Manufacturing Integration Technology Ltd.

ANNUAL REPORT 2021

DELIVERING VALUE & EXPERTISE

CONTENTS

COMPANY PROFILE

MIT was founded in 1992 by our Chairman, Mr Tony Kwong, to provide industrial automation services to the electronics industry in Singapore. In a span of over 29 years, we have evolved to become a capital goods supplier serving the semiconductor, solar, customised automation and contract equipment manufacturing ("CEM") industries. Our markets cover our home ground in Singapore, Asia, Europe and USA. MIT became a public listed company in 1999 with its shares traded on the Mainboard of the Singapore Exchange Ltd ("SGX").

With the divestment of our semiconductor equipment business to a PRC private equity fund on 20 February 2019, we now focus our core business on contract equipment manufacturing (build-to-print) and customized automation.

We operate from three rented facilities; two in Ang Mo Kio (Singapore) and the other in Jiading District (Shanghai, China). Our corporate headquarter is in Singapore.

MISSION

To provide world class integrated design, engineering and manufacturing solutions in our core business 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 Contract Equipment Manufacturing Services and Customized Automation Solutions.

CHAIRMAN'S **MESSAGE**

Mr Kwong Kim Mone
Non-Executive and Non-Independent Chairman

Dear Shareholders,

The year of 2021 continues to be challenging for MIT, as the COVID pandemic persisted with yet another mutation or variant that the World Health Organisation and global governments are desperately trying to rein in the spread of the disease. Thus, MIT's pursuit in growing our remaining businesses is much slower than planned, especially the customised automation segment after our divestment of MIT Semiconductor Pte Ltd. I would like to take this opportunity to share a brief update of the company and some new focus areas for the company to explore in navigating through this period of uncertainty.

Current Business and Market

The semiconductor and healthcare segment of the worldwide market continues to enjoy double digit growth, and so our built to print businesses have also benefited from this global trend. The strong fundamentals that we have invested in the past from both training of our people and disciplined manufacturing processes have allowed us to support the growth in this business segment.

Our customised automation business segment continues to face extreme headwind from both the economic difficulties and supply chain related issues. The pandemic causes uncertainties that have resulted in major delays of both projects launching as well as projects final acceptance testing. We are also unable to secure the much-anticipated repeat orders that are critical for our operational efficiencies and forecasted growth. There are several major cascaded orders being pushed out and rescheduled to 2022 and beyond, since we are supporting the capital equipment market. Therefore, we only managed to grow slightly in this segment of business with the traditional customer base and re-strategise AMS to focus on new area of business that I will share in a later section of this update.

We are pleased to share that our MIT Shanghai subsidiary was able to sustain itself in 2021 by growing over the 2020 period of Wuhan tectonic disruption in China. Our major customer account in Shanghai also underwent a change in their company ownership in 2021, however, we continue to operate our business with an even keel, including winning an additional small new assembly business.

CHAIRMAN'S **MESSAGE**

Cost Control and Operating Expenses

After our divestment in 2019, we have continued our investment in customised automation, as the skill set, and capabilities are core intangible assets of the company, which will allow us to support the anticipated business growth that are stifled by the economic uncertainties and aberrations. Our backlog of enquiries continues to grow as the pandemic has disrupted the mobility of people locally and globally, and we have been extremely busy responding with our project proposals. We are hopeful that some of these project proposals will be converted to purchase orders in 2022 and beyond.

There is also escalation in materials prices, as well as, increasing supply chain lead times that are beyond our control, and other inflationary factors that have compounded our operating cost in such difficult period. We continue to be extremely prudent in managing our cost with pay cut, headcount reduction, reduction in directors' fee, tightly controlled discretionary expenses, insignificant interest charges, etc. The details are available in the financial reports that you could peruse in your leisure.

Despite the business difficulties, we are also investing in some prospecting activities such as building product capabilities, increasing our technology platform as well as M&A considerations, to position ourselves ready for the future when the economy rebounds.

Growth and M&A Activities

We have had several opportunities to look at new partnerships and adjacent market businesses to grow faster, instead of just relying on our current organic growth engines. However, we have not made any successful acquisition yet, since there was no acceptance agreement for our offers, or the businesses were not strategic to add to our portfolio of product or services that we are currently offering. Nevertheless, we would still be looking out for such growth opportunities, as part of our growth strategy.

New Pursuit and Initiatives

The Management team had embarked on several strategic initiatives after reviewing MIT 1HFY2021 disappointing financial results. We were able to map out a few focus areas for the team to pursue in 2HFY2021 and FY2022, taking the view that the pandemic will still be with us for another year or more.

Therefore, we will step up our effort to grow our built to print businesses, with our current customer base and cultivate new customers. This area includes venturing into the new ESG business arena and not just in our vintage semiconductor or precision engineering industrial segment.

We also will re-ignite our pursuit into our previous core strength, which includes deploying our customised automation expertise to build "standard" equipment for the precision engineering and semiconductor industry. This is in anticipation that the global forecast of semiconductor and automotive (especially e-car) industries will continue its double-digit growth in the next few years.

Gratitude and Wishes

Finally, on behalf of the Board and Management of MIT, I would like to wish all the shareholders and stakeholders excellent health! I would also like to thank you all for your patience and support for MIT over the last three decades.

Mr Kwong Kim Mone
Non-Executive and Non-Independent Chairman

BOARD OF **DIRECTORS**

MR KWONG KIM MONE
Non-Executive and Non-Independent Chairman

MR KWONG KIM MONE was appointed as Director since 15 February 1992 and re-designated as Non-Executive and Non-Independent Chairman of the Company on 21 February 2019 following the divestment of the semiconductor business. He is the Founder and past Managing Director and Chairman of the Company. Under Mr Kwong's stewardship, the Company has been riding on a growth momentum that has seen the Company evolve as a major player in the capital goods market not just in semiconductor tools but also as a Contract Equipment Manufacturer. He was one of the recipients of the Rotary-ASME Entrepreneur of the Year Award in 1998 and had also led the Company to receive 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. Kwong was last re-elected as Non-Executive Chairman on 21 May 2020.

MR LIM CHIN HONG
Executive Director and Chief Executive Officer

MR LIM CHIN HONG was re-designated as Executive Director and Chief Executive Officer of the Company on 1 July 2020 after serving as Independent Director since 1 February 2016. As CEO, Mr Lim oversees the formulation and execution of the Group's business and growth strategies. He is also the founding and managing partner at GreenMeadows Accelerator Pte Ltd (GMA) focused on incubating technology startups in the hardware arena. Prior to incorporating GMA, he was a partner at Small World Group Incubator to guide start-ups in technology commercialization. At the industry level, Mr Lim had spent the major part of his career serving in senior management positions as CTO/EVP/GM in companies such as Sunningdale Tech, Hewlett Packard and Agilent Technologies managing global operations across multiple product lines and business units. Mr Lim has also served as board member of several local start-ups, mentor, panelist and advisor for NRF GAP Funding, NUS LLP companies and ESG TECS Grant. He is appointed an Entrepreneur-in- Residence with Temasek Polytechnic. He obtained his BSc (Hons) in Production Engineering and Management from University of Strathclyde (UK) and a MBA from Golden Gate University (US). He has also completed a General Management Program from NUS-Stanford Business School. Mr Lim was last re-elected as Independent Director on 26 April 2019.

BOARD OF **DIRECTORS**

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 FCA Singapore and a Fellow member with Association of Chartered Certified Accountants, is currently a Board Member of MayBank Singapore Limited. Mr Lee is actively involved in Fintech and Start Up providing seed investment and advisory support. Mr Lee spent more than five years in Shanghai as Special Advisor and Director of UnionPay International Co, a wholly owned subsidiary of China UnionPay Company. 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). He has completed an Advanced Management Programme with the Harvard Business School in Boston and is a member of the Singapore Harvard Club. Mr Lee is also a member of the SMU Institute of Innovation and Entrepreneurship Mentor Panel. Mr Lee was last re-elected as Lead Independent Director on 21 May 2020.

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 Pow was last re-elected as Independent Director on 26 April 2019.

KEY **EXECUTIVES**

MR HAN MENG KWANG
Chief Operating Officer

MR HAN MENG KWANG joined the Group's subsidiary, Automated Manufacturing Solutions Pte Ltd (formerly AMS Biomedical) in June 2017 as its Senior VP and General Manager. From July 2020, he concurrently holds the appointment as Chief Operating Officer of MIT Group. He spearheads the Group's customized automation business supporting diverse manufacturing industries. Mr Han has more than 25 years of related industry experience. He holds a Bachelor Degree in Mechanical and Production Engineering (with First Class honours) from Nanyang Technological University and a Master of Science Degree in Advanced Automation and Design from Cranfield University (UK). He had also obtained a Diploma in Mechanical Engineering from Singapore Polytechnic and a Post-Graduate Diploma in Financial Management from ACCA.

MR TOMMY NG FOOK KEONG
Financial Controller

MR TOMMY NG FOOK KEONG is our Financial Controller appointed on 21 February 2019 with responsibility for the entire financial management and accounting functions of the Group at both operational and strategic levels. He is also overseeing the Group's human resource management and corporate affairs. Prior to joining the Company in September 2006, he had held finance and audit portfolios in several local private and public listed companies. Mr Ng has more than 20 years of experience in accounting, auditing and financial management. He graduated with a Bachelor of Commerce from the La Trobe University (Australia) and is a Chartered Accountant of Singapore, a member of the Institute of Singapore Chartered Accountants (ISCA).

OPERATING **REVIEW**

2021 is another challenging year as we see another round of spike in the ever changing pandemic situation with the emergence of the Omicron variant. While there is no major shutdown to businesses as our Government continues to move toward living with the pandemic, there are disruption to our operations due to the higher infection rate among staff and supply chain delays. Notwithstanding the challenges, MIT still recorded a 16% increased in revenue and lower operational losses as compared to 2020 due mainly to the improvement in our build to print business.

Customized Automation

For our customized automation business, we carried over a backlog order of S$2.12m into 2022 with secured projects from Medical Device, Semi-conductor, Consumers, Electronics & Government Sectors. Our revenue remained flat at S$3.20m as compared to FY2020.

The backlog was much lower than expected as majority of our customers pushed out their plan on new capital investment due to economic difficulties, supply chain related issues and resource disruption. Some anticipated repeat orders were pushed back to 2022 due to significant material cost increase affecting budget allocation and customers prioritizing their focus on fulfilling existing demands. Despite these challenges, enquiries for customized automation continue to grow including existing customers and customers from new sectors. To help improve our revenue and overcome the slow conversion rate in customized business, we leverage on our experience in build to print and our strong engineering core to pursue equipment build to print from our current customer base and develop new customers with potential to expand beyond just build to print services. In addition, we are also working with partners in both the semi-conductor and precision engineering industries to leverage on our past experience and customized automation expertise to develop "Standard" equipment to take advantage of the expected growth in these industries. We are hopeful that these new strategic initiatives will help improve our customized business in FY2022 and beyond.

OPERATING **REVIEW**

Build To Print

For our build to print business, we carried over a backlog order of S$4.22m into 2022 with secured orders from our existing customers. We recorded a revenue of S$8.36m and achieved operational profit at both our CASEM and MIT Shanghai subsidiaries to help grow the group revenue by 16% and narrowed our losses as compared to FY2021.

We expect the momentum to carry into FY2022 with increasing demand from our existing customers who are enjoying double digit growth in their respective industries and are expected to transfer new products to us to meet their growing demand and overcome their internal resource constraint.

Conclusion

As we enter into 2022, we expect our build to print business to continue on the growing trend. For our customized automation business, we expect repeat orders from our existing customers and are hopeful that our new strategic initiatives will help bring in more projects from both existing and new customers. While we remain optimistic in improving our results in 2022, we will be keeping a close eye on the pandemic situation and the impact from the war between Russia and Ukraine which will have a negative impact on our performance. Rising material cost and supply chain disruption are the other risks that we are facing and we will continue to remain prudent in managing our fixed cost, efficient utilization of our resources and expanding our supplier bases. We will also continue to explore suitable M&A opportunity to supplement our organic growth.

FINANCIAL **REVIEW**

Revenue and Earnings

The Group managed to achieve revenue of S$11.56m for the full year ended 31 December 2021 ("FY2021"), despite the continued ongoing COVID-19 pandemic impact on the operations of the Group, which is a 16% increase from S$10.00m from the full year ended 31 December 2020 ("FY2020"). The revenue growth was largely due to strong orders from a growing global semiconductor market and contributions from our customized automation and built-to-print business.

With this higher revenue, the Group recorded a gross profit of S$0.13m in FY2021, a turnaround from a gross loss of S$0.51m in the previous corresponding financial year.

The Group recorded a loss after tax of S$2.32m in FY2021, when compared to profit after tax of S$4.83m in the previous financial year, mainly due to gains from the disposal of our subsidiary, MIT Semiconductor Pte Ltd in 2019.

On the core business, we have reduced our operating loss significantly from S$3.19m in FY2020 to S$2.34m in FY2021 through prudent cost control measures. Operationally, we have reduced more operating loss in FY2021 when compared to FY2020, without the impact of the grant income of S$0.82m from the government in FY2020.

Other income and gains

The other income and gains were derived mainly from rental income (S$0.65m), gain on disposal of plant and equipment (S$0.57m), reversal on allowance for impairment loss on inventories (S$0.06m), grant income (S$0.04m) and foreign exchange adjustment gains (S$0.03m).

