liabilities on behalf of subsidiary	(1,630)	(34)
Interest expense	–	27
Balance at end of the year (Note 27)	4	950

3. Related party relationships and transactions (cont'd)

3B Key management compensation:

	Group	
	2014	2013
	$'000	$'000
Salaries and other short-term employee benefits	2,291	2,117
Post-employment benefits	92	100
Share-based payments	32	17

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2014	2013
	$'000	$'000
Remuneration of directors of the company	992	691
Fees to directors of the company	109	90
Share-based payments	6	12

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts for key management compensation are for all the directors and key executives.

4. Revenue

	Group	
	2014	2013
	$'000	$'000
Sale of goods	64,273	31,301

5. Interest Income

	Group	
	2014	2013
	$'000	$'000
Interest income from financial institutions	73	99

6. Other gains and (other losses)

	Group	
	2014	2013
	$'000	$'000
Amortisation of development projects	(402)	(296)
Foreign exchange adjustment gains	546	250
Gains (losses) on disposal of development projects	326	(22)
Inventories written down	(336)	(1,572)
Inventories written off	(33)	–
Impairment loss on development expenditure	–	(111)
Impairment loss on other assets	(7)	–
Amortisation of intangible assets	(52)	(32)
Provision of product warranty, net of reversal	(78)	(19)
Reversal of other provision	99	–
Reversal of deposits received and other payables	263	–
Reversal on allowance for impairment loss on inventories	473	24
Government grant income	–	30
Gains on disposal of property plant and equipment	11	–
Rental income	314	–
Other income	173	78
Net	1,297	(1,670)
Presented in the profit or loss as:		
Other gains	2,205	382
Other losses	(908)	(2,052)
Net	1,297	(1,670)

7. Finance costs

	Group	
	2014	2013
	$'000	$'000
Interest expense	261	85

8. Employee benefits expense

	Group	
	2014	2013
	$'000	$'000
Short term employee benefits expense	13,495	12,564
Contributions to defined contribution plans	1,341	1,358
Share-based payments: equity settled (Note 23)	62	*
Other benefits	4	–
Total employee benefits expense	14,902	13,922

* Less than $1,000

8. Employee benefits expense (cont'd)

The employee benefits expenses is changed as follows:

	Group	
	2014	2013
	$'000	$'000
Cost of sales	9,662	9,244
Marketing and distribution costs	1,678	1,899
Administrative expenses	3,562	2,779
Total	14,902	13,922

9. Items in the consolidated statement of profit or loss and other comprehensive income

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the income statement includes the following charges:

	Group	
	2014	2013
	$'000	$'000
Audit fees to the independent auditor of the company	114	99
Audit fees to the other independent auditor	26	24
Other fees to the independent auditor of the company	27	27

10. Income tax

10A. Components of tax income recognised in profit or loss include:

	Group	
	2014	2013
	$'000	$'000
Current tax income:		
Current tax expense	151	–
Deferred tax income	(1,018)	–
Total income tax income	(867)	–

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2013: 17.0%) to profit or loss before income tax as a result of the following differences:

10. Income tax (cont'd)

10A. Components of tax income recognised in profit or loss include: (cont'd)

	Group 2014 $'000	Group 2013 $'000
Profit (Loss) before income tax	9,305	(6,491)
Income tax expense (income) at the above rate	1,582	(1,103)
Expenses not deductible for tax purposes	120	156
Under adjustment to deferred tax in respect of prior periods	(820)	–
Stepped income exemption	(105)	–
Recognition of deferred tax assets which was unrecognised in prior periods	(1,592)	–
Effect of different tax rates in different country	(168)	(62)
Deferred tax asset not recognised	116	1,109
Total income tax income	(867)	–

The company was awarded the Singapore pioneer status for a period of 5 years with effect from 1 June 2010. Under this pioneer status, profit from qualifying operations is exempted from income tax under Part II of the Economic Expansion Instruction (Relief from Income Tax) Act, Chapter 86. The company did not derive any qualifying revenue under the pioneer status during the reporting year.

There are no tax consequences of dividends to owners of the company.

10B. Deferred tax income recognised in profit or loss includes:

	Group 2014 $'000	Group 2013 $'000
Excess of net book value of plant and equipment over tax values	(26)	147
Provisions	248	734
Tax loss carryforwards	(1,662)	(1,173)
Wear & tear allowance carryforwards	168	(96)
Excess of tax values over net book value of plant and equipment	238	–
Unrecognised deferred tax assets	2,096	388
Exchange difference	(44)	–
Total deferred tax income recognised in profit or loss	1,018	–

10. Income tax (cont'd)

10C. Deferred tax balance in the statement of financial position:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Deferred tax assets recognised in statement of financial position:				
Deferred tax liabilities:				
Excess of net book value of plant and equipment over tax values	–	26	–	–
Deferred tax assets:				
Provisions	484	236	–	–
Tax loss carryforwards	2,336	3,998	816	1,181
Wear & tear allowance carryforwards	366	198	365	53
Excess of tax values over net book value of plant and equipment	238	–	310	250
Unrecognised deferred tax assets	(1,853)	(3,949)	(310)	(1,484)
Net balance	1,571	509	1,181	–

The above deferred tax assets have not been recognised in respect of the remaining balances as the future taxable profit streams are not probable. For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to agreement by tax authority and conditions imposed by law including the retention of majority shareholders as defined. The estimated unrecognised deferred tax assets on accumulated tax losses carryforwards for Singapore companies is approximately to $2,336,000 (2013: $3,665,000) as at end of year.

In 2013, for the subsidiary in The People's Republic of China, the estimated unrecognised deferred tax assets on accumulated tax losses carryforwards was approximately $333,000 which could be carryforward for a period of 5 years from the date in which the losses were incurred. Certain of these unutilised tax losses would expire between 2013 and 2019.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

11. Earnings (loss) per share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2014	2013
	$'000	$'000
A. Numerators: earnings attributable to equity:		
Continuing operations: attributable to equity holders	10,172	(6,491)

	Group	
	2014	2013
	'000	'000
B. Denominators: weighted average number of equity shares		
Basic	217,580	217,580
Dilutive share options effect	1,100	–
Diluted	218,680	217,580

The weighted average number of ordinary shares refers to shares in circulation during the period. It is after the neutralisation of treasury shares.

The dilutive effect derives from share options (Note 23).

The basic earnings per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. The diluted earnings per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each reporting year. The ordinary share equivalents included in these calculations are: (1) the average number of ordinary shares assumed to be outstanding during the reporting year and (2) shares of ordinary share issuable upon assumed exercise of share options which (if any) would have a dilutive effect.

Earnings applicable per ordinary share are calculated based on the weighted average number of ordinary share and ordinary share equivalents outstanding during the reporting year of net profit or loss. Ordinary share equivalents are attributable to share options which, if any, would have a dilutive effect.

