



Manufacturing Integration Technology Ltd

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PRESS RELEASE

MIT RETURNS TO PROFITABILITY WITH NPAT OF \$6M

- Buoyed by strong performances from its semiconductor and CEM businesses
- Declares final dividend of 0.75 Singapore cent per share, payout surpasses target set in dividend policy
- Due diligence by prospective buyer of its semiconductor business is ongoing

Singapore, 27 February 2018 - Manufacturing Integration Technology Ltd (MIT or the Group) today announced that the Group had returned to profitability in FY 2017 with a net profit after tax of \$6m as compared with a loss of \$5.5m for FY 2016. Revenues came in 86% higher at \$65.9m in FY 2017 as compared with \$35.5m in FY 2016. This strong performance was led by its semiconductor and contract equipment manufacturing (CEM) segments, but moderated by losses incurred in MIT Shanghai.

With higher revenues and a better product mix, gross profit margin increased to 30% in FY 2017 from 20% in FY 2016. Marketing and distribution costs as well as Administrative expenses were higher by 2% and 40% respectively. The bottom line would have been higher if not for a S\$0.6m foreign exchange loss from a weakening US dollar.

Cash and cash equivalents also increased to \$21.9m from \$17.9m as at 31 Dec 2016 despite paying down all remaining loan of \$3.5m for its industrial property, investments in tooling and IT of S\$1.5m and an interim dividend of \$0.6m. Cash per share amounts to 9.54 cents per share while NAV increased to 22.3 cents per share from 20.12 cents per share.

Going forward, the global semiconductor market is forecast to remain active with bright spots in the memory, automotive and IoT segments. In pursuit of these opportunities, MIT had launched a new high speed C330 sorter and placed out numerous beta units with prospective customers for testing and acceptance.

An improved and more advanced vision scanner is expected to be launched later this year.

In CEM, we expect further growth in 2018 with recovery in orders from the LED area and new customers in the customised automation business.

As at 27 Feb 2018, the Group's order book stood at \$22m.

Dividend

The Board is recommending a final dividend of 0.75 Singapore cent per share, bringing total dividend for FY 2017 to 1.0 Singapore cent per share. This represents a dividend pay-out of 38%, which surpasses our new dividend policy of paying out at least 25% of our net profit for the year.

Overall, the Board expects the Group to remain profitable in the current financial year.



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Update on divestment of Semiconductor Business

Further to our announcement of 8 January 2018, MIT expects the pace of due diligence and negotiations for our proposed divestment of the semiconductor business to be stepped up. While there is no assurance that this transaction will be completed, the structure and business of MIT Ltd will be significantly altered if the deal is closed. CEM will become the new core business.

The Board intends to recommend a return of proceeds (net of all related expenses) from the divestment to shareholders if the deal is successful.

About Manufacturing Integration Technology Ltd (“MIT”)

Incorporated in 1992 and listed on the Singapore Exchange’s Mainboard since 1999, MIT is a leading provider of integrated automation solutions to the semiconductor industry worldwide. Its range of high-end equipment include wafer level die marking, sorting and inspection systems, It has also entered into the renewable energy market by producing its proprietary range of solar panel manufacturing equipment for the PV market. The Group has furthermore diversified its business to provide contract equipment manufacturing and precision engineering services to the broader markets with a manufacturing footprint in Shanghai, China. Please visit our website at www.mit.com.sg.

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