Marketing and distribution costs

In line with the higher revenue base and business activities, marketing and distribution costs increased by 37% in FY2021 as compared to FY2020.

Administrative expenses

Administrative expenses were lower by 16% or S$0.67m to S$3.41m in FY2021 as compared to S$4.08m in FY2020 as a result of cost control measures during the year.

Finance costs

Finance costs decreased due to repayment of lease liabilities and lower interest rates charged during the financial year.

Other losses

The other losses were allowance for impairment loss on inventories during the year.

Income tax benefit

There was a reversal of over-provision of tax in respect of prior years in the current financial year of S$17,000.

Assets and Liabilities

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

Inventories increased by S$0.49m from S$2.12m as at 31 December 2020 to S$2.61m as at 31 December 2021 in anticipation of major deliveries in the coming months.

Trade and other receivables lowered by 30%, with intensive collection effort during the year.

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

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

Cash Flow

The cash & cash equivalents of S$6.76m represents a decrease of S$8.79m from 31 Dec 2020 and was mainly attributable to capital reduction (S$7.92m), inventories (S$0.43m) and plant and equipment (S$0.05m).

Cash and cash equivalents per share stood at 2.81 cents, which accounts for about 43% of the net assets per share.

FINANCIAL **HIGHLIGHTS**

(All amounts in S$'000)

Statement of Comprehensive Income	**FY 2019**	**FY 2020**	**FY 2021**
Revenue	9,823	10,004	11,557
EBITDA (Earnings Before Interest, Tax, Dep & Amort and Net profit from discontinued operations)	(8,869)	(1,834)	(1,065)
EBIT (Earnings Before Interest, Tax and Net profit from discontinued operations)	(10,203)	(3,355)	(2,260)
Finance Cost	204	142	92
Profit (Loss) before tax from continuing operations	(10,024)	(3,193)	(2,335)
Profit (Loss) net of tax	41,466	4,834	(2,318)
Statement of Financial Position			
Current Assets	14,623	21,036	11,832
Current Liabilities	3,627	4,374	4,932
Total Assets	26,474	31,519	21,210
Total Borrowings	386	202	212
Cash and Cash Equivalents	8,920	15,550	6,759
Shareholders' Equity	21,045	25,916	15,765
Net Asset Value per Share (cents)	8.76	10.79	6.55
Financial Ratios			
Profitability			
Return on Equity (%)	197.0%	18.7%	-14.7%
Return on Assets (%)	156.6%	15.3%	-10.9%
Liquidity			
Current Ratio (times)	4.0	4.8	2.4
Cash as a percentage of NAV (%)	42.4%	60.0%	42.9%
Leverage			
Gearing (%)	1.8%	0.8%	1.3%
Investment			
Earnings (Loss) per Share (cents)	17.39	2.01	(0.97)
Gross Dividend per Share (cents)	18.80	N.A.	N.A.
Gross Dividend Yield (%)	206.6%	N.A.	N.A.
Dividend Payout Ratios	108.1%	N.A.	N.A.
Productivity			
Number of Employees (Group)	115	99	95
Revenue/Employee (S$'000)	85.42	101.05	121.65

RISK MANAGEMENT

MIT has an Enterprise Risk Management Committee (ERMC) which is chaired by its CEO and three Senior Management staff to oversee the identification and implementation of risk mitigation measures in the financial, operational and compliance areas. The ERMC reports to the Audit Committee of the Board.

The Group recognizes that we have to take calculated risks in order to grow and to maximize shareholder value. To achieve our corporate objectives, such risks must be taken in a responsible and measured manner. We will not undertake more risks than necessary and beyond what we can afford from a financial and operational perspective. We typically adopt a more conservative approach to risk management and a tendency to err on the side of caution.

Some of the key risk areas and mitigators are identified and addressed in this Risk Management Report. The list is by no means exhaustive and is updated annually. As in life, there can be unexpected local or global events that happens suddenly, like the current COVID-19 outbreak. COVID-19 has tested our risk mitigation efforts and forced the ERMC to draw up new risk mitigation measures in conjunction with our national efforts.

More importantly, we need to apply these risks and mitigation measures in our everyday work by complying with established policies and protocols. Our mitigation factors have so far allowed us to address these risks, especially during poor business periods and even in high growth times.

Operating Risks

Lumpy nature of our revenues and dependency on a few key customers

Revenues of our customized automation business tend to be lumpy in nature as it is typically recognized at the end of each project. This may lead to wild swings in our financial results.

To address this, we have discussed with our external auditors and worked in accordance with the relevant accounting standards to allow partial recognition of revenues based on different performance obligations that are stipulated in the contracts with customers. This will reduce the lumpiness in revenue recognition.

The Group will continue to secure new major accounts in diverse segments of the industry, so as to reduce dependency on any one cluster of customers and to even out revenue flow.

Disruptions in the supply chain for key components and fabricated parts

The Group is broadening its vendor base for alternative parts supply and to forge key partnership alliances with top tier suppliers to improve demand planning and ensure certainty of supply.

Insufficient manufacturing capacity during peak periods

Outsourcing of assembly work (either at modular or at full turnkey level) to subcontractors in Singapore/China has allowed the Group to better manage its production capacity and costs during seasonal cycles.

Inability to attract and retain key talents to support and drive our growth

Engineering prowess, bleeding edge expertise, leadership development and succession planning are ongoing challenges. The Group aims to address these issues by building an internal talent core through continuous skills training and motivating high performance through short & long-term compensation incentives plans.

We are exposed to risks associated with overseas operations

Outside of Singapore, the Group operates another factory in Shanghai, China. The Investment Committee under the purview of the Board regularly reviews the business performance and operating environment in China to make key business decisions.

RISK MANAGEMENT

Financial Risks

Exposure to foreign exchange risk

Trading currencies are mainly denominated in Singapore dollar, with RMB and US dollar making up the remainder.

We will undertake low risk currency hedging if necessary, to hedge our risks against the US dollar and RMB.

Financial instruments risk

The Group does not deal in any form of financial derivative instruments or engage in trading of such instruments.

We are subject to investment risk

All major investment proposals are presented to the Investment Committee for evaluation before they are finally tabled for the Board's approval. For more complex transactions, external professional advisers are also engaged to assist in the feasibility study, review and recommendations.

We are subject to liquidity risk

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

With its net cash and minimal debt position, the Group is not facing liquidity pressures nor in a financial position that will compel it to violate any of its bank covenants.

Credit risk

Though the Group has a concentration of several long standing key customers that has traditionally been financially reliable, there are already internal checks in place to alert against any adverse material developments or heightened risks faced by these customers that may 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

In the nature of our CEM business, we typically do not own the IP of the products. For customized automation, our value add is in conceptualizing, designing, manufacturing and integrating automated systems to provide customers with smart solutions that will enable them to substantially improve their operational efficiency, productivity and yield. Notwithstanding this, any IPs of third parties which we have been entrusted with will be fiercely safeguarded to ensure that their IP rights and business interests are not compromised.

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

SUSTAINABILITY **REPORT**

Board Statement

Sustainable businesses will deliver long-term shareholder value and growth. We believe that a truly sustainable business not only makes good economic sense, but does so in a responsible way that enhances value for our MIT brand, business and stakeholders. Our Board of Directors oversees the business affairs of the Group and is collectively responsible for our long-term growth and success. The Board remains committed to advance our sustainability efforts by aligning social and environmental performance with the business and financial impact.

The Board sets the strategy and direction to manage the approach towards sustainability by upholding high standards of governance across our value chain, promoting ethical and responsible business practices, practising prudent financial management, maintaining high standards of health and safety, minimising environmental impact, improving efficient utilisation of resources, and engaging communities where we operate in.

This is our fifth Sustainability Report (the "SR Report") which covers the Group's operations and performance from 1 January 2021 to 31 December 2021 (the "reporting period"). This report has been prepared based on the Singapore Exchange Securities Trading Limited Listing Manual ("SGX-ST Listing Manual"): Listing Rules 711A and 711B and has referenced the Global Reporting Initiative ("GRI") Standards, a globally recognized sustainability reporting framework, for reporting on topics that are deemed materials to MIT.

We have made improvements to our sustainability framework as seen in this report. This included a clearer description of targets set as well as a review on the completeness of reporting under each material issue. To better represent the performance of both material and non-material topics reported, data for the current year and previous two years was summarised in tables.

Setting the sustainability pathway requires the commitment, cooperation and continuous feedback of all key stakeholders. We are pleased to present our 2021 Sustainability Report and sincerely look forward to your continued support in our efforts towards enabling a more sustainable future for MIT.

HIGHLIGHT

2021 SUSTAINABILITY PERFORMANCE AT A GLANCE

ESG FACTOR	2019	2020	2021
Environmental			
Actual Consumption of Electricity (KWh)	993,923	750,998	**571,018**
Total indirect CO2 or Carbon Equivalent Emissions (Metric Tons)	703	532	**247**
Social			
Number of permanent employees as at year end	115	99	**95**
Proportion of female employees (%)	25%	23%	**20%**
Proportion of local employees (%)	51%	54%	**55%**
Number of new hires	22	5	**25**
Employee turnover rate (%)	43%	19%	**31%**
Number of reportable accidents	0	1	**0**
Governance			
Overall GTI* score (points)	58	74	**72**
Overall GTI* ranking	300	174	**198**

* Singapore Governance and Transparency Index

SUSTAINABILITY **REPORT**

Our Response to COVID-19

Following the outbreak of the COVID-19 pandemic in 2020 and 2021, we responded swiftly to protect the safety and well-being of our employees and stakeholders. As the well-being of our stakeholders remains our utmost priority, we have various health and safety measures in place to protect our people and partners which include implementing flexible work arrangements, encouraging the use of videoconferencing platforms, and providing masks and hand sanitisers. All staff were also required to conduct antigen rapid test ("ART") on a weekly basis. Against this challenging backdrop, MIT remained committed in our efforts to minimise the impact of COVID-19 on our operations through our business continuity plans and believe MIT continues to be well-placed to manage our sustainability strategy.

Stakeholders Engagement

Our business operations affect, and are affected by, a diverse group of stakeholders – both internal and external. Our stakeholders comprise employees, shareholders, customers, vendors, community and the government and regulators in which we operate. We identify our key stakeholders by assessing their influence and involvement in our business. We recognise that effective collaboration with our key stakeholders is critical in aligning our business decisions with their needs and concerns. We thus proactively engage stakeholders through various channels to identify and understand issues pertinent to them. We also strive to maintain regular two-way communication to foster accountability and transparency. To create sustainable value for our stakeholders, we actively engage them through the following channels:

S/N	Stakeholders	Engagement Channels/Platforms
1	Employees	Emails and bulletins, Bi-annual Managerial Open-Comm sessions, Departmental Meetings, MIT Intranet, Town Hall briefings and Staff Recreation Programmes
2	Shareholders/ Investors/ Analysts	AGMs, Company Website (www.mitech-ltd.com.sg), Annual Reports, Half- yearly financial report disclosure, SGXNet announcements, Investor relations talks
3	Customers	Supplier Evaluation /Key Equipment Group/ Technology roadmap meetings, site visits, customer audits, customer satisfaction surveys
4	Vendors/Suppliers	Meetings, vendor audits, supplier performance reviews, purchase agreements, supplier events
5	Community	Trade or business organizations such as Singapore Business Federation ("SBF"). Collaboration with tertiary institutions on internship programmes
6	Government and Regulators	Meetings with local authorities, seminars/talks, consultations with regulatory bodies, Annual reports and press releases

SUSTAINABILITY REPORT

Material Factors

Materiality Assessment

In 2021, we reviewed the ESG issues and had identified 6 key areas of focus that are material to MIT. The material factors identified were in line with those reported in our previous Sustainability Report published in our 2020 Annual Report. We will review our materiality process at periodic intervals to keep updated with new developments of the Group.