12. Property, plant and equipment

Group	Construction in progress $'000	Leasehold properties $'000	Renovations $'000	Plant and equipment $'000	Total $'000
Cost:					
At 1 January 2013	3,644	–	1,520	11,328	16,492
Foreign exchange adjustments	–	–	51	452	503
Additions	5,827	–	–	69	5,896
Transfer	(9,471)	9,471	–	–	–
Disposals	–	–	–	(1,155)	(1,155)
At 31 December 2013	–	9,471	1,571	10,694	21,736
Foreign exchange adjustments	–	–	16	136	152
Additions	–	–	–	304	304
Transfer to investment properties (Note 13)	–	(9,471)	–	–	(9,471)
Disposals	–	–	(25)	(1,136)	(1,161)
At 31 December 2014	–	–	1,562	9,998	11,560
Accumulated depreciation:					
At 1 January 2013	–	–	1,038	9,176	10,214
Foreign exchange adjustments	–	–	25	357	382
Depreciation for the year	–	–	213	757	970
Disposals	–	–	–	(1,155)	(1,155)
At 31 December 2013	–	–	1,276	9,135	10,411
Foreign exchange adjustments	–	–	15	129	144
Depreciation for the year	–	–	158	715	873
Disposals	–	–	(25)	(1,130)	(1,155)
At 31 December 2014	–	–	1,424	8,849	10,273
Carrying value:					
At 1 January 2013	3,644	–	482	2,152	6,278
At 31 December 2013	–	9,471	295	1,559	11,325
At 31 December 2014	–	–	138	1,149	1,287

Allocation of the depreciation expense:

	2014 $'000	2013 $'000
Cost of sales	633	531
Administrative expenses	240	439
Total	873	970

12. Property, plant and equipment (cont'd)

Company	Construction in progress $'000	Leasehold properties $'000	Renovations $'000	Plant and equipment $'000	Total $'000
Cost:					
At 1 January 2013	3,644	–	698	4,513	8,855
Additions	5,827	–	–	45	5,872
Transfer	(9,471)	9,471	–	–	–
Disposals	–	–	–	(1,152)	(1,152)
At 31 December 2013	–	9,471	698	3,406	13,575
Additions	–	–	–	153	153
Transfer to investment properties (Note 13)	–	(9,471)	–	–	(9,471)
Disposals	–	–	–	(445)	(445)
At 31 December 2014	–	–	698	3,114	3,812
Accumulated depreciation:					
At 1 January 2013	–	–	683	3,892	4,575
Depreciation for the year	–	–	13	254	267
Disposals	–	–	–	(1,152)	(1,152)
At 31 December 2013	–	–	696	2,994	3,690
Depreciation for the year	–	–	2	219	221
Disposals	–	–	–	(445)	(445)
At 31 December 2014	–	–	698	2,768	3,466
Carrying value:					
At 1 January 2013	3,644	–	15	621	4,280
At 31 December 2013	–	9,471	2	412	9,885
At 31 December 2014	–	–	–	346	346

The depreciation expense of the company is charged to administrative expenses.

Certain items are under finance lease agreements (see Note 25B).

13. Investment Properties

	2014 $'000
Group and company	
At cost:	
At 1 January 2013 and 31 December 2013	–
Transfer from property, plant and equipment (Note 12)	9,471
At 31 December 2014	9,471
Accumulated depreciation:	
At 1 January 2013 and 31 December 2013	–
Depreciation for the year	142
At 31 December 2014	142
Carrying value:	
At 1 January 2013	–
At 31 December 2013	–
At 31 December 2014	9,392
Fair value for disclosure purposes only:	
Fair value at end of the year	12,800
Rental income from investment properties (Note 6)	314

Description/Location	Tenure of Land/ (Gross floor area)	Last valuation date
Singapore:		
(A) 7 Yishun Industrial Street 1, #07-38, Singapore 768162	Property: 60 years from 2011 (1,062 square metres)	Commercial property. Revalued in November 2014.
(B) 7 Yishun Industrial Street 1, #06-38/39, Singapore 768162	Property: 60 years from 2011 (2,290 square metres)	Commercial property. Revalued in November 2014.

All the investment properties are mortgaged or pledged as security for the bank facilities (see Note 25).

The investment properties are leased out under operating leases. Also see Note 29 on operating lease income commitments. The management has not entered into contractual obligations for the maintenance or enhancement of the investment properties.

The depreciation expense is charged under administrative expenses.

13. Investment properties (cont'd)

For fair value measurements categorised within Level 2 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	(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) $4,300,000 (B) $8,500,000
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent offer to sell prices for similar properties.
Significant observable inputs and range (weighted average):	Price per square meters. (A) $4,049 (B) $3,712
Relationship of unobservable inputs to fair value:	NA.
Sensitivity on management's estimates – 10% variation from estimate	Impact (A) – lower by $430,000; higher by $430,000 (B) – lower by $850,000; higher by $850,000

14. Intangible assets

	Patents	
	Group	Company
	$'000	$'000
Cost:		
At 1 January 2013	430	318
Additions	14	22
At 31 December 2013	444	340
Additions	38	26
At 31 December 2014	482	366
Accumulated amortisation:		
At 1 January 2013	345	301
Amortisation for the year	32	22
31 December 2013	377	323
Amortisation for the year	52	18
At 31 December 2014	429	341
Carrying Value:		
At 1 January 2013	85	17
At 31 December 2013	67	17
At 31 December 2014	53	25

15. Development projects

	Group $'000	Company $'000
Cost:		
At 1 January 2013	8,841	7,279
Additions	335	223
Disposals	(649)	(648)
At 31 December 2013	8,527	6,854
Additions	2,318	2,206
Disposals	(2,897)	(1,748)
At 31 December 2014	7,948	7,312
Accumulated amortisation and impairment:		
At 1 January 2013	6,953	5,391
Amortisation for the year	296	296
Impairment loss charged to profit or loss included in other losses (Note 6)	111	–
At 31 December 2013	7,360	5,687
Amortisation for the year	402	393
Disposals	(1,149)	–
At 31 December 2014	6,613	6,080
Carrying value:		
At 1 January 2013	1,888	1,888
At 31 December 2013	1,167	1,167
At 31 December 2014	1,335	1,232

Development projects comprise expenses incurred for the development of new integrated semiconductor manufacturing systems or machines.

The group and the company have specific programmes for the commercialisation of these products.

16. Investments in subsidiaries

	Company 2014 $'000	Company 2013 $'000
Unquoted equity shares at cost	11,328	11,328
Less allowance for impairment	(2,844)	(2,844)
Add: Quasi-equity loans (a)	17,793	17,133
Less allowance for impairment	(10,146)	(10,146)
Cost at the end of the year	16,131	15,471
Movements in allowance for impairment:		
Balance at beginning of the year	12,990	11,990
Impairment loss charged to profit or loss included in other losses	–	1,000
Balance at end of the year	12,990	12,990

In 2013, the decreasing performance of I.PAC Manufacturing Pte Ltd was considered sufficient evidence to trigger the impairment test. It has suffered from a decrease in revenue during the current reporting year. Accordingly it has been written down to the recoverable amount.