Stakeholders	Stakeholders' Concerns	Engagement Channels/Platforms
Employees	1. Safe and conducive workplace 2. Fair labor practices and compensation 3. Job Satisfaction & Career Development	√ Training and development opportunities √ Grievance handling/feedback channels √ Regular reviews and performance appraisals incorporating people development and career planning √ Progressive human resource management practices
Shareholders/ Investors/ Analysts	4. Stable and sustainable growth 5. Reasonable returns to shareholders 6. Good corporate governance	√ Good financial discipline √ Strong corporate governance practices √ Sustainable business model

SUSTAINABILITY **REPORT**

Material Factors (cont'd)

Materiality Assessment (cont'd)

Stakeholders	Stakeholders' Concerns	Engagement Channels/Platforms
Customers	7. Quality, Cost & Delivery 8. Risk Management (Business Continuity) 9. Ethical leadership	√ Strengthen our quality management systems √ Reinforce our Enterprise Risk Management framework √ Maintain strong Internal controls √ Zero tolerance on corruption and fraud
Vendors/ Suppliers	10. Fair Vendor Selection process 11. Timely payment 12. Ethical supply chain practices	√ Ensuring integrity in all purchasing decisions √ Adhering to purchasing agreement terms √ Internal Code of Conduct that also applies to supply chain partners
Community	13. Employment Opportunities 14. Good corporate citizenship	√ Creating new jobs and building a Singapore core √ Re-employment of silver workforce √ Participating in community events
Government & Regulators	15. Maintain high standards of corporate governance 16. Support development of local industries 17. Protection of environment	√ Comply with all applicable laws and regulations √ Added assurance from internal and external audits √ Maintain and improve our Integrated Management System (IMS)

Amongst the key material ESG factors, we have charted the following matrix base on the likelihood of influence on our stakeholders and the impact to our business:

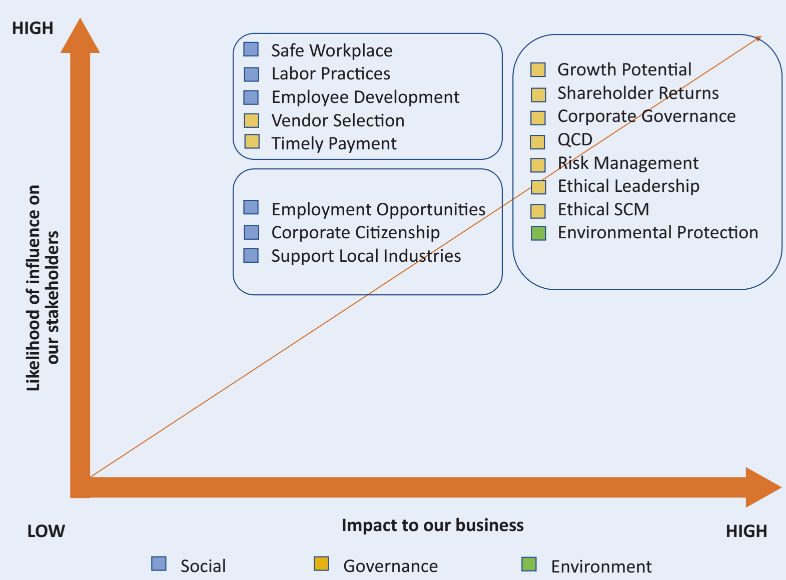


Figure 1: *Material Factors assessed by Stakeholders*

SUSTAINABILITY **REPORT**

Environmental

Electricity and Water Conservation

On environmental management, we aim to comply fully with all legal regulations and requirements and to consume resources responsibly, focusing on minimizing impacts through prevention at source, reduction, reuse and recycling initiatives.

Our energy and water efficiency efforts also apply to our daily office activities as we actively seek to reduce our consumption of energy and water through responsible practices such as:

- Upgrading of equipment and lighting that are more energy efficient
- Separation of paper/plastic/metal/general waste for recycling
- Collection and recycling of office paper waste by authorized contractors
- Automation of business processes e.g. ERP, E-leave system etc
- Inculcating "Green Office and Green Home" habits such as switching off lights and electrical appliances when not in use, practicing air conditioning energy saving tips and even encouraging the use of recyclable bags and reusable cutlery sets or containers for meal takeaways

Our most direct environmental impact stems from the use of electricity. Our water consumption has been relatively minimal over the years. There are no water discharge or chemicals used in our equipment manufacturing processes.

Below are some statistics on our consumption records of the last three years:

Year	Actual Consumption (KWh)	Turnover (S$M)	(KWh/S$)
2022 Target	**500,000**	–	–
2021	**571,018**	**11.6**	**0.049**
2020	750,998	10.0	0.075
2019	993,923	9.8	0.101

Figure 2: *KWh Actual*

Year	Total direct CO_2 or Carbon Equivalent Emissions (Metric Tons)	Total indirect CO_2 or Carbon Equivalent Emissions (Metric Tons)	Turnover (S$M)	Emissions Intensity (MT/ S$'000)
2022 Target	**N.A.**	**200**	–	–
2021	**N.A.**	**247**	**11.6**	**0.021**
2020	N.A.	532	10.0	0.053
2019	N.A.	703	9.8	0.072

Figure 3: *Emissions Intensity*

SOURCE: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

SUSTAINABILITY REPORT

Environmental (cont'd)

Work Place Air and Environment Certification

MIT has been certified ISO 14001 since 2005 to provide an assurance to all stakeholders that we have an effective environmental management system in place to minimize the impact our operations would have on the environment, to ensure that all applicable laws and regulations are complied with and to continually improve on our business processes to achieve higher level environmental standards that we have set for ourselves. We measure our success by our ability to attract and retain the confidence of customers with the continuing strong support of our business and supply chain partners. Every aspect of our internal and external customer interaction provides an opportunity for continuous improvement thereby creating greater business value that is sustainable over the longer-term.

Our air-con systems are serviced every 2 months to ensure quality air, quality working environment and better energy utilisation.

Laws and Regulations

In the area of WSHE, we comply fully with the relevant laws and regulations under the Fire Safety Act, Workplace Safety and Health Act, Environment Public Health Act and Environmental Protection and Management Act that regulates general waste collection, the control of trade effluents, ozone-depleting substances (ODS), noise, hazardous substances, air pollution and prevention of fire and others. There is no record of violation against any of the regulations during the reporting year.

Supply Chain

Our main suppliers consist of original equipment manufacturers (OEMs) and fabrication houses. OEMs supply us with standard parts or components such as motors, pneumatics, lasers, optics, actuators, sensors etc whereas fabrication suppliers provide mainly machined parts, sheet-metal parts, structures and covers according to our engineering specifications. We seek to influence our supply chain partners towards sustainable practices by outlining our expectations in the vendor selection process as well as through our annual evaluation of their performance. To remain in our Approved Vendor List (AVL), our top vendors had to meet a host of performance criteria ranging from quality assurance and service levels as well as adhering to best practices or internationally established Code of Conduct governing human rights, business and integrity, and safety, health and environmental standards. We aim to apply these standards to all our new major suppliers/vendors. It is our belief that securing a pool of like-minded suppliers that share our commitment to sustainability will mitigate risks to our operations and reputation. We are also broadening our vendor base for alternative parts supply to improve demand planning, cost competitiveness and ensure certainty of supply. We therefore aim to maintain at least one primary and one secondary supply source for critical parts and long lead items wherever possible.

Social

MIT is committed to carrying out its business mission efficiently, effectively and responsibly with integrity and respect for the law, the environment and well-being of employees and the community at large. Our commitment to maintain the highest standards of business ethics and to continually improve our Corporate Social Responsibility practices is paramount. We expect the same level of commitment from every employee and our partners in the conduct of their daily work affairs and in their relationship with all our major stakeholders.

SUSTAINABILITY **REPORT**

Social (cont'd)

Our Employees

Fair Employment Practices

MIT adheres to the philosophy espoused in the Tripartite Guidelines on Fair Employment and other best HR practices that we had publicly pledged with Tripartite Alliance for Fair and Progressive Employment Practices (or TAFEP).

We also subscribe to the Responsible Business Alliance Code of Conduct (formerly the Electronic Industry Citizenship Coalition) to ensure that our working conditions are safe, that workers are treated with respect and dignity and that our business operations are environmentally responsible and conducted ethically.

MIT endeavors to uphold the spirit of these best practices and to conform to (and continually improve on) its standards in accordance with acceptable management practices within the jurisdiction of the local laws in which we operate. Some of the key principles are to:

- Recruit, select, promote, reward and train employees on the basis of merit such as skills, experience and ability, regardless of race color, age, gender, sexual orientation, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union membership or marital status
- Treat employees fairly and with respect and implement progressive human resource practices
- Embrace the diversity of all members within the MIT family
- Provide employees with equal opportunities for training and development based on their individual needs to help them achieve their fullest potential
- Promote and provide a harassment free environment
- Reward employees fairly based on their ability, performance, contributions and experience
- Respect for privacy and protect personal information
- Provide transparency in and accountability for the Group's performance and practices
- Abide by local regulations including Safety, Health and Environmental laws

Training and Education

We are focused on developing our people and getting the very best from our staff whilst helping them to achieve their individual career aspirations. We want our employees to feel that they are contributing to our purpose and believe the organization supports them in this endeavour. Similarly, we believe that it is in our best interest to invest in the careers of our employees through continuous learning. We do this by investing in structured On-Job-Training, providing Core Skills Training (at both individual and group levels), as well as exposing them to developmental opportunities where they can get to undertake stretched projects or assignments, and even to lead them.

Year	Headcount	Training Hours	Avg no. of training hours	Avg No. of Training day (260 days/ year)
2022 Targets	**100**	**1,820**	**18.20**	**7.00**
2021	**95**	**1,635**	**17.21**	**6.29**
2020	99	1,695	17.12	6.52
2019	115	2,765	24.04	10.63

Figure 4: *Training Metrics*

Note: Training data includes orientation, internal and external training conducted

Compensation and Rewards

Our compensation policy is intended to be well-balanced, competitive, performance based and aligned with the achievements of each employee. While the approach reflects an emphasis on pay-for-performance, it is also designed to attract, motivate and retain high performing and high potential employees. Employees are also incentivized through annual bonus that are tied to financial and non-financial metrics as well as stock-option awards for key staff to enable them to benefit from the growth of the Group.

In addition, a range of statutory and non-statutory staff benefits are offered to employees including medical and dental benefits, term life, personal accident plans, long service awards, paternity, maternity and other leave benefits etc. that we peg to industry practices. Beyond this, MIT provides paid-leave for employees attending work-related training courses making use of their own SkillFuture credits.

SUSTAINABILITY **REPORT**

Social (cont'd)

Compensation and Rewards (cont'd)

We believe it is also important to recognize the right behavior and reward them (either individually or groups) financially and by peer to peer recognition. Our "Spontaneous Award" program has worked well to ensure that exceptional efforts performed by employee(s) above and beyond the normal course of duty do not go unnoticed but are positively reinforced through these on-the-spot rewards.

Performance Management & Engagement

MIT is committed to carry out an objective and fair performance management system to align the Group's objectives with individual performance, reward results and to support people development in the process. Even though the formal PA assessment is conducted once a year, managers and their staff are encouraged to review and discuss performance issues on an ongoing basis. Performance Improvement plans are also developed for under-performing employees.

Apart from one-on-one dialogues with employees, we also engage them through other media such as Open-Communications meetings with senior staff, regular department briefings, corporate updates through e-platforms (emails, intranet) company wide town hall meetings and even during corporate social events.

Employee feedback is also encouraged to help MIT understand what makes them more engaged and to address real and latent disengagement risks in the process. Such feedback channels are not confined to engagement surveys but will also include all forms of open communications and focused groups (both formal and informal).

Safety, Health and overall well being, Employee Benefits

Our WSHE Committee includes representation from the various business units to help us in our endeavor to ensure that the workplace continues to remain free from industrial hazards and accidents.

Apart from monthly meetings and inspections, the Committee for the reporting year had been very much involved in other activities such as to elevate the skillsets of our employees and gain a competitive edge in meeting new challenges imposed by the COVID-19 pandemic, promoting WSHE awareness, reviewing our safety risk management framework, undergoing training in first aid (and AED), exercising vigilance over dengue and ZIKA outbreaks, and seeing to the conduct of emergency evacuation exercises. One of the many other recommendations that had been carried out was also to ensure that workplace safety policies and manufacturing work instructions are documented in at least two major languages for the benefit of our foreign workers.

On keeping to a balanced and healthy lifestyles, our employees have also been encouraged to join in the National Health Challenge (organized by HPB) that is into its 5th Season (both as individual participants and at the Corporate level). We are heartened to note that 62% of our workforce had taken up the challenge.

Year	Man-days Lost	Number of Accidents
2022 Targets	**0**	**0**
2021	**0**	**0**
2020	9	1
2019	0	0

Figure 5: *Number of Workplace Accidents*

Leadership development for succession planning

Our Board of Directors through its Nominating Committee has oversight of Senior Management (including the CEO) talent and succession plans which is reviewed annually. Ensuring a pipeline of effective leaders for the Group who will be ready and able to assume greater responsibility when critical positions become available is still work in progress for the Board and HR.

Work Force characteristics and Diversity

We view the diversity of our people as a source of strength. We seek to create an inclusive work environment that extends beyond just age and gender differences to include drawing on the range of cultural dimensions represented by the different nationalities and backgrounds.