16. Investments in subsidiaries (cont'd)

(a) These are interest free quasi-equity loans from the company to the following wholly-owned subsidiaries:

i) Semiconductor Precision Technology Pte Ltd, which in turn holds 100% equity interest in MIT (Shanghai) Co., Ltd; and

ii) CASEM (Asia) Pte Ltd

The company does not expect repayment of the above interest free quasi-equity loans in the foreseeable future. The fair value is not determinable as the timing of the future cash flows arising from the loan cannot be estimated reliably.

The subsidiaries held by the company and the group are listed below:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities (and Independent Auditor)	Cost in books of group		Effective percentage of equity held	
	2014	2013	2014	2013
	$'000	$'000	%	%
Held by the company:				
CASEM (Asia) Pte Ltd (a) Singapore Design and manufacturing of automated equipment	100	100	100	100
Semiconductor Precision Technology Pte Ltd (a) Singapore Investment holding	1,500	1,500	100	100
Generic Power Pte Ltd (a) Singapore Design and manufacturing of vision inspection system	7,904	7,904	100	100
i.PAC Manufacturing Pte Ltd (a) Singapore Contract equipment manufacturing	1,000	1,000	100	100
AMS Biomedical Pte Ltd (a) Singapore Design and manufacturing of medical equipment	824	824	100	100
	11,328	11,328		
Held by Semiconductor Precision Technology Pte Ltd:				
MIT (Shanghai) Co., Ltd (b) People's Republic of China Design, manufacture and distribution of automated equipment and components for electronic and semiconductor industries	8,183	8,183	100	100

(a) Audited by RSM Chio Lim LLP, a member of RSM International.

(b) Audited by SBA Stone Forest Shanghai Certified Public Accountants (Partnership), an affiliated firm of RSM Chio Lim LLP.

17. Other assets, non-current

	Group and Company	
	2014	2013
	$'000	$'000
Club membership at cost	83	83
Less: allowance for impairment	(40)	(33)
	43	50
Movement in the above allowance:		
Balance at beginning and end of the year	33	33
Charge to profit or loss included under other losses (Note 6)	7	–
Balance at end of the year	40	33

The carrying value of club memberships is at cost. The fair value of the club memberships is deemed to be not reliably measurable as the probabilities of the various estimates within the range cannot be reasonably assessed as used in estimating fair values. Consequently it is carried at cost less allowance for impairment.

18. Inventories

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Raw materials	3,360	3,252	970	1,448
Work-in-progress	13,926	10,120	1,651	1,733
Finished goods	3,022	1,784	2,332	1,043
	20,308	15,156	4,953	4,224

Inventories are stated after allowance. Movement in allowance:

Balance at beginning of the year	5,770	4,222	4,506	3,113
Reversed to profit or loss included in other credits (a) (Note 6)	(473)	(24)	(444)	(24)
Charged to profit or loss included in other charges (Note 6)	336	1,572	295	1,417
Balance at end of the year	5,633	5,770	4,357	4,506
Changes in inventories of finished goods and work-in-progress increase (decrease)	5,044	5,295	1,208	(141)
Raw materials and consumables used	57,837	26,340	34,713	15,562

(a) The reversal of the allowance is for goods with an estimated increase in net realisable value.

There are no inventories pledged as security for liabilities.

19. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
Trade receivables:	$'000	$'000	$'000	$'000
Outside parties	16,715	11,633	14,078	8,624
Subsidiaries (Note 3)	–	–	1,862	1,710
Less: Allowance for impairment	(84)	(82)	–	–
Subtotal	16,631	11,551	15,940	10,334
Other receivables:				
Outside parties	2,544	60	2	1
Advances to employees	11	8	4	6
Subsidiaries (Note 3)	–	–	7,871	10,662
Less: Allowance for impairment	–	–	(2,979)	(2,916)
Subtotal	2,555	68	4,898	7,753
Total trade and other receivables	19,186	11,619	20,838	18,087
Movements in above allowance:				
Balance at beginning of the year	82	77	2,916	2,770
Foreign exchange adjustments	2	5	–	–
Charge for subsidiaries other receivables to profit or loss included in other charges	–	–	63	146
Balance at end of the year	84	82	2,979	2,916

In 2013, the other receivables due from a subsidiary amounting to $1,500,000 bore a fixed interest rate of 5.5% per annum. The carrying amount was a reasonable approximation of fair value (Level 3).

20. Other assets, current

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Deposits to secure services	158	58	123	25
Prepayments	101	83	26	37
	259	141	149	62

21. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Not restricted in use	16,945	8,541	8,596	4,882
Cash at end of the year	16,945	8,541	8,596	4,882
Interest earning balances	8,923	1,443	2,000	–

The rate of interest for the cash on interest earning accounts is between 0.35% and 0.60% (2013: 0.24% and 0.50%) per annum.

22. Share capital

	Number of shares Issued	Share capital
Group and Company	’000	$’000
Ordinary shares of no par value:		
Balance at 1 January 2013, 31 December 2013 and 31 December 2014	217,580	45,768

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity’s ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2014	2013
Net debt:	$’000	$’000
All current and non-current borrowings including finance leases	8,913	9,866
Less cash and cash equivalents	(16,945)	(8,541)
Net debt	(8,032)	1,325
Adjusted capital:		
Total equity	37,930	27,598
Adjusted capital	37,930	27,598
Debt-to-adjusted capital ratio	N/M	4.8%

N/M – Not meaningful

22. **Share capital (cont'd)**

Capital management: (cont'd)

	Company	
	2014	2013
Net debt:	$'000	$'000
All current and non-current borrowings including finance leases	8,487	8,507
Less cash and cash equivalents	(8,596)	(4,882)
Net debt	(109)	3,625
Adjusted capital:		
Total equity	36,277	28,792
Adjusted capital	36,277	28,792
Debt-to-adjusted capital ratio	N/M	12.6%

N/M – Not meaningful

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the year. Management receives a report from the registrars frequently on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

23. Share-based payments

Employees' Share Option Scheme ("ESOS")

As at the end of the reporting year, share options granted to selected full-time employees and full-time executive directors under the Manufacturing Integration Technology Ltd Employees' Share Option Scheme to take up 14,350,000 (2013: 5,960,000) unissued ordinary shares in the company were outstanding as follows:-

Date of grant	Balance as at 1.1.2014	New	Lapsed	Exercised	Balance as at 31.12.2014	Exercise Price	Expiry date
Options to subscribe number of unissued ordinary shares of no par value:							
5 September 2007	75,000	–	–	–	75,000	0.1900*	4 September 2017
5 September 2007	75,000	–	–	–	75,000	0.1520**	4 September 2017
6 March 2008	330,000	–	–	–	330,000	0.1500*	5 March 2018
6 March 2008	330,000	–	–	–	330,000	0.1200**	5 March 2018
9 September 2009	75,000	–	–	–	75,000	0.1930*	8 September 2019
9 September 2009	75,000	–	–	–	75,000	0.1540**	8 September 2019
15 June 2010	75,000	–	–	–	75,000	0.1470*	14 June 2020
15 June 2010	75,000	–	–	–	75,000	0.1180**	14 June 2020
14 May 2012	2,425,000	–	(165,000)	–	2,260,000	0.1000*	13 May 2022
14 May 2012	2,425,000	–	(165,000)	–	2,260,000	0.0800**	13 May 2022
9 June 2014	–	4,140,000	(130,000)	–	4,010,000	0.0650*	8 June 2024
9 June 2014	–	4,140,000	(130,000)	–	4,010,000	0.0520**	8 June 2024
11 August 2014	–	300,000	–	–	300,000	0.0570**	10 August 2024
11 August 2014	–	300,000	–	–	300,000	0.0460**	10 August 2024
15 December 2014	–	50,000	–	–	50,000	0.0830**	14 December 2024
15 December 2014	–	50,000	–	–	50,000	0.0660**	14 December 2024
	5,960,000	8,980,000	(590,000)	–	14,350,000		

* Market price
** 20% discount to the market price

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options (including both equity and cash-settled options) during the reporting year:

	Year 2014	WAEP ($) 2014	Year 2013	WAEP ($) 2013
Outstanding at beginning of year	5,960,000	0.10	6,992,000	0.10
Granted during the year	8,980,000	0.06	–	–
Expired during the year	(590,000)	0.08	(1,032,000)	0.12
	14,350,000	0.06	5,960,000	0.10
Exercisable at end of year	14,350,000	0.06	5,960,000	0.10

The options granted have a contractual life of 10 years and there are no cash settlement alternatives.

23. Share-based payments (cont'd)

The fair value of share options granted during the year amounting $185,000 (2013: $Nil) is estimated by the management, using a binomial model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense in the profit or loss during the reporting year is approximately $62,000 (2013: $200) (Note 8). The inputs to the model used for the reporting year ended 31 December 2014 and 2013 are shown below.

	2014	2013
Dividend yield (%)	3.26 and 3.33	2.69
Expected and historical volatility (%)	12.0 and 12.4	24.47
Risk-free interest rate (%)	1.08	1.85
Expected life of option (years)	1 to 10	1 to 10
Weighted average share price ($)	0.08	0.08

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

24. Other reserves

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Foreign currency translation reserve (Note 24A)	253	155	–	–
Share option reserve (Note 24B)	187	125	187	125
Total at end of the year	440	280	187	125

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

24A. Foreign currency translation reserve

	Group	
	2014	2013
	$'000	$'000
Balance at beginning of the year	155	(91)
Exchange differences on translating foreign operations	98	246
Balance at end of the year	253	155

The foreign currency translation reserve accumulates all foreign exchange differences arising from the translation of financial statements of entities that are denominated in currencies other than the presentation currency of the consolidated financial statements.

24. Other reserves (cont'd)

24B. Share option reserve

	Group and Company	
	2014	2013
	$'000	$'000
At beginning of the year	125	125
Expiry of share options	(12)	(38)
Share based payment expenses	74	38
At end of the year	187	125

25. Other financial liabilities

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-current:				
Financial instruments with floating interest rates:				
Bank loan (secured) (Note 25A)	4,490	4,470	4,490	4,470
Financial instruments with fixed interest rates:				
Finance leases (Note 25B)	57	97	57	97
Non-current	4,547	4,567	4,547	4,567
Current:				
Financial instruments with floating interest rates:				
Bank loan (secured) (Note 25A)	900	900	900	900
Bank loan (Note 25C)	426	1,359	–	–
Financial instruments with fixed interest rates:				
Finance leases (Note 25B)	40	40	40	40
Bank loan (secured) (Note 25C)	3,000	3,000	3,000	3,000
Current	4,366	5,299	3,940	3,940
Total	8,913	9,866	8,487	8,507

The bank agreements for certain of the bank loans and other credit facilities provide among other matters for the following:-

1. A legal mortgage over the properties (Note 13).
2. Assignment of all insurance taken on the properties.

25A. Bank loan (secured)

The total for Bank Loan A (secured) is $5,390,000 (2013: $5,370,000) at floating rates of interest. The bank loan bears an interest rate of 2.03% (2013: 2.03%) per annum. The secured bank loan is repayable by 35 equal monthly instalments of $75,000 commencing in 1 January 2015 and a final instalment on the remaining balance. The fair value is a reasonable approximation of the carrying amount. The fair value of the bank loan was estimated by discounting the future cash flows payable under the terms of the loan using the year-end market interest rate applicable to loans of similar credit risk, terms and conditions (Level 2).

25. Other financial liabilities (cont'd)

25B. Finance lease liabilities

Group and Company	Minimum payments $'000	Finance charges $'000	Present value $'000
2014			
Minimum lease payments payable:			
Due within one year	46	(6)	40
Due within 2 to 5 years	66	(9)	57
Total	112	(15)	97
Carrying value of plant and equipment under finance leases			62

2013	Minimum payments $'000	Finance charges $'000	Present value $'000
Minimum lease payments payable:			
Due within one year	46	(6)	40
Due within 2 to 5 years	112	(15)	97
Total	158	(27)	137
Carrying value of plant and equipment under finance leases			121

There are leased assets under finance leases. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under the finance leases are secured by the lessor's charge over the leased assets. Other details are as follows:

	2014	2013
Average lease term, in years	5	5
Average effective borrowing rate per year	2.19%	2.19%

The total for finance leases and the average effective borrowing rate per year is disclosed above. Interest rate of 2.19% is applicable to similar finance leases (Level 2).

25C. Bank loan

The repayment terms of the short term bank loans of the group are as follows:-

(a) a revolving bank loan (secured) with a balance of $3,000,000 (2013: $3,000,000) as at end of the reporting year is repayable on 23 January 2015. The bank loan bears a fixed interest rate of 2.52% (2013: 2.43%) per annum.

(b) a bank loan of a subsidiary with a balance of $426,000 (2013: $1,359,000) as at end of the reporting year is secured by a corporate guarantee by company. The bank loan bears a floating interest rate of 7.00% (2013: 7.00% to 7.84%) per annum.

The fair value of the bank loan was estimated by discounting the future cash flows payable under the terms of the loan using the year-end market interest rate applicable to loans of similar credit risk, terms and conditions (Level 2).

26. Provisions

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Provision for installation expenses:				
Balance at beginning of the year	32	39	32	39
Provision charged to profit or loss included in selling and distribution expenses	404	135	404	135
Provision reversed to profit or loss included in selling and distribution expenses	(136)	(39)	(136)	(39)
Used	(179)	(103)	(179)	(103)
Balance at end of the year	121	32	121	32
Provision for product warranty:				
Balance at beginning of the year	33	64	29	53
Provision charged to profit or loss included in other charges (Note 6)	106	52	98	49
Provision reversed to profit or loss included in other credits (Note 6)	(28)	(33)	(27)	(24)
Used	(25)	(50)	(23)	(49)
Balance at end of the year	86	33	77	29
Total at end of the year	207	65	198	61

The provision for installation/product warranty is recognised for expected installation charges/warranty claims on certain automated equipment and vision inspection system sold by the group. A provision is made based on past experience and future expectation and an assessment of the probability of an outflow for the obligations as a whole.