Social (cont'd)

Work Force characteristics and Diversity (cont'd)

Work Force Strength

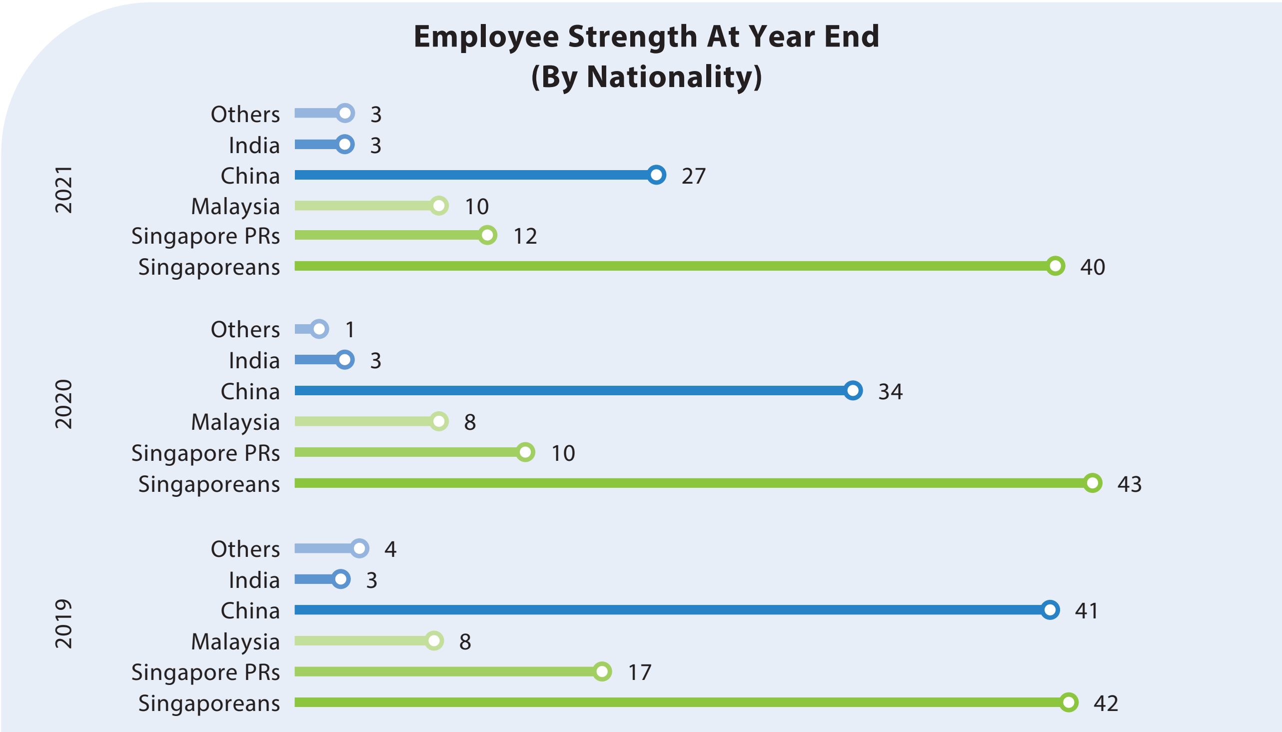


Figure 6: *Employee Strength at year end*

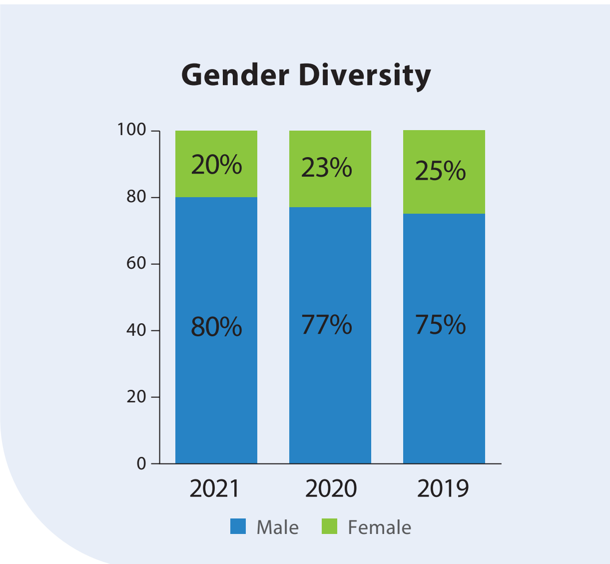


Figure 7: *Gender Diversity*

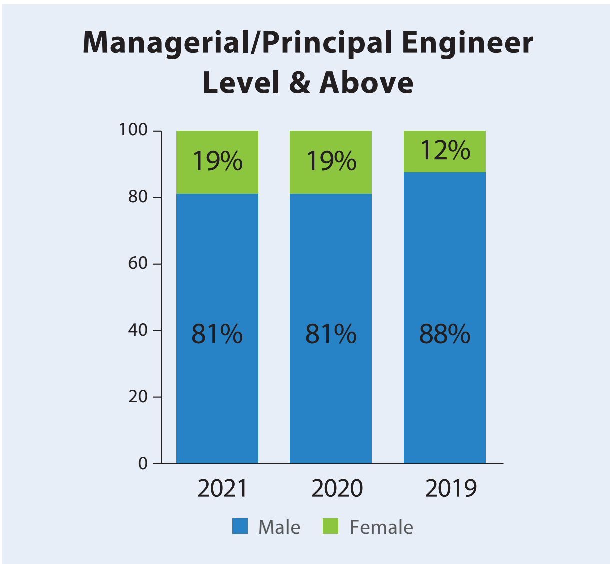


Figure 8: *Senior positions held by Male/Female staff*

Our Executive Committee (EXCO) team is currently held by Singaporeans (male)

SUSTAINABILITY **REPORT**

Social (cont'd)

Work Force characteristics and Diversity (cont'd)

Age Distribution

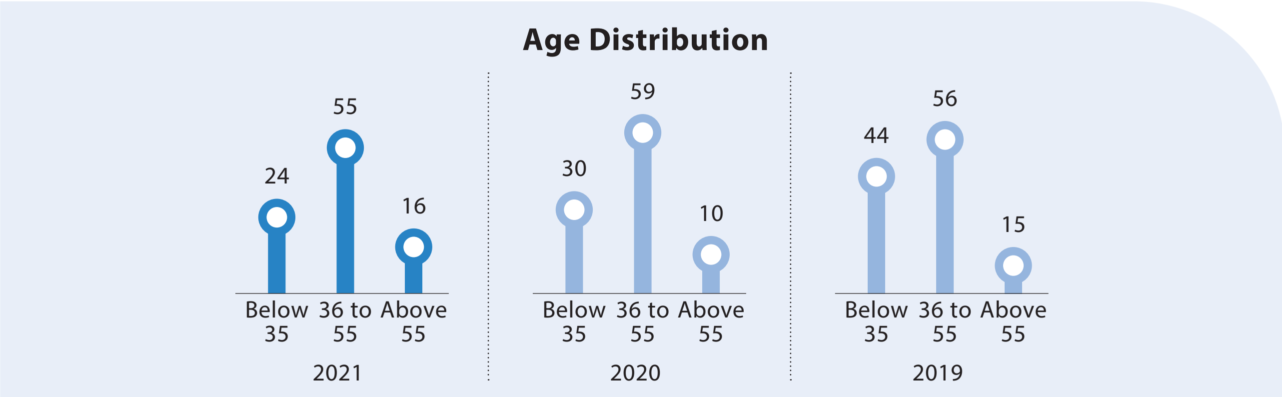


Figure 9: *Age Distribution*

Employee Qualifications

Figure 10: *Employee Qualifications*

Attrition

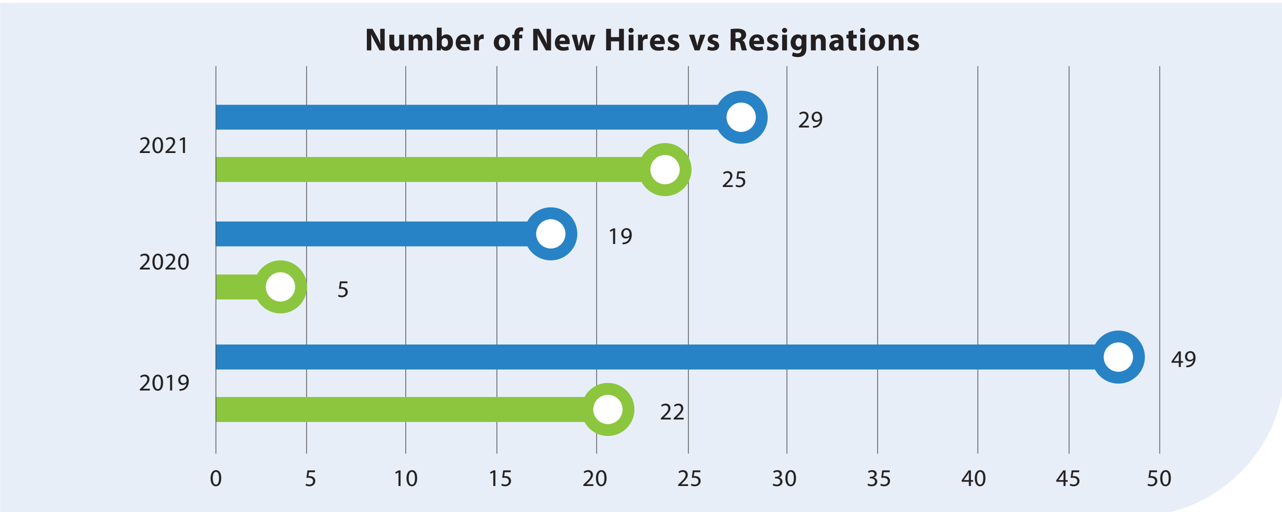


Figure 11: *Number of new hires vs resignations*

Number of resignations
Number of new hires

SUSTAINABILITY **REPORT**

Social (cont'd)

Work Force characteristics and Diversity (cont'd)

Offering Re-Employment to the Silver Workforce

Recognizing the depth of knowledge and experience that our more senior colleagues bring to the workplace, we encourage them to continue working with us beyond the statutory retirement age. To-date, all eligible employees have been offered one to three years re-employment contracts.

Community Engagement

To support the community in which we operate, our employees are encouraged to contribute their personal time and experience meaningfully to benefit society. One of the ways is through charity work and to support causes for the needy or less fortunate in the spirit of volunteerism. MIT is also investing in our youths through internship programs and providing practical work experiences for these students.

We furthermore encourage graduating students to apply for suitable positions within our Group of Companies that they had become familiar with during their internship with us.

Industrial Visits

MIT as a corporate citizen also actively collaborates with tertiary institutions particularly with Singapore Polytechnic, Ngee Ann Polytechnic and Nanyang Polytechnic where we regularly organize factory visits for students. We also host teaching delegates from within and outside of the region to enable them to gain first-hand insights into our local home-grown capabilities in the high-tech engineering space.

Membership of Associations

- Singapore Business Federation

Social and Economic Laws and Regulations

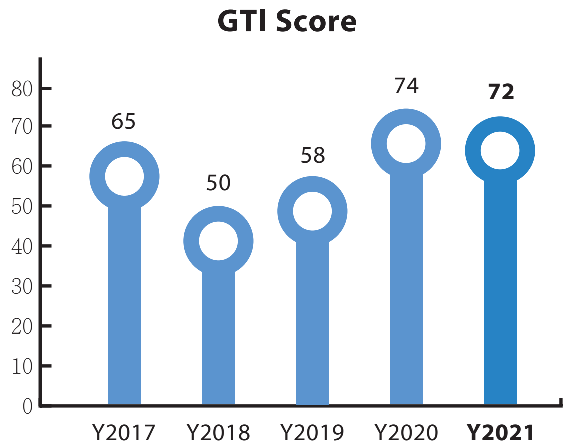
MIT complies with all governmental laws and regulations in this area. There is no record of any non- compliance or management labour dispute lodged with the Ministry of Manpower to-date.

SUSTAINABILITY **REPORT**

Governance

Corporate Governance

A high standard of corporate governance is integral in ensuring sustainability of the Group's business as well as safeguarding shareholders' interest and maximizing long term shareholder value creation. We continually strive to ensure that the value of good corporate governance is deeply embedded into our corporate DNA. Our GTI [(1)] rankings are as follows :



GTI Year	Score	Ranking
2021	**72**	**198**
2020	74	174
2019	58	300
2018	50	363
2017	65	100

Figure 12: *GTI Ranking and Scores*

[(1)] The GTI or Singapore Governance and Transparency Index is published annually by CPA Australia, the National University of Singapore (NUS) Business School's Centre for Governance, Institutions and Organisation (CGIO) and the Singapore Institute of Directors. It assesses companies on their corporate governance disclosures and practices, as well as timeliness, accessibility and transparency of their financial results announcements

Ethics and Integrity

MIT's Code of Conduct establishes an ethical framework for business practices and conduct to which all employees are required to adhere to without exceptions. Employees are expected to exercise good judgment, prudence and with clarity of intention and to seek to avoid even the appearance of any improper behavior in their daily interactions with their colleagues, customers, suppliers, business associates and with the general public. MIT expects the same high standards of business ethics and integrity to be upheld by our agents or partners and those that it does business with.

MIT's Code of Conduct covers ethical issues and guidance concerning:

- Outside employment and Personal Interest
- Conflict of interest
- Compliance with laws, rules and regulations
- Insider Trading prohibitions
- Disclosure requirements and Accuracy of records
- Investor Relations and Business Communications
- Social Media
- Discrimination and Harassment, and Privacy
- Workplace Violence
- Proper Use and Protection of Assets
- Competition and Fair Dealing
- Business Integrity and No improper Advantage
- Bribery and Corruption (Entertainment, Gifts and Gratuities)

SUSTAINABILITY REPORT

Governance (cont'd)

Ethics and Integrity (cont'd)

- Purchasing Practices & Equal Business Opportunity
- Copyright and Licensing Compliance
- Confidential Information/Intellectual Property Protection

Awareness is created from the very first day of employment by way of basic ethics training at the time of on-boarding. Masterclasses on Business Ethics for senior staff are also being conducted periodically. As part of our internal audit compliance practices, all staff are required to sign an acknowledgement of their compliance to the Code and to declare any existing or potential conflict of interest on an annual basis. There are furthermore procedures to ensure that all transactions with interested parties are reported timely to the Audit Committee whilst ascertaining that transactions are being conducted on an arms- length basis and are not deemed prejudicial to the interests of the Group or its shareholders.

In dealing with MIT's securities, our Directors and Officers are also expected to strictly abide by internal Code of Best Practices on Securities Transaction established in compliance with Rule 1207(19) of the Listing Manual of SGX-ST to ensure that they do not run afoul of securities regulations especially on insider-trading. The Securities Transaction Code furthermore enables MIT to monitor such shares transactions by requiring them to report within two (2) business days whenever they deal in its securities. To-date, there has been no incident of corruption (alleged or otherwise) and no legal cases brought against the Group or our employees by the authorities.

Whistle-Blowing Policy

Bribery or corruption or ethical violations in any form will not be tolerated in any circumstances and any incident report will be looked into very seriously. Our Board has established a direct whistle blowing channel that goes right up to the attention of the Audit Committee members (comprising Independent Directors) who will deal with these matters or any other serious acts of business impropriety. Whistle- blowers are assured of anonymity, confidentiality and non-retaliation. We are glad to report that since 2008 when our whistle-blowing policy was first introduced, there has been no official complaint or case lodged with the Committee.

Investor Relations

We welcome all stakeholders to approach us and support the sustainability of our business. You may also read the Group's latest announcements at www.sgx.com or participate in our AGM and other corporate events to keep apprised on more current developments. If you have any questions, comments, suggestions or feedback relating to this report, please send them to Mr Lim Chin Hong, CEO at chlim@mitech-ltd.com.sg.

CORPORATE **GOVERNANCE**

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.

The Company has adopted the Code of Corporate Governance 2018 (the "Code") for the financial year ended 31 December 2021 and is working to adopt the other changes where appropriate.

The Company has adhered to the principles of the Code as well as the listing rules in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), where appropriate. Where the Company's practices vary from any provisions of the Code, the Company has explained the reasons for the deviations and explained how the practices the Company has adopted are consistent with the intent of the relevant principle.

This report describes the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2021 ("FY2021"), with specific reference to the principles and guidelines of the Code.

Board Matters

Principle 1: The Board's Conduct of Affairs
The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Since 28 April 2021, the Board comprises four Directors, two of whom are Independent Directors with one Non-Executive and Non-Independent Director and one Executive Director. 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 relevant industries.

The Company adopted a Code of Business Conduct and Ethics for the Board which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential and perceived conflict of interest arises, the concerned Director must recuse himself or herself from discussions and decisions involving the matter and abstain from voting on resolutions relating to the matter.

Role of the Board of Directors

All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making their decisions and to objectively discharge their duties and responsibilities in the best interest of the Company.

Apart from its fiduciary duties under the Companies Act 1967 (the "Act"), and requirements pursuant to the SGX-ST Listing Manual and other relevant regulations, the Board sets the overall strategy of the Group and establishes policies on matters such as financial control, financial performance and risk management practices.

CORPORATE GOVERNANCE

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 Board Committees function within clearly defined terms of reference, which are reviewed on a regular basis. The terms of reference for the respective Board 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. Ad-hoc meetings are convened when circumstances require, such as discussions/brainstorming on Company direction and strategies. The Company's Constitution allows a Board meeting to be conducted by way of telephone conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear each other.

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 financial statements;
- 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.

CORPORATE GOVERNANCE

Training of Directors

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 is responsible for arranging and funding training for Company's Directors from time to time. The Company and Company Secretary also provides ongoing regulatory 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.

Newly appointed Directors would be briefed on the Company's industry, business, organisation structure, strategic plans and objectives. Directors will be provided a formal letter setting out their duties and obligations and appropriate trainings to ensure that they are fully aware of their responsibilities and obligations. Orientation for new Directors includes visits to the Group's key premises to familiarise with the operations. Currently, the Company does not have any newly appointed Directors who have not been on a listed company. However, should there be, they will be required to attend the Listed Entity Director programme by the Singapore Institute of Directors in accordance with Rule 210(5)(a) of the Listing Manual of SGX-ST.

No new director was appointed during the year.

The Company provides opportunities to fund training for the Company's Directors from time to time particularly on changes in the relevant new laws, regulations and changing commercial risks to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities.

During the year, the Board was briefed and/or updated on the changes to the Code, SGX Listing Rules and other regulations. The external auditors regularly update the AC and the Board on the developments in the Singapore Financial Reporting Standards (International) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings. The Company encourages Directors to attend training and continuing education courses on new legislations and/or regulations.

The Management recognises that relevant, complete and accurate information needs to be provided to the Directors prior to meetings and on an on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities effectively and efficiently. Prior to each Board meeting, the Board is supplied with relevant information such as management reports, budgets, financial statements, material events and transactions complete with background and explanations by the Management pertaining to matters to be brought before the Board for decision as well as ongoing reports relating to operational and financial performance of the Group.

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. The Board is also provided with minutes of the previous Board meeting, and minutes of meetings of all Board Committees held. Senior management may attend the Board meetings to provide additional insights into matters to be discussed.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on major transactions to facilitate a robust discussion before the transactions are entered into.

In addition, the Board has separate and independent access to the Senior Management and the Company Secretary at all times. The appointment and removal of Company Secretary are subject to the Board's approval as a whole.

Should Directors, whether individually or as a group, need independent professional advice, the Board would appoint a professional advisor or individual and approved by the Chairman to render advice. The cost of such professional advice will be borne by the Company.

The Company Secretary attends most of the Board meetings and the AC meetings and is responsible to assist the Board to ensure that proper procedure and all other rules and regulations applicable to the Company are complied with.

Directors' Meetings held in FY2021

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

Name of director	Number of Board Meetings held	Attendance
Non-Executive and Non-Independent Director		
Mr Kwong Kim Mone (Chairman)	3	3
Mr Lim Chin Tong[(1)]	3	1
Executive Director		
Mr Lim Chin Hong (Chief Executive Officer)	3	3
Independent Directors		
Mr Lee Yong Guan	3	3
Mr Pow Tien Tee	3	3
Mr Kam Boon Cheong[(1)]	3	1

(1) Retired at Annual General Meeting held on 28 April 2021.

Principle 2: Board Composition and Guidance
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Report, the Board has four (4) Directors, comprising one (1) Non-Executive and Non-Independent Chairman, Mr Kwong Kim Mone, one (1) Executive Director, Mr Lim Chin Hong, and two (2) Non-Executive Independent Directors, Mr Lee Yong Guan and Mr Pow Tien Tee, thus providing a strong independent element on the Board, and there are adequate safeguards and checks in place to ensure that decision making process by the Board is independent. Although the independent directors are not in a majority, the Board has always discussed important issues robustly and have always been able to reach a consensus on the votes without having to rely on any majority votes to decide nor having an individual or small group of individuals dominate the Board's decision-making process.

CORPORATE **GOVERNANCE**

The Board also has a Lead Independent Director, Mr Lee Yong Guan, to provide leadership in situations that may be conflicted.

The mix of Directors as a group provide an appropriate balance and diversity. The Board has also considered the current size, scope, nature of operations of the Group, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, especially in the current economic climate where cost considerations and agility of the Board in decision-making are critical to the Company.

In view of the foregoing, the Board is of the view that the Board's composition has an appropriate level of independence and diversity of thought and background to enable it to make decisions in the best interests of the Company, consistent with the intent of Principle 2 of the Code.

The NC has adopted the Code's definition of what constitutes an Independent Director in its review. The Board considers an Independent Director as one who has no relationship with the Company, its related companies or its officers, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company. The Independent Directors are not employed by the Company or any of its related corporations for the current or any of the past three financial years. They also do not have any immediate family member who is employed by the Company or any of its related corporations for the past three financial years.

The independence of each Independent Director is reviewed by the NC annually in accordance with the Code. Each Independent Director is required annually to complete a checklist to confirm his independence. The checklist is drawn up based on the guidelines provided in the Code and the Listing Rules. The NC adopts the Code's definition of what constitutes an "independent" Director in its review.

Amongst its Independent Directors, Mr Lee Yong Guan, has served on the Board the longest, surpassing the nine years tenure. Whist the NC acknowledges members' strong support for Board renewal, it also holds the view that Mr Lee Yong Guan's contributions and impartiality have not been in any way diminished by his long service. Instead, the Board has continued to profit immensely from his rich experience, contrarian views and steady hand that can only be gleaned through the rigors of time. In determining Mr Lee's independence, the NC has also taken into account his performance and contributions in his lead ID role and as Chairman of the AC (in addition to his participation in the other Board Committees); and the manner in which these roles are carried out, independently of Management. At the same time, the NC has also individually reviewed and affirmed the independence of the other Independent Directors with the concurrence of the Board.

An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The NC and the Board have reviewed and ascertained that all Independent Directors are independent according to the Code, its Practice Guidance and Listing Rules and noted that none of the Independent Directors has any relationship with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgement.

The NC conducts an annual review on the composition of the Board, so as to ensure that there is an appropriate balance of members from different backgrounds and whose core competencies in business, finance, accounting, investment, strategic planning and industry technology, qualifications, expertise, skills, experiences and industry knowledge, which the Group may tap for assistance in furthering its business objectives and shaping its business strategies. Having reviewed and considered the composition of the Board and its Board Committees, the NC has determined that the current Board size and structure are adequate for the existing business operations of the Company.

All appointments and re-elections of Directors are reviewed and recommended by the NC to the Board.

Board Diversity

The Board has adopted a Board Diversity Policy which sets out the framework for promoting diversity on the Board of the Company. In the process of searching for qualified persons to serve on the Board, the Nominating Committee ("NC") shall strive for the inclusion of diverse groups and the final decision on selection of directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board.

The Company recognises and embraces Board diversity as an essential element in supporting the achievement of business objectives and sustainable development in the ever-changing business environment. In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. The Board adopts a meritocratic approach to all appointments and candidates will be considered against a set of objective criteria, having due regard for the benefits of diversity on the Board.

The Company has a good balance of Directors with a wide range of skills, experiences and qualities in the fields of operations, management, financial and accounting. Each Director has been appointed on the strength of his calibre, experiences and stature and is expected to bring a valuable range of experiences and expertise to contribute to the development of the Group strategy and the performance of its business.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Board believes that board diversity is more than just about gender diversity and embraces other factors such as backgrounds, skill sets, life experiences, abilities and beliefs for a better Board performance.

The benefits of Board diversity could only be harnessed if Directors adopt an independent mind-set when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Non-Executive Chairman strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision making. The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.

The Board is made up of a team of high calibre whose diverse expertise and experience in strategic planning, accounting and finance, legal and regulatory, business and management, industry knowledge combined provides core competencies necessary to lead and govern the Group effectively.

Each Director has been appointed on the strength of his caliber, experience and stature and is expected to bring a valuable range of experiences and expertise to contribute to the development of the Group's strategies and the performance of its business.

CORPORATE **GOVERNANCE**

The Independent Directors will meet without the presence of the Management, if circumstances require. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern. Feedback arising from such meetings or discussions is provided to the Board or Non-Executive Chairman, as appropriate.

Principle 3: Chairman and Chief Executive Officer
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Kwong Kim Mone is the Non-Executive and Non-Independent Chairman of the Company and Mr Lim Chin Hong is the Company's Executive Director and Chief Executive Officer ("CEO") since 1 July 2020. Mr Lee Yong Guan was appointed as the Lead Independent Director since 20 March 2007.

The roles of the Non-Executive Non-Independent Chairman and the CEO have been clearly separated, each having their own areas of responsibilities. This is to ensure that there is a clear division of responsibilities between the leadership of the Board and the Management.

The Chairman provides overall leadership to the Board. The Chairman, with the help of the Company Secretary, ensures that Board meetings are held as and when necessary and sets the meeting agenda in consultation with fellow directors and other executives, and if warranted, with professional advisors.

The CEO is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Management.

Principle 4: Board Membership
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises three (3) Directors, a majority of whom, including the NC Chairman, are Independent Directors. The members of the NC at the date of this Report are:

Mr Lee Yong Guan(1) (Chairman)
Mr Kwong Kim Mone
Mr Pow Tien Tee

(1) Appointed as NC Chairman on 28 April 2021.

The terms of reference for NC are as follow:

- develops and maintains a formal and transparent process for the appointment and re-appointment of directors; 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 Board Committees;
- identifies gaps in the mix of skill, gender, age, diversity, 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 is responsible for identifying and nominating candidates to fill Board vacancies as they occur.

Specifically, the NC shall consider candidates from a wide range of backgrounds, consider candidates on their own merits and evaluate against objective criteria such as their experience, knowledge, gender, age and skills in relation to the needs of the Board; and whether the candidates will add diversity to the Board and whether they are likely to have adequate time to discharge their duties.

The NC will also consider the composition and progressive renewal of the Board or Committees including recommending the membership of the Board Committees to the Board.

Before recommending an appointee to the Board, the NC shall ask him to disclose any existing or expected future business interests that may lead to a conflict of interest. This disclosure is to be included in any recommendations to the Board. Following the Board's confirmation, the NC will send the newly-appointed Director a formal appointment letter which clearly sets out his roles and responsibilities, authority, and the Board's expectations in respect of his time commitment as a Director of the company.

The NC reviews the independent status of NEDs (in accordance with Rules 210(5)(d)(i), (ii) and (iii) of the Listing Manual of SGX-ST and the Provision 2.1 of the Code) and that of the Alternate Director, if applicable, annually, or when necessary, along with issues of conflict of interest. If the NC considers that a Director who has one or more of the relationships mentioned under Rules 210(5)(d)(i), (ii) and (iii) of the Listing Manual of SGX-ST and the Provision 2.1 of the Code, is nevertheless independent, the NC should provide its views to the Board for the Board's consideration. If the NC considers that a Director is not independent even if he does not fall within the circumstances mentioned under Rules 210(5)(d)(i), (ii) and (iii) of the Listing Manual of SGX-ST and the Provision 2.1 of the Code, it shall also similarly provide its views to the Board for the Board's consideration.