The reversal of the provision relates to prior years overprovision not utilised as at reporting year end.

27. Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade payables:				
Outside parties and accrued liabilities	17,422	9,431	5,782	3,889
Subsidiary (Note 3)	–	–	11,634	10,509
Subtotal	17,422	9,431	17,416	14,398
Other payables:				
Subsidiary (Note 3)	–	–	4	950
Advance received from customers	5,236	374	125	–
Forward currency contracts (Note 30)	191	41	191	41
Other payables	266	1,200	125	1,096
Subtotal	5,693	1,615	445	2,087
Total trade and other payables	23,115	11,046	17,861	16,485

In 2013, the other payables due to a subsidiary amounting to $950,000 bore a floating interest rate of 0.24% to 0.34% per annum and repayable on demand. The carrying amount is a reasonable approximation of fair value (Level 3).

28. Operating lease payment commitments

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Not later than one year	437	669	289	321
Later than one year and not later than five years	222	229	222	121
Rental expense for the year	651	723	382	340

Operating lease payments represent rentals payable for offices and factory premises. The group leases certain properties under lease agreements that are non-cancellable within a year. The leases expire at various dates until 2017.

29. Operating lease income commitments

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	2014
	$'000
Group and company	
Not later than one year	670
Later than one year and not later than five years	825
Rental income for the year (Note 6)	314

Operating lease income commitments are for the investment properties. The lease rental income terms are negotiated for an average term of three years.

30. Derivatives financial instruments

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

	2014	2013
	$'000	$'000
Liabilities – Contracts with negative fair values:		
Forward foreign exchange contracts - Hedging instruments (30A)	191	41
Total at end of the year	191	41

30. Derivatives financial instruments (cont'd)

30A. Forward currency exchange contracts

As at 31 December 2014, the terms of the outstanding forward currency contracts are as follows:

	Notional amount	Contract date	Value date	Exchange rate	Unfavourable (Note 27)
	US$'000			US$/$	$'000
US Dollar (US$)					
Sell for SGD	500	7 Oct 2014	30 Jan 2015	1.280	21
Sell for SGD	500	8 Oct 2014	30 Jan 2015	1.280	21
Sell for SGD	500	31 Oct 2014	27 Feb 2015	1.280	21
Sell for SGD	500	4 Nov 2014	27 Feb 2015	1.288	17
Sell for SGD	500	7 Nov2014	27 Feb 2015	1.296	13
Sell for SGD	500	21 Nov 2014	27 Feb 2015	1.299	12
Sell for SGD	500	21 Nov 2014	27 Feb 2015	1.299	12
Sell for SGD	500	21 Nov 2014	31 Mar 2015	1.300	11
Sell for SGD	500	21 Nov 2014	31 Mar 2015	1.300	11
Sell for SGD	500	25 Nov 2014	31 Mar 2015	1.302	10
Sell for SGD	500	1 Dec 2014	31 Mar 2015	1.308	8
Sell for SGD	500	1 Dec 2014	31 Mar 2015	1.308	8
Sell for SGD	500	3 Dec 2014	31 Mar 2015	1.310	7
Sell for SGD	500	3 Dec 2014	31 Mar 2015	1.310	7
Sell for SGD	500	4 Dec 2014	30 Apr 2015	1.313	5
Sell for SGD	500	5 Dec 2014	30 Apr 2015	1.315	4
Sell for SGD	500	5 Dec 2014	30 Apr 2015	1.317	3
	8,500				191

As at 31 December 2013, the terms of the outstanding forward currency contracts are as follows:

	Notional amount	Contract date	Value date	Exchange rate	Unfavourable (Note 27)
	US$'000			US$/$	$'000
US Dollar (US$)					
Sell for SGD	500	1 Nov 2013	30 Jan 2014	1.242	11
Sell for SGD	500	12 Nov 2013	30 Jan 2014	1.247	9
Sell for SGD	500	12 Nov 2013	28 Feb 2014	1.250	7
Sell for SGD	500	25 Nov 2013	28 Feb 2014	1.253	6
Sell for SGD	500	3 Dec 2013	31 Mar 2014	1.256	5
Sell for SGD	500	19 Dec 2013	31 Mar 2014	1.260	2
Sell for SGD	500	23 Dec 2013	28 Apr 2014	1.264	5
	3,500				41

The purpose of these contracts is to mitigate the fluctuations of expected sales and purchases (forecast transactions) denominated in the non-functional currencies. The forward exchange contracts are put in place in order to hedge the excess of anticipated sales over purchases that will be made in the above currencies over the next year. The above foreign currency sales and purchase forecasts are prepared for the following year with monthly information and designated as the hedged item the part of monthly sales exceeding the purchases of the month. Cash flows are expected to occur and affect profit or loss in the month concerned.

30. Derivatives financial instruments (cont'd)

30A. Forward currency exchange contracts (cont'd)

The fair value (Level 2) of forward currency contracts is based on the current value of the difference between the contractual exchange rate and the market rate at the end of the reporting year. The valuation technique uses market observable inputs.

31. Financial information by operating segment

31A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the group.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) manufacturing and (2) distribution. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments are as follows:

The manufacturing segment is mainly engaged in designing, developing, and manufacturing of automated equipment for semiconductor and solar industry and contract equipment manufacturing for the biomedical industry.

The distribution segment is mainly engaged in distributing of automated equipment and parts for the semiconductor industry.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results is the earnings from operations before depreciation / amortisation, interests and income taxes (called "Recurring EBITDA").

31B. Profit or loss from continuing operations and reconciliations

Segment information about these businesses is presented below:-

	Manufacturing	Distribution	Unallocated	Group
	$'000	$'000	$'000	$'000
Continuing Operations 2014				
Revenue by Segment				
Total Revenue by Segment	86,864	3,760	–	90,624
Inter-Segment Sales	(26,351)	–	–	(26,351)
Total Revenue	60,513	3,760	–	64,273

31. Financial information by operating segment (cont'd)

31B. Profit or loss from continuing operations and reconciliations (cont'd)

	Manufacturing	Distribution	Unallocated	Group
	$'000	$'000	$'000	$'000
Recurring EBITDA	10,048	673	314	11,035
Finance costs	(261)	–	–	(261)
Depreciation	(873)	–	(142)	(1,015)
Amortisation	(454)	–	–	(454)
Profit before tax from continuing operations	8,460	673	172	9,305
Income tax income				867
Profit from continuing operations				10,172