Although Mr Lee Yong Guan has served on the Board for more than nine years from the date of his first appointment, the NC had rigorously reviewed, amongst other, his length of services, past contributions, his declaration of independence, and whether there are any relationships with the Company, its related corporations, substantial shareholders or its officers, or circumstances that may affect or appear to affect his independent judgement in the best interests of the Company. Based on the rigorous review, the NC is satisfied that Mr Lee has exercised independent judgement and character in the best interests of the Company in discharging his duties and responsibilities. Considering his experiences and expertise, it is in the interests to retain him as Director instead of requiring him to step down by virtue of his years of services. His length of services and in-depth knowledge of the Group's business are viewed by the Board as valuables during Board deliberations.

The NC and the Board had made the assessment of Mr Lee Yong Guan's independence based on his contributions as a Lead Independent Director and Chairman of the AC, and his judicial engagements with all the external and internal auditors of the Company over the past years. The results of the Company's many years of financial reports without having any reserved comments will be a testament of his positive contributions.

CORPORATE **GOVERNANCE**

Mr Lee Yong Guan had obtained approvals from shareholders pursuant to Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST at the Annual General Meeting held on 28 April 2021 and being re-appointed as independent director.

Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST provides that the continued appointment of an independent director who has served the Board for an aggregate period of more than nine years will be subject to the approval of: (A) all shareholders; and (B) all shareholders, excluding shareholders who are directors and chief executive officer (and their associates) (the "Two-Tier Voting"). Such resolutions approved via Two-Tier Voting remain in force for three years from the conclusion of the annual general meeting until the earlier of the following:– (I) the retirement or resignation of the director; or (II) the conclusion of the third annual general meeting of the issuer following the passing of the resolutions.

The Company does not have any alternate Director.

The attendance, participation and contributions of each Director at Board, AC and other Board Committee meetings were also considered. The NC meets at least once annually.

In FY2021, the number of NC meetings held and attended by each member of the Committee is as follows:

Name of director	Appointment	Number of meetings held	Attendance
Mr Lee Yong Guan (Chairman)[2]	Independent	1	1
Mr Kam Boon Cheong[1]	Independent	1	1
Mr Kwong Kim Mone	Non-Executive	1	1
Mr Pow Tien Tee	Independent	1	1
Mr Lim Chin Hong[3]	Executive	1	1

(1) Retired at Annual General Meeting held on 28 April 2021.
(2) Appointed as NC Chairman on 28 April 2021.
(3) Resigned as NC member on 28 April 2021.

The NC, in considering the re-election of a Director, evaluates such Director's contribution and performance, such as his attendance at meetings of the Board and/or Board Committees, participation, candour and any special contribution.

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 interested.

Article 91 of the Constitution of the Company requires one-third of the Board to retire by rotation at every Annual General Meeting ("AGM") and the retiring Directors are eligible to offer themselves for re-election respectively.

The Board has accepted the NC's nomination and has recommended the following Directors, who are retiring as Directors of the Company pursuant to Article 91 of the Company's Constitution and have given their consents for re-elections, to be put forward for re-elections at the forthcoming Annual General Meeting:

– Mr Lim Chin Hong
– Mr Pow Tien Tee

Mr Lim Chin Hong was re-elected as Director of the Company pursuant to Article 91 of the Company's Constitution at the AGM held on 26 April 2019.

CORPORATE GOVERNANCE

Mr Lim Chin Hong will, upon re-election as Director of the Company, remain as Executive Director, CEO and member of the IC, and will be considered non-independent.

Mr Pow Tien Tee was re-elected as Director of the Company pursuant to Article 91 of the Company's Constitution at the AGM held on 26 April 2019. Mr Pow, who will be serving as Board member for nine year on 28 April 2023 from the date of his appointment, will be seeking for shareholders' approvals at the forthcoming AGM for his continued appointment as independent director of the Company via separate resolution to be voted upon by shareholders pursuant to Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST.

Mr Pow Tien Tee will, upon re-election as Director of the Company, remain as Chairman of the RC and member of the AC, NC and IC, and will be considered independent.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information as set out in Appendix 7.4.1 relating to the above Director to be put forward for continued appointment at the forthcoming AGM is disclosed below:

Name	Lim Chin Hong	Pow Tien Tee
Date of appointment	15 February 2016	28 April 2014
Date of last re-appointment	26 April 2019	26 April 2019
Age	65	78
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and having assessed Mr Lim's requisite knowledge and experiences to assume the responsibilities as Executive Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and having assessed Mr Pow's requisite knowledge and experiences to assume the responsibilities as Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive Independent
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, Chief Executive Officer and member of Investment Committee	Independent Director, Chairman of Remuneration Committee and member of Audit Committee, Nominating Committee and Investment Committee
Professional qualifications	Mr Lim obtained his B Sc (Hons) in Production Engineering and Management from University of Strathclyde (UK) and a MBA from Golden Gate University (US). He has also completed a General Management Program from NUS Stanford Business School.	Mr Pow has a degree in Business Administration in Political Science and History from Nanyang University, Singapore. He was conferred honorary Professorship by Xi'an University of Electronic Science and Technology, Xi'an in 2009.

CORPORATE GOVERNANCE

Name	Lim Chin Hong	Pow Tien Tee
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1)	Yes	Yes
Working experience and occupation(s) during the past 10 years	Mr Lim was CTO/EVP of Sunningdale Tech Pte Ltd from year 2005 to 2012. Managing the Group IT&ERP/Group Mold & Tooling Business/ Group Medical Business/ China Subsidiaries/etc. From 2013 to early 2014, he was Partner of Small World Group Incubator Pte Ltd, managed the incubation and mentoring startup companies. Investing and consulting businesses. From 2014 to current, he is a Founding and Managing Partner of GreenMeadows Accelerator Pte Ltd. (GMA), managed private investment and consultancy of companies. Mr Lim joined the Board of Manufacturing Integration Technology Ltd as Independent Director on 1 February 2016, he was also member of the Audit Committee, Nominating Committee, Remuneration Committee and Investment Committee. On 1 July 2020, he was re-designated as Executive Director & Chief Executive Officer of the Company. Currently, still appointed as a Panelist for Enterprise Singapore Startup SG Tech Grant and sitting in various business domain and segments.	Mr Pow was a Board Member and Vice President of Infineon AP Pte Ltd and Chairman of Infineon China, Infineon Shanghai and Wuxi. Following his retirement in 2012, he was appointed Senior Advisor to the Infineon AP Management for a year. Mr Pow joined the Board of Manufacturing Integration Technology Ltd as Independent Director on 28 April 2014, he was also a Chairman of Remuneration Committee and a member of the Audit Committee, Nominating Committee and Investment Committee.
Shareholding interest in the listed issuer and its subsidiaries	Yes	Yes

CORPORATE GOVERNANCE

Name	Lim Chin Hong	Pow Tien Tee
Shareholding details	Ordinary shares in the Company 525,000 (Direct)	Ordinary shares in the Company 175,000 (Direct) 9,000 (Deemed to be interested in shares held by his spouse)
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	– Avetics Global Pte Ltd – GCoreLabs Pte Ltd – Ascendia Technologies Pte Ltd	NIL
Present	– Small Animal Husbandry Care Pte Ltd – GreenMeadows Accelerator Pte Ltd	NIL
Information Required Pursuant to Rule 704(7) of the Listing Manual of SGX-ST		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

CORPORATE **GOVERNANCE**

Name		Lim Chin Hong	Pow Tien Tee
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

CORPORATE **GOVERNANCE**

Name		Lim Chin Hong	Pow Tien Tee
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

CORPORATE **GOVERNANCE**

Name	Lim Chin Hong	Pow Tien Tee
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange? If Yes, please provide details of prior experience. If No, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). Note: N.A. – Not Applicable	N.A.	N.A.

Each Director shall not serve more than a maximum of five (5) Board Directorships in public listed companies at any one time and each Director is required to disclose to the Board his board representation(s). Based on the attendance and participation of the Directors for FY2021, the Board 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.

Lead Independent Director

The Board concurs with the Code's recommendation and appointed Mr Lee Yong Guan as Lead Independent Director.

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 or the CEO or the Financial Controller ("FC") through the normal channels or for where such contact is inappropriate;

- To lead the Independent and Non-executive Director in providing and facilitating a non-executive perspective and contributing a balance of viewpoints to the Board in particular, acting as principal liaison between the Independent and Non-executive Director 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 Director, 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.

Principle 5: Board Performance
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole by completing the Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management.

The NC assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

The NC also undertakes a process to assess the effectiveness of the AC, RC and NC.

The NC, in considering the re-appointment of any Director, evaluates the performance of the Director. The NC and the Chairman of the Board implemented a collective assessment process that required each Director to assess the performance of the Board as a whole for FY2021. The assessment process took into consideration, inter alia, Board structure, corporate strategy and planning, risk management and internal control, performance measurement and compensation, succession planning, financial reporting, conduct of meetings and communication with shareholders.

Although the Board's performance evaluation does not include a benchmark index of its industry peers, the Board assesses its effectiveness holistically through the completion of a questionnaire by each individual Director which includes questions covering the above-mentioned areas of assessment. The NC collates the results of these questionnaires and formally discusses the results collectively with other Board members to address any areas for improvement.

CORPORATE GOVERNANCE

The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year. It is of the view that the performance of the Board as a whole has been satisfactory. The criteria include the level of participation in the Company such as his commitment of time to the Board and Board Committee meetings and his performance of tasks delegated to him. The NC has reviewed and is satisfied with the contribution by individual Directors to the effectiveness of the Board for FY2021.

In view of the composition of our Board, the Board, in conducting the collective assessment of its effectiveness, also takes into account the performance and effective functioning of each Board Committee. The NC has also reviewed the performance of the AC, RC and NC in terms of their roles and responsibilities and the conduct of their affairs as a whole for FY2021. It is of the view that the performances of such Board Committees have been satisfactory.

The NC is of the view that the primary objective of the assessment exercise is to create a platform for the Board members to exchange feedback on the strengths and shortcomings of the Board with a view to strengthening its effectiveness. The assessment exercise also assists the Board to focus on their key responsibilities and helps the NC in determining whether to re-nominate Directors who are due for retirement at the next AGM including determining whether Directors with multiple Board representatives are able to and have adequately discharge their duties as Directors of the Company.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Remuneration Committee ("RC")

The RC comprises three (3) members, majority of whom, including the RC Chairman, are Independent Directors. The members of the RC at the date of this Report are:

Mr Pow Tien Tee (Chairman)
Mr Lee Yong Guan
Mr Kwong Kim Mone(1)

(1) Appointed as RC member on 28 April 2021.

The terms of reference for RC are as follow:

- 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 directors' 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; and

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

CORPORATE GOVERNANCE

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; and
- 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.

Each RC member refrains from voting on any resolutions in respect of the assessment of his remuneration and that no RC member is involved in determining his own remuneration.

In FY2021, the number of RC meetings held and attended by each member of the Committee is as follows:

Name of director	Appointment	Number of meetings held	Attendance
Mr Pow Tien Tee (Chairman)	Independent	2	2
Mr Lee Yong Guan	Independent	2	2
Mr Kam Boon Cheong[(1)]	Independent	2	1
Mr Lim Chin Tong[(1)]	Non-Executive Non-Independent	2	1
Mr Kwong Kim Mone[(2)]	Non-Executive Non-Independent	2	1

(1) Retired at AGM held on 28 April 2021.
(2) Appointed as Member on 28 April 2021.

During FY2021, the Company did not engage any remuneration consultant to seek advice on remuneration matters. Moving forward, the RC may consider the need to engage such external remuneration consultants and where applicable, it will review the independence of the external firm before engaging them.

Principle 7: Level and Mix of Remuneration
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

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

CORPORATE GOVERNANCE

Currently, only the Executive Director/CEO has a Service Agreement. The 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 its expiry and shall submit their recommendations to the Board.

The performance of the CEO and key executives are reviewed periodically by the RC to ensure that their remuneration commensurate with their scope of responsibilities, contributions and performance. 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. These provisions have been made in the service contract of our CEO. Independent Directors do not have service agreements with the Company. The Independent Directors receive Directors' fees and shares which are recommended by the Board for approval at the Company's AGM.

The Independent Directors are paid Directors' fees which take into consideration their contribution, effort, time spent and responsibilities. They are not overly remunerated to the extent that their independence may be compromised.

Principle 8: Disclosure on Remuneration
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

In FY2021, the remuneration of the Directors of the Company and Key Management Personnel of the Group are as follows:

Directors of the Company	Total Remuneration (S$'000)	Fee	Salary	AWS	Allowances	CPF	Total
Mr Kwong Kim Mone[(1)]	–	100%	–	–	–	–	100%
Mr Lim Chin Hong	236	–	75%	6%	15%	4%	100%
Mr Lim Chin Tong[(2)]	10	100%	–	–	–	–	100%
Mr Lee Yong Guan	37	100%	–	–	–	–	100%
Mr Pow Tien Tee	33	100%	–	–	–	–	100%
Mr Kam Boon Cheong[(2)]	11	100%	–	–	–	–	100%

(1) Mr Kwong had voluntarily reduced his director's fee to S$1.00 for FY2021.
(2) Retired at AGM held on 28 April 2021.

Key Executives of the Group	Salary	AWS	Allowances	CPF	Total
Below S$250,000					
Mr Han Meng Kwang	75%	6%	14%	5%	100%
Mr Tommy Ng Fook Keong	72%	6%	13%	9%	100%
Mr Dennis Foo Piau Yew*	69%	6%	17%	8%	100%

* Mr Dennis Foo Piau Yew has resigned in March 2022.

CORPORATE GOVERNANCE

The Company has only two Key Management Personnel as at the date of this report.