	Manufacturing	Distribution	Unallocated	Group
	$'000	$'000	$'000	$'000
Continuing Operations 2013				
Revenue by Segment				
Total Revenue by Segment	38,434	3,930	–	42,364
Inter-Segment Sales	(11,063)	–	–	(11,063)
Total Revenue	27,371	3,930	–	31,301
Recurring EBITDA	(5,017)	(90)	–	(5,107)
Finance costs	(85)	–	–	(85)
Depreciation	(970)	–	–	(970)
Amortisation	(329)	–	–	(329)
Loss before tax from continuing operations	(6,401)	(90)	–	(6,491)
Income tax expenses				–
Loss from continuing operations				(6,491)

31C. Assets and reconciliations

	Manufacturing	Distribution	Unallocated	Group
	$'000	$'000	$'000	$'000
2014				
Total assets for reportable segments	56,725	2,691	9,329	68,745
Unallocated:				
Deferred tax assets	–	–	1,571	1,571
Total group assets	56,725	2,691	10,900	70,316
2013				
Total assets for reportable segments	44,257	3,809	–	48,066
Unallocated:				
Deferred tax assets	–	–	509	509
Total group assets	44,257	3,809	509	48,575

31. Financial information by operating segment (cont'd)

31D. Liabilities and reconciliations

	Manufacturing $'000	Distribution $'000	Unallocated $'000	Group $'000
2014				
Total liabilities for reportable segments				
Unallocated:	24,960	1,885	5,390	32,235
Income tax payable	–	–	151	151
Total group liabilities	24,960	1,885	5,541	32,386
2013				
Total liabilities for reportable segments				
Unallocated:	18,343	2,634	–	20,977
Total group liabilities	18,343	2,634	–	20,977

31E. Other material items and reconciliations

	Manufacturing $'000	Distribution $'000	Unallocated $'000	Group $'000
Capital expenditure				
2014	304	–	–	304
2013	5,164	732	–	5,896
(Reversal) Allowance for impairment loss on inventory obsolescence, net				
2014	(137)	–	–	(137)
2013	1,548	–	–	1,548
Provision for installation expenses, net of reversal				
2014	268	–	–	268
2013	96	–	–	96
Provision for product warranty, net				
2014	78	–	–	78
2013	19	–	–	19
Impairment loss on development expenditure				
2014	–	–	–	–
2013	111	–	–	111

31F. Geographical information

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.

31. Financial information by operating segment (cont'd)

31F. Geographical information (cont'd)

The following table provides an analysis of the group's revenue by geographical market irrespective of the origin of goods and services:-

	2014 $'000	2013 $'000
Revenue:		
China	28,645	7,543
Singapore	24,479	15,263
Europe and USA	921	3,975
Asia excluding China and Singapore	10,228	4,520
	64,273	31,301

The following is an analysis of the carrying amount of segment assets, and additions to plant and equipment and intangible assets, analysed by the geographical area in which the assets are located:-

	2014 $'000	2013 $'000
Segment Assets:		
China	15,785	10,342
Singapore	54,531	38,233
	70,316	48,575

	2014 $'000	2013 $'000
Capital Expenditure:		
China	48	22
Singapore	256	5,874
	304	5,896

31G. Information about major customers

	2014 $'000	2013 $'000
Top 1 customer in manufacturing segment	16,649	5,557
Top 2 customers in manufacturing segment	32,464	10,852
Top 3 customers in manufacturing segment	39,241	15,227

32. Financial instruments: information on financial risks

32A. Classification of financial assets and liabilities

The following table summarises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year by FRS 39 categories:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Financial assets:				
Cash and cash equivalents	16,945	8,541	8,596	4,882
Loan and receivables	19,186	11,619	20,838	18,087
At end of the year	36,131	20,160	29,434	22,969
Financial liabilities:				
Other financial liabilities measured at amortised cost	8,913	9,866	8,487	8,507
Derivatives financial instruments at fair value through profit or loss	191	41	191	41
Trade and other payables measured at amortised cost	22,924	11,005	17,670	16,444
At end of the year	32,028	20,912	26,348	24,992

Further quantitative disclosures are included throughout these financial statements.

32B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. The main risks arising from the entity's financial instruments are credit risk, interest risk, liquidity risk, foreign currency risk and market price risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks. These guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The major guidelines are the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.
5. When appropriate enter into derivatives or any other similar instruments solely for hedging purposes.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risks.

32C. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

32. Financial instruments: information on financial risks (cont'd)

32D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on customers, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

Note 21 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 90 days (2013: 30 to 90 days). But some customers take a longer period to settle the amounts.

(a) Ageing analysis of the age of trade receivables amounts that are past due as at the end of reporting year but not impaired:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables:				
61 to 90 days	962	792	793	842
91 to 180 days	1,138	1,358	946	1,410
Over 180 days	2,573	1,435	3,936	1,535
Total	4,673	3,585	5,675	3,787

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Trade receivables:				
Over 180 days	84	82	–	–
Total	84	82	–	–

The allowance which is disclosed in the Note 19 on trade receivables is based on individual accounts totalling $84,000 (2013: $82,000) that are determined to be impaired at the end of reporting year. These are not secured.

Other receivables are normally with no fixed terms and therefore there is no maturity.

32. **Financial instruments: information on financial risks (cont'd)**

32D. **Credit risk on financial assets (cont'd)**

Concentration of trade receivable customers as at end of reporting year:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Top 1 customer	5,257	2,299	5,257	2,299
Top 2 customers	6,947	3,691	7,119	3,691
Top 3 customers	8,560	4,679	8,808	4,679

32E. **Liquidity risk – financial liabilities maturity analysis**

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year	1 -3 years	Total
Non-derivative financial liabilities:	$'000	$'000	$'000
2014:			
Gross borrowings commitments	4,446	4,581	9,027
Gross finance lease obligations	46	66	112
Trade and other payables	23,115	–	23,115
At end of the year	27,607	4,647	32,254
2013:			
Gross borrowings commitments	5,455	4,544	9,999
Gross finance lease obligations	46	112	158
Trade and other payables	11,046	–	11,046
At end of the year	16,547	4,656	21,203

Company	Less than 1 year	1 -3 years	Total
Non-derivative financial liabilities:	$'000	$'000	$'000
2014:			
Gross borrowings commitments	3,994	4,581	8,575
Gross finance lease obligations	46	66	112
Trade and other payables	17,861	–	17,861
At end of the year	21,901	4,647	26,548

32. Financial instruments: information on financial risks (cont'd)

32E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Company	Less than 1 year	1 -3 years	Total
Non-derivative financial liabilities:	$'000	$'000	$'000
2013:			
Gross borrowings commitments	3,995	4,544	8,539
Gross finance lease obligations	46	112	158
Trade and other payables	16,444	–	16,444
At end of the year	20,485	4,656	25,141

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The following table analyses the derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group and company	Less than 1 year	1 -3 years	Total
Derivative financial liabilities:	$'000	$'000	$'000
2014:			
Foreign currency forward contracts	191	–	191
2013:			
Foreign currency forward contracts	41	–	41

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counter-party has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Financial guarantee in favour of a bank to secure bank facilities for a subsidiary – At the end of the reporting year no claims on the financial guarantees are expected.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 to 60 days (2013: 30 to 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

32. Financial instruments: information on financial risks (cont'd)

32E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Bank facilities:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Undrawn borrowing facilities	5,996	8,625	5,037	8,625

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the forecasted operations. A monthly schedule showing the maturity of financial liabilities and unused bank facilities is provided to management to assist them in monitoring the liquidity risk.