The total annual aggregate remuneration of the top three key management personnel (who are not directors or the CEO) in FY2021 is S$553,000. The RC and the Board are of the view that the remuneration of the Directors and key management personnel are adequate but not excessive in order to attract, retain and motivate them to run the Company successfully. This is also to minimize potential staff movement and undue disruption to ensure stability and continued of the business by retaining a competent and experienced management team.

There are no employees who are immediate family members of the directors and whose remuneration exceeded S$100,000 during FY2021.

There is no employee who is a substantial shareholder of the Company whose remuneration exceeds S$100,000 for FY2021. There are no termination, retirement and post-employment benefits granted to Directors, the Chairman and Managing Director or the top three key management personnel in FY2021.

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.

The Company had adopted the MIT Employee Share Option Scheme ("ESOS") in 2020 and information on ESOS is set out in the Statement by Directors on pages 60 and 61.

The MIT Performance Share Plan ("PSP") has been renewed for a further period of 10 years from 27 April 2017 to 26 April 2027 at the general meeting held on 21 April 2017. Information on PSP is set out in the Statement by Directors on page 61.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

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 responsibilities, Management has established an Enterprise Risk Management Committee ("ERMC"). The ERMC is chaired by Mr Lim Chin Hong, the CEO and comprises its key executives. 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.

CORPORATE GOVERNANCE

During the financial year, the Group's 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 received assurance from the CEO and FC[1] as well as concurrence of the AC that:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2021 give a true and fair view of the Group's operations and finances; and

(b) the Company has received assurance from other key management personnel of the Group confirming that the Company's and the Group's risk management and internal control systems including financial, operational, compliance and information technology controls were adequate and effective as at 31 December 2021.

[1] There is no Chief Financial Officer in the Company.

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 2021 to address financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations.

Internal Audits

The Company has outsourced the internal audit function to Baker Tilly Consultancy (Singapore) Pte Ltd.

The primary reporting line of the internal auditor is to the AC and administratively to the FC. The hiring, removal, evaluation of the internal auditor and compensation to be paid to them is recommended by the AC and approved by the Board. The internal audit team have unrestricted access to the Company's documents, records, properties and personnel. The internal audit team is staffed with personnel with relevant qualifications and experience and takes reference from the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors when performing their reviews. The AC is satisfied that the internal auditors have adequate resources to perform its functions and have appropriate standing within the Group.

The internal audit function is to review key business processes of the Company and its material subsidiaries with the primary objective of identifying significant control issues that the AC and the Management should focus their attention on.

The AC is satisfied that the internal audit is staffed by suitably qualified and experienced personnel. The internal audit function is independent, effective and adequately resourced.

In the discharge of its functions, the internal auditor reports directly to the Chairman of the AC on functional matters and to the FC on administrative matters. The AC reviews and approves the internal audit plans annually and ensures that resources are adequate to perform the function effectively.

Principle 10: Audit Committee
The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises three (3) members, majority of whom, including the AC Chairman, are Independent Directors. The members of the AC at the date of this Report are:

Mr Lee Yong Guan (Chairman)
Mr Pow Tien Tee
Mr Kwong Kim Mone[1]

[1] Appointed as AC member on 28 April 2021.

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.

The terms of reference for AC are as follows:

- 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 before the submission to the Board for approval and inclusion in external auditors' report;

- 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 reports as well as the results of the external auditors' examination and evaluation of the Group's internal accounting control systems; and considers the effectiveness of the actions taken by Management on the external 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;

CORPORATE GOVERNANCE

- reviews the internal audit plans 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 Group; 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; and

- meets with the external and the internal auditors at least once a year without the presence of management.

The AC also meets with the internal auditors and external auditors, without the presence of management, once in FY2021. With the full co-operation of Management given to external auditors and internal auditors during their course of audit reviews, there was no significant issue which warranted to AC's attention.

In FY2021, the number of AC meetings held and attended by each member of the Committee is as follows:

Name of director	Appointment	Number of meetings held	Attendance
Mr Lee Yong Guan (Chairman)	Independent	2	2
Mr Pow Tien Tee	Independent	2	2
Mr Kam Boon Cheong[(2)]	Independent	2	1
Mr Kwong Kim Mone[(1)]	Non-Executive	2	1

(1) Appointed as AC member on 28 April 2021.
(2) Retired at AGM held on 28 April 2021.

The Group has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to the appointment of 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 FY2021 paid to the external auditors, RSM Chio Lim LLP, were S$68,000 and S$10,000 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. No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

CORPORATE GOVERNANCE

Key Audit Matters

Refer to the key audit matters highlighted by the external auditor on pages 64 to 66 of the Annual Report, AC's view and responses are as follows:

Key audit matters	AC's view and responses
Impairment of trade receivables	The carrying amount of trade receivables, net of allowance for expected credit loss ("ECL") of S$1.2 million (2020: S$1.3 million), amounted to S$2.1 million (2020: S$2.6 million), which represents approximately 10% (2020: 8%) of the group's total assets as at the reporting year end. The AC considered the management's assessment and justification used to estimate for allowance taking into consideration of past good business relationship with the customers. The AC also considered the observations and findings presented by the external auditor on the historical repayments trend of trade receivables and adequacy of its impairment allowance. The above procedures provided the AC with the assurance to concur with the management's conclusion on the measurement and estimation made as well as the appropriateness of the related disclosures made.
Adequacy of inventory impairment allowance	The carrying amount of inventories amounted to S$2.6 million (2020: S$2.1 million), which accounted for approximately 12% (2020: 7%) of the group's total assets as at the reporting year end. The AC considered the management's formula and justification used for estimates for allowance. The AC also considered the observations and findings presented by the external auditor on the inventory aging and adequacy of its impairment allowance. The above procedures provided the AC with the assurance to concur with the management's conclusion on the adequacy of impairment allowance as well as the appropriateness of the related disclosures made.

CORPORATE GOVERNANCE

Key audit matters	AC's view and responses
Impairment of investment in subsidiaries	The carrying amount of the cost of investment in subsidiaries amounted to S$0.9 million (2020: S$0.9 million), which accounted for approximately 6% (2020: 4%) of the company's total assets as at the reporting year-end. The AC considered the management's assessment and justification used to estimate for impairment. The AC also considered the observations and findings presented by the external auditor on the impairment assessment and adequacy of its impairment allowance. The above procedures provided the AC with the assurance to concur with the management's conclusion on the adequacy of impairment allowance as well as the appropriateness of the related disclosures made.

Whistle-Blowing Policy

The Company has put in place a whistleblowing 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 whistleblowing officers are all members of the AC. Any whistleblowing 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.

The Company is committed to a high standard of corporate governance. In line with this commitment, the Whistleblowing Policy aims to (a) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoings or concerns, particularly in relation to fraud, governance or ethics, without fear of reprisals when whistleblowing in good faith; and (b) ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The policy which is accessible by the employees, aims to foster a workplace conducive to open communication regarding the Company's business practices and to protect the employees from unlawful retaliation and discrimination for the proper disclosing or reporting of illegal or unethical conduct in good faith.

Complaints or suspicions of impropriety can be made by employees and other stakeholders to a dedicated email address automated for transmission to all the Non-Executive and Independent Directors. The email address is published on the Company's website. Anonymous complaints may be looked into, taking into account factors such as seriousness of the issues raised, the credibility of the concern and the likelihood of confirming the allegation from attributable sources. All cases reported will be investigated objectively and thoroughly and appropriate action will be taken where warranted. The AC will inform the Board members after considering the circumstances with an update at Board meetings. The AC did not receive any complaint or whistleblowing report during the financial year and up to the date of the most recent AC meeting.

There was no whistleblowing complaints received during FY2021.

CORPORATE **GOVERNANCE**

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings
The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

In line with the continuous disclosure obligations of the Company pursuant to Listing Manual of the SGX-ST and the 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 development 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. Financial results and annual reports are announced or issued within the mandatory period. The Company does not practice selective disclosure of information.

The Company has adopted a Dividend Policy that aims to provide shareholders of the Company with a target annual dividend payout of at least 25% of the net profit attributable to shareholders in any financial year. Such declaration and payment of dividends shall be determined at the sole discretion of the Board after taking into account the Company's financial performance, retained earnings and distributable reserves, working capital requirements and future expansion plans, and any other factors that the Board deemed appropriate. Any dividend payments are clearly communicated to shareholders via announcements on SGXNet.

<u>This section describes usual practice for the conduct of general meetings prior to the onset of the COVID-19 pandemic in early 2020</u>

All shareholders of the Company will receive the Annual Report and Notice of 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 all general meetings. In addition, shareholders will also be provided with instructions on voting during general meetings, where voting is conducted by poll.

A shareholder who is unable to attend the general meetings is entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Act). A relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder.

The Company also provides separate resolutions at general meetings on each substantially separate issue (where applicable) as recommended by the Code. Minutes of the general meeting which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and response from the Committees' Chairpersons and Members of the Board were taken. Minutes of general meetings would be available to shareholders upon written requests.

CORPORATE **GOVERNANCE**

The Company's Constitution does not allow for absentia voting at general meetings of shareholders as authentication of shareholder identity information and other related security issues remains a concern. However, the Constitution does allow a shareholder to vote either in person or appoint not more than two proxies to attend and vote in his stead. Such proxy to be appointed need not be a shareholder. A shareholder of a company who is a relevant intermediary (as defined in Section 181(6) of the Companies Act), the Company allows a shareholder who is a relevant intermediary to appoint more than 2 proxies to attend and vote in his stead at the forthcoming AGM.

Voting at general meetings would be conducted by way of poll pursuant to Rule 730A (2) of the Listing Manual of the SGX-ST. Announcement on the poll results (showing the number of votes cast for and against each resolution and the respective percentage) will be released after each of the meeting via SGXNet.

The Company will review its Constitution from time to time and make amendments to the Constitution to be in line with the applicable requirements or rules and regulations governing the continuing obligations.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and the Management. These are available to shareholders upon their request.

The Company does not publish minutes of general meetings of shareholders on its corporate website as contemplated by Provision 11.5 of the Code. There are potential adverse implications for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting), including risk of litigation if defamatory statements are made during the meeting. The Company is of the view that its position is consistent with the intent of Principle 11 as shareholders have a right to attend general meetings either in person or by proxy, where they may exercise their right to speak and vote and have the opportunity to communicate their views on various matters affecting the Company. Further, shareholders, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with Section 189 of the Act. The Company is therefore of the view that, consistent with the intent of Principle 11, as between themselves, shareholders are treated fairly and equitably by the Company.

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 statements, it is released within 45 days from the end of the period whereas for full-year results it is released within 60 days from the financial year end. For interim financial statements, the Board has provided negative assurance confirmation to the shareholders. The Company's Annual Reports, results announcements and other announcements released via SGXNet are also made available on the Company's website at www.mitech-ltd.com.sg.

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

Conduct of AGM in 2021 amidst current COVID-19 pandemic

The Company has issued its Annual Report 2020 on 12 April 2021. In view of the COVID-19 pandemic, the Company has released the Notice of 2021 AGM on 12 April 2021 to notify shareholders that the 2021 AGM will be held via electronic means complying with the requirement of COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("the Order").

The Company had held the 2021 AGM by electronic means on 28 April 2021 pursuant to the Order. Shareholders were invited to participate in the virtual 2021 AGM by (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2021 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2021 AGM. The Chairman and CEO were present in person at the virtual 2021 AGM proceedings, while the rest of the Directors joined the 2021 AGM by way of video conference. The Company has disclosed, on the Company's website and SGXNet, the minutes of 2021 AGM including responses to questions raised by shareholders in advance of the 2021 AGM.

Principle 12: Engagement with Shareholders
The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company uses various platforms to effectively engage the shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. In addition to general meetings and where the opportunities arise, the senior Management of the Company will also meet with investors, analysts and the media, as well as participate in investor relations activities to solicit and understand the views of the investment community.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable. Shareholders are provided with an update on the Group's performance, position and prospects through the Company's annual report.

The Company's half-year and full year results announcements, corporate presentations, announcements and press releases are issued via SGXNet. Shareholders have access to information on the Group via the Company's website. The Company discloses all material information on a timely basis to all shareholders. Where there is inadvertent disclosure made to a select group, the Company will endeavour to make the same disclosure publicly to all others promptly.

Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings. The members of the Board Committees will be present at the AGM to answer questions relating to matters overseen by the respective Board Committees.

CORPORATE GOVERNANCE

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company takes pride in meeting and exceeding the expectations of our stakeholders. Our engagement with material stakeholder groups, including key areas of focus and engagement channels are disclosed in the "Sustainability Report" section of the Annual Report.

The Group takes opportunities to engage our stakeholders and welcomes feedback on our sustainability report. For more information on the Company's stakeholder engagement, please refer to the Company's Sustainability Report.

Investment Committee ("IC")

As at the date of this Report, the IC comprises all four (4) Directors: One (1) Executive Director, one (1) Non-Executive and Non-Independent Director and two (2) Independent Directors. The members of the IC as at the date of this Report are:

Mr Kwong Kim Mone (Chairman)
Mr Lee Yong Guan
Mr Pow Tien Tee
Mr Lim Chin Hong

The duties of the IC include:

- to implement and review the Group's investment strategies and policies;
- 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 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 FY2021, the number of IC meetings held and attended by each member of the Committee is as follows:

Name of director	Appointment	Number of meetings held	Attendance
Mr Kwong Kim Mone	Non-Executive	2	2
Mr Lim Chin Tong[(1)]	Non-Executive	2	1
Mr Lee Yong Guan	Independent	2	2
Mr Pow Tien Tee	Independent	2	2
Mr Kam Boon Cheong[(1)]	Independent	2	1
Mr Lim Chin Hong	Executive	2	2

(1) Retired at AGM held on 28 April 2021.