32F. Interest rate risk

The interest rate risk exposure is from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities which are both fixed rate and floating rate. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Financial assets with interest:				
Fixed rate	8,923	1,443	2,000	1,500
Total at end of the year	8,923	1,443	2,000	1,500
Financial liabilities with interest:				
Fixed rate	3,097	3,137	3,097	3,137
Floating rate	5,816	6,729	5,390	5,370
Total at end of the year	8,913	9,866	8,487	8,507

The floating rate debt obligations are with interest rates that are re-set regularly at one, three or six month intervals. The interest rates are disclosed in the respective notes 19, 21, 25 and 27.

Sensitivity analysis: The effect on pre-tax profit is not significant.

32G. Foreign currency risks

Analysis of amounts denominated in major non-functional currencies:

Group 2014:	US dollar	Euro	Total
	$'000	$'000	$'000
Financial assets:			
Cash	5,186	254	5,440
Trade and other receivables	17,458	–	17,458
Total financial assets	22,644	254	22,898
Financial liabilities:			
Trade and other payables	934	885	1,819
Total financial liabilities	934	885	1,819
Net financial assets (liabilities) at end of the year	21,710	(631)	21,079

32. Financial instruments: information on financial risks (cont'd)

32G. Foreign currency risks (cont'd)

Group 2013:	US dollar $'000	Euro $'000	Total $'000
Financial assets:			
Cash	958	415	1,373
Trade and other receivables	8,484	12	8,496
Total financial assets	9,442	427	9,869
Financial liabilities:			
Trade and other payables	1,375	810	2,185
Total financial liabilities	1,375	810	2,185
Net financial assets (liabilities) at end of the year	8,067	(383)	7,684

Company 2014:	US dollar $'000	Euro $'000	Total $'000
Financial assets:			
Cash	5,034	250	5,284
Trade and other receivables	17,060	–	17,060
Total financial assets	22,094	250	22,344
Financial liabilities:			
Trade and other payables	848	575	1,423
Total financial liabilities	848	575	1,423
Net financial assets (liabilities) at end of the year	21,246	(325)	20,921
2013:			
Financial assets:			
Cash	719	411	1,130
Trade and other receivables	8,103	–	8,103
Total financial assets	8,822	411	9,233
Financial liabilities:			
Trade and other payables	664	799	1,463
Total financial liabilities	664	799	1,463
Net financial assets (liabilities) at end of the year	8,158	(388)	7,770

There is exposure to foreign currency risk as part of its normal business. In particular, there is significant exposure to US dollars currency risk due to the large value of sales are made in the US dollars. In this respect, the group enters into foreign currency contracts on a rollover basis for the purpose of hedging the excess of anticipated sales in US dollar over purchases in US dollars. Note 30 illustrates the foreign currency contracts that are in place at end of the year.

32. Financial instruments: information on financial risks (cont'd)

32G. Foreign currency risks (cont'd)

	Group		Company	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Sensitivity analysis:				
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the US$ with all other variables held constant would have an adverse effect on post-tax profit of	(2,171)	(807)	(2,125)	(815)
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Euro with all other variables held constant would have a favourable effect on post-tax profit of	63	38	55	38

The above table shows sensitivity to a hypothetical 10% variation in the functional currency against the relevant foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction on the profit or loss.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the following basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

33. Changes and adoptions of accounting standards

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (Amendments)
FRS 27	Separate Financial Statements (Revised)
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (*)
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)
FRS 110	Consolidated Financial Statements
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112
FRS 111	Joint Arrangements (*)
FRS 112	Disclosure of Interests in Other Entities
INT FRS 121	Levies (*)

(*) Not relevant to the entity.

34. Future changes in financial reporting standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 19	Amendments To FRS 19: Defined Benefit Plans: Employee Contributions	1 Jul 2014
	Improvements to FRSs (Issued in January 2014). Relating to FRS 102 Share-based Payment FRS 103 Business Combinations FRS 108 Operating Segments FRS 113 Fair Value Measurement FRS 16 Property, Plant and Equipment FRS 24 Related Party Disclosures FRS 38 Intangible Assets	1 Jul 2014
Various	Improvements to FRSs (Issued in February 2014). Relating to FRS 103 Business Combinations FRS 113 Fair Value Measurement FRS 40 Investment Property	1 Jul 2014
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)	1 Jan 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements (*)	1 Jan 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (*)	1 Jan 2016
FRS 110, FRS 112, FRS 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (*)	1 Jan 2016
FRS 114	Regulatory Deferral Accounts (*)	1 Jan 2016
Various	Improvements to FRSs (November 2014)	1 Jan 2016
FRS 115	Revenue from Contracts with Customers	1 Jan 2017
FRS 109	Financial Instruments	1 Jan 2018

(*) Not relevant to the entity.

As at 18 March 2015

I	Class of shares	:	Ordinary share
	Number of ordinary shares in issue (excluding treasury shares)	:	219,062,870
	Voting rights	:	One vote per share

STATISTICS OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	4	0.10	214	0.00
100 - 1,000	1,020	24.51	1,018,179	0.46
1,001 - 10,000	2,259	54.29	10,361,455	4.73
10,001 - 1,000,000	862	20.72	52,656,574	24.04
1,000,001 and above	16	0.38	155,026,448	70.77
TOTAL	4,161	100.00	219,062,870	100.00

II Ordinary shares held in treasury ("Treasury Shares")
Sole shareholder of 3,437,000 Treasury Shares: Manufacturing Integration Technology Ltd
Voting rights: None
Percentage of this holding against total number of issued shares excluding Treasury Shares: 1.57%

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	MIT TECHNOLOGIES PTE LTD	120,627,910	55.07
2	KWONG KIM MONE	4,984,118	2.28
3	DBS NOMINEES (PRIVATE) LIMITED	4,946,000	2.26
4	PHILLIP SECURITIES PTE LTD	3,483,000	1.59
5	CHAN KOK TUNG TOM	3,039,726	1.39
6	RAFFLES NOMINEES (PTE) LIMITED	2,935,700	1.34
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,179,900	1.00
8	TAY HOCK TIAM	1,820,000	0.83
9	CITIBANK CONSUMER NOMINEES PTE LTD	1,712,000	0.78
10	OCBC SECURITIES PRIVATE LIMITED	1,589,300	0.73
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,402,500	0.64
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,391,000	0.63
13	KWONG KAM SENG	1,379,147	0.63
14	TAN ENG CHUA EDWIN	1,306,000	0.60
15	EST OF KONG KIM YIT, DEC'D	1,139,147	0.52
16	LIM CHIN TONG	1,091,000	0.50
17	TAN JANETTE	769,000	0.35
18	KONG KUM MIN	696,294	0.32
19	LEE HOCK KOON	681,000	0.31
20	EE HOCK BENG	667,200	0.30
	TOTAL	157,839,942	72.07

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Kwong Kim Mone [1]	4,984,118	2.28	120,627,910	55.07
Kwong Kim Ho [2]	-	-	120,627,910	55.07
MIT Technologies Pte Ltd	120,627,910	55.07	-	-

1 Kwong Kim Mone holds a total of 125,612,028 shares, of which 4,984,118 shares are held in his own name and 120,627,910 shares held in the name of MIT Technologies Pte Ltd ("MITT"). Kwong Kim Mone is deemed interested in the shares of MITT by virtue of section 7 of the Companies Act, Cap. 50.

2 Kwong Kim Ho is deemed interested in the shares of MITT by virtue of section 7 of the Companies Act, Cap. 50.

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF THE PUBLIC

Approximately 37.80 % of the Company's shares (excluding treasury shares) are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Manufacturing Integration Technology Ltd (the "**Company**") will be held at Ficus Room 1, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Tuesday, 28 April 2015 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2014 together with the Auditors' Report thereon.

   (Resolution 1)

2. To declare a final (one-tier tax exempt) dividend of Singapore 0.5 cent per ordinary share for the year ended 31 December 2014 (2013: nil).

   (Resolution 2)

3. To re-elect Mr Kwong Kim Mone, a Director of the Company who is retiring pursuant to Article 91 of the Articles of Association of the Company.

   (Resolution 3)

   Mr Kwong Kim Mone will, upon re-election as a Director of the Company, remain as the Chairman & Managing Director and a member of the Nominating Committee and Chairman of the Investment Committee.

4. To re-elect Mr Lee Yong Guan, a Director of the Company who is retiring pursuant to Article 91 of the Articles of Association of the Company.

   (Resolution 4)

   Mr Lee Yong Guan will, upon re-election as a Director of the Company, remain as a Chairman of the Audit Committee and a member of the Nominating Committee, Remuneration Committee and Investment Committee.

5. To re-appoint Mr Pow Tien Tee as a Director of the Company pursuant to Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.

   [See Explanatory Note (i)] **(Resolution 5)**

   Mr Pow Tien Tee will, upon re-appointment as a Director of the Company, remain as a Chairman of the Remuneration Committee and a member of the Audit Committee, Nominating Committee and Investment Committee.

6. To re-elect Mr Kam Boon Cheong, a Director of the Company who is retiring pursuant to Article 97 of the Articles of Association of the Company.

   (Resolution 6)

   Mr Kam Boon Cheong will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, Nominating Committee, Remuneration Committee and Investment Committee.

7. To approve the payment of Directors' fees up to S$120,000 for the year ending 31 December 2015, to be paid yearly in arrears. (2014: S$120,000)

   (Resolution 7)

8. To re-appoint Messrs RSM Chio Lim LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 8)

9. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

10. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 9)**

11. **Authority to issue shares under the MIT Employee Share Option Scheme 2009**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to offer and grant options under the prevailing MIT Employee Share Option Scheme 2009 (the "**Scheme**") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme and MIT Performance Share Plan collectively shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 10)**

12. **Authority to issue shares under the MIT Performance Share Plan**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to offer and grant awards under the MIT Performance Share Plan (the "**Plan**") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Plan and MIT Employee Share Option Scheme 2009 collectively shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)] **(Resolution 11)**

13. **The Proposed Renewal of the Share Buy-Back Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market share purchases (each an "**On-Market Share Purchase**") transacted on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") through the SGX-ST's ready market trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market share purchases (each an "**Off-Market Share Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual of the SGX-ST,

and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the "**Share Buy-Back Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company (the "**AGM**") is held or is required by law to be held;

(ii) the date on which the share buybacks are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked;

(d) for purposes of this Resolution:

"**Prescribed Limit**" means ten per centum (10%) of the issued ordinary share capital of the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any Treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase: 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Share Purchase: 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the On-Market Share Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5) day period; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(e) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (v)] **(Resolution 12)**

By Order of the Board

Lynn Wan Tiew Leng
Secretary

Singapore, 13 April 2015

Explanatory Notes:

(i) The effect of the Ordinary Resolution 5 and proposed in item 5 above, is to re-appoint a Director of the Company who is over 70 years of age and if passed, he will hold office until the next Annual General Meeting. Such re-appointment of a Director will no longer be subject to shareholders' approval under Section 153(6) of the Companies Act, Chapter 50 of Singapore as repealed when the Companies (Amendment) Act 2014 comes into force. The Director will then be subject to retirement by rotation under the Company's Articles of Association.

(ii) The Ordinary Resolution 9 in item 10 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(iii) The Ordinary Resolution 10 in item 11 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme, provided always that the aggregate number of shares to be issued in respect of the Scheme and the Plan collectively shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

(iv) The Ordinary Resolution 11 proposed in item 12 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards granted or to be granted under the Plan, provided always that the aggregate number of shares to be issued in respect of the Plan and Scheme collectively shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

(v) The Ordinary Resolution 12 proposed in item 13 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of on-market share purchases or off-market share purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in the Circular to Shareholders dated 13 April 2015. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-Back Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2014 are set out in greater detail in the Circular to Shareholders dated 13 April 2015.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "**Meeting**") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Block 5004 Ang Mo Kio Avenue 5 #03-12, TECHplace II, Singapore 569872 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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MANUFACTURING INTEGRATION TECHNOLOGY LTD
Company Registration No. 199200075N
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We ____

of ____

being a member/members of Manufacturing Integration Technology Ltd (the "Company") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above , the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Tuesday, 28 April 2015 at 9.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Financial Statements for the year ended 31 December 2014		
2	Final (one-tier tax exempt) dividend for the financial year ended 31 December 2014		
3	Re-election of Mr Kwong Kim Mone as a Director		
4	Re-election of Mr Lee Yong Guan as a Director		
5	Re-appointment of Mr Pow Tien Tee as a Director		
6	Re-election of Mr Kam Boon Cheong as a Director		
7	Approval of Directors' fees up to S$120,000 for the year ending 31 December 2015		
8	Re-appointment of Messrs RSM Chio Lim LLP as Auditors		
9	Authority to issue new shares		
10	Authority to issue shares under the MIT Employee Share Option Scheme 2009		
11	Authority to issue shares under the MIT Performance Share Plan		
12	Proposed Renewal of the Share Buy-Back Mandate		

Dated this .... day of 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

....

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Blk 5004 Ang Mo Kio Ave 5 #03-12, TECHplace II, Singapore 569872, not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2015.

(1) Fold along this line

Affix
Postage
Stamp

Manufacturing Integration Technology Ltd

Blk 5004
Ang Mo Kio Ave 5 #03-12
TECHplace II
Singapore 569872

(2) Fold along this line

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.