Material Contracts

There are no material contracts or loans of the Company or its subsidiaries involving the interests of any Director or Controlling Shareholder, 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.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions. All Interested Person Transactions are subject to review by the Board and the AC.

During FY2021, save for the Disposal as described in the preceding section titled "Material Contracts" which was deemed by the Directors to be an "interested person transaction", the aggregate value of all interested person transactions during FY2021 was as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$'000)	Description of the transaction entered into with the interested person during the financial year under review	Aggregate value of all interested person transactions conducted during the financial year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
MIT Semiconductor Pte Ltd	178 13	Sales Shared Service expense	N.A.

CORPORATE GOVERNANCE

Nature of Relationship:

Mr Kwong Kim Mone is a director of MIT Semiconductor Pte Ltd and also a Non-executive and non-independent Director and Chairman of the Company.

Securities Transactions

The Company has a clear policy on the trading of its shares 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 emphasises 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. In compliance with Rule 1207(19)(b) of the Listing Manual of SGX-ST, 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.

FINANCIAL **CONTENTS**

STATEMENT BY **DIRECTORS**

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 December 2021.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the 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.

2. Directors

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

Kwong Kim Mone	(Non-Executive and Non-Independent Chairman)
Lim Chin Hong	(Executive Director and Chief Executive Officer)
Lee Yong Guan	(Lead Independent Director)
Pow Tien Tee	(Independent Director)

STATEMENT BY DIRECTORS

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 shares or in debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act 1967 (the "Act"), except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in the name of the directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
The company:				
Manufacturing Integration Technology Ltd.		Ordinary shares of no par value		
Kwong Kim Mone	6,734,118	6,734,118	120,627,910	120,627,910
Lim Chin Hong	25,000	525,000	–	–
Lee Yong Guan	486,000	486,000	–	–
Pow Tien Tee	175,000	175,000	9,000	9,000
Ultimate parent company:				
MIT Technologies Pte Ltd		Ordinary shares of no par value		
Kwong Kim Mone	260,000	260,000	–	–

By virtue of section 7 of the Act, Mr. Kwong Kim Mone is deemed to have an interest in the company and in all the related body corporates of the company.

The directors' interests as at 21 January 2022 were the same as those at the end of the reporting year.

4. 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 arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate except for the options and other rights mentioned below.

STATEMENT BY DIRECTORS

5. Share 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 two independent directors and one non-executive and non-independent director 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 7,409,000 (2020: 534,000) unissued share 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 1.1.2021	Granted	Lapsed	Exercised	Balance as at 31.12.2021	Exercise price $	Expiry date	
Options to subscribe number of unissued ordinary shares of no par value:								
20 May 2016	14,000	–	–	–	14,000	0.1940*	19 May 2026	#
20 May 2016	20,000	–	–	–	20,000	0.1550**	19 May 2026	#
5 June 2017	200,000	–	(50,000)	–	150,000	0.2450*	4 June 2022	#
5 June 2017	300,000	–	(75,000)	–	225,000	0.1960**	4 June 2022	#
5 October 2021	–	3,500,000	–	–	3,500,000	0.0600*	4 October 2031	#
5 October 2021	–	3,500,000	–	–	3,500,000	0.0480**	4 October 2031	#
	534,000	7,000,000	(125,000)	–	7,409,000			

During the current reporting year, there were no employees who exercised their share options under ESOS.

* Market price
** 20% discount to the market price of the company's shares
\# Includes options granted to directors

STATEMENT BY DIRECTORS

5. Share options (Continued)

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
Lim Chin Hong	200,000	125,000	–	–	325,000	$0.048 – $0.245
Lee Yong Guan	200,000	125,000	–	–	325,000	$0.048 – $0.245
Pow Tien Tee	200,000	125,000	–	–	325,000	$0.048 – $0.245

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 was 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. Performance share plans

During the year, the company has issued and allotted 500,000 ordinary shares in the share capital of the company to the Executive Director and Chief Executive Officer of the company pursuant to the Performance Share Plans ("PSP"). As at 31 December 2021, the number of outstanding performance shares held under PSP was 500,000 (2020: 1,000,000).

7. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

STATEMENT BY DIRECTORS

8. Report of 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)
Pow Tien Tee	(Independent Director)
Kwong Kim Mone	(Non-Executive and Non-Independent Director)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, they 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 auditor 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 auditors;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and
- 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. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor 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.

9. 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 auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 December 2021.

STATEMENT BY DIRECTORS

10. Subsequent developments

There are no other significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 25 February 2022, 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 Director	Lim Chin Hong Director

24 March 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MANUFACTURING INTEGRATION TECHNOLOGY LTD.

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Manufacturing Integration Technology Ltd. (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying 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 Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS (I)") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MANUFACTURING INTEGRATION TECHNOLOGY LTD.

Key audit matters (Continued)

Impairment of trade receivables

Refer to Note 2A for the relevant accounting policies; Note 2C on critical judgements, assumptions and estimation uncertainties; Notes 19 and 31D for the breakdown in trade receivables and credit risk of the group respectively. Also refer to the audit committee report in the annual report.

The carrying amount of trade receivables, net of allowance for expected credit loss ("ECL") of $1.2 million (2020: $1.3 million), amounted to $2.1 million (2020: $2.6 million), which represents approximately 10% (2020: 8%) of the group's total assets as at the reporting year end.

The group determines the ECL of trade receivables by making specific assessment of expected impairment loss for overdue trade receivables. The remaining balances of trade receivables were assessed based on the historical credit loss experience, debtors' ability to pay and forward-looking information specific to debtors and economic environment. This assessment requires management to exercise significant judgement.

We performed procedures to understand management's process over the monitoring of trade receivables and the assessment of loss allowance for trade receivables. We discussed with management and assessed the reasonableness of management's assumptions by comparing to historical credit loss. We also recomputed management's calculation for the loss allowance and tested the adequacy of prior year allowance by comparing against actual loss incurred in the current year.

For loss allowance recognised for individually identified debtors, we evaluated and reviewed management's assessment on credit quality and recoverability by considering factors such as subsequent receipts, payment history, settlement agreements and/or the ongoing business relationship with the debtors involved.

We have also assessed the adequacy of the disclosures made in the financial statements.

Adequacy of inventory impairment allowance

Refer to Note 2A for the relevant accounting policies; Note 2C on critical judgements, assumptions and estimation uncertainties; Note 18 for the breakdown in inventory for the reporting year end. Also refer to the audit committee report in the annual report.

The carrying amount of inventories amounted to $2.6 million (2020: $2.1 million), which accounted for approximately 12% (2020: 7%) of the group's total assets as at the reporting year end.

We have reviewed the group's inventory aging as at the reporting year end, as well as the group's computation for inventory allowance and found them to be reasonable. We also reviewed the inventory turnover days and aging of the inventories to assess if there were any significant build-up of aged inventories. We have compared the carrying values of the inventories to the recent sales invoices and price lists and past sales prices where there are no recent sales to assess the reasonableness of the level of allowance recorded.

We have also assessed the adequacy of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MANUFACTURING INTEGRATION TECHNOLOGY LTD.

Key audit matters (Continued)

Impairment of investment in subsidiaries

Please refer to Note 2A for the relevant accounting policies; Note 2C on critical judgements, assumptions and estimation uncertainties and Note 17 on investments in subsidiaries. Also refer to the audit committee report in the annual report.

The carrying amount of the cost of investment in subsidiaries amounted to $0.9 million (2020: $0.9 million), which accounted for approximately 6% (2020: 4%) of the company's total assets as at the reporting year-end.

Management determines at the end of each reporting year, whether there is any objective evidence indicating that the company's cost of investment in subsidiary and other receivables from subsidiaries, if any, are impaired. The net liabilities of certain subsidiaries were identified as an indicator of potential impairment in the carrying value of the cost of investment in the investees and their receivables owed to the company.

We assessed the key assumptions such as revenue, margin and operating costs applied in the discounted cash flow projections prepared by the company for its impairment assessment by collaborating key market related assumptions to external data and the approved budgets to secured contracts and historical performance. We engaged our internal valuation specialists to independently review the appropriateness of the discount rates applied in the discounted cash flow projection. We also assessed the sensitivity of key inputs to the impairment assessment in order to understand the impact of a reasonably possible change in key assumptions on the overall assessment.

We have also assessed the adequacy of the disclosures made in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MANUFACTURING INTEGRATION TECHNOLOGY LTD.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MANUFACTURING INTEGRATION TECHNOLOGY LTD.

Auditor's responsibilities for the audit of the financial statements (Continued)

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Uthaya Chandrikaa D/O Ponnusamy.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

24 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 December 2021

	Notes	Group 2021 $'000	Group 2020 $'000
Revenue	4	**11,557**	10,004
Cost of sales		**(11,431)**	(10,514)
Gross profit (loss)		**126**	(510)
Other income and gains	5	**1,467**	2,124
Marketing and distribution costs		**(410)**	(300)
Administrative expenses	6	**(3,411)**	(4,079)
Finance costs	7	**(92)**	(142)
Other losses	5	**(15)**	(286)
Loss before tax from continuing operations		**(2,335)**	(3,193)
Income tax benefit	10	**17**	–
Loss from continuing operations, net of tax		**(2,318)**	(3,193)
Profit from discontinued operations, net of tax	11	**–**	8,027
(Loss) profit net of tax		**(2,318)**	4,834
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		**31**	35
Other comprehensive income for the year, net of tax		**31**	35
Total comprehensive (loss) income for the year		**(2,287)**	4,869
(Loss) earnings per share			
(Loss) earnings per share currency unit		**Cents**	Cents
Basic	12		
Continuing operations		**(0.96)**	(1.33)
Discontinued operations		**–**	3.34
Total		**(0.96)**	2.01
Diluted	12		
Continuing operations		**(0.97)**	(1.33)
Discontinued operations		**–**	3.34
Total		**(0.97)**	2.01

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

STATEMENTS OF
FINANCIAL POSITION

As at 31 December 2021

	Notes	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Assets					
Non-current assets					
Plant and equipment	13	**259**	549	**139**	292
Right-of-use assets	14	**1,114**	1,740	**202**	315
Investment properties	15	**8,005**	8,194	**8,005**	8,194
Intangible assets	16	**–**	–	**–**	–
Investments in subsidiaries	17	**–**	–	**861**	856
Total non-current assets		**9,378**	10,483	**9,207**	9,657
Current assets					
Inventories	18	**2,611**	2,124	**–**	–
Trade and other receivables	19	**2,123**	3,026	**388**	664
Other non-financial assets	20	**339**	336	**530**	228
Cash and cash equivalents	21	**6,759**	15,550	**4,951**	14,249
Total current assets		**11,832**	21,036	**5,869**	15,141
Total assets		**21,210**	31,519	**15,076**	24,798
Equity and liabilities					
Equity					
Share capital	22	**20,415**	28,294	**20,415**	28,294
Other reserves	24	**(72)**	(115)	**44**	32
Accumulated losses		**(4,578)**	(2,263)	**(6,454)**	(4,725)
Total equity		**15,765**	25,916	**14,005**	23,601
Non-current liability					
Lease liabilities	25	**513**	1,229	**92**	206
Total non-current liability		**513**	1,229	**92**	206
Current liabilities					
Other non-financial liabilities	26	**1,284**	823	**530**	178
Lease liabilities	25	**751**	674	**114**	111
Trade and other payables	27	**2,685**	2,675	**335**	702
Other financial liabilities	28	**212**	202	**–**	–
Total current liabilities		**4,932**	4,374	**979**	991
Total liabilities		**5,445**	5,603	**1,071**	1,197
Total equity and liabilities		**21,210**	31,519	**15,076**	24,798

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

STATEMENTS OF
CHANGES IN EQUITY

Year Ended 31 December 2021

Group	Total equity $'000	Share capital $'000	Accumulated losses $'000	Translation reserve $'000	Share option reserve $'000
Current year:					
Opening balance at 1 January 2021	**25,916**	**28,294**	**(2,263)**	**(147)**	**32**
Changes in equity:					
Total comprehensive (loss) income for the year	**(2,287)**	**–**	**(2,318)**	**31**	**–**
Expiry of share options (Note 24B)	**–**	**–**	**3**	**–**	**(3)**
Share based payment expenses (Note 24B)	**60**	**–**	**–**	**–**	**60**
Issuance of shares pursuant to performance share plans scheme (Note 24B)	**–**	**45**	**–**	**–**	**(45)**
Capital reduction (Note 22)	**(7,924)**	**(7,924)**	**–**	**–**	**–**
Closing balance at 31 December 2021	**15,765**	**20,415**	**(4,578)**	**(116)**	**44**
Previous year:					
Opening balance at 1 January 2020	21,045	28,294	(7,098)	(182)	31
Changes in equity:					
Total comprehensive income for the year	4,869	–	4,834	35	–
Expiry of share options (Note 24B)	–	–	1	–	(1)
Share based payment expenses (Note 24B)	2	–	–	–	2
Closing balance at 31 December 2020	25,916	28,294	(2,263)	(147)	32

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

STATEMENTS OF
CHANGES IN EQUITY

Year Ended 31 December 2021

Company	Total equity $'000	Share capital $'000	Accumulated Losses $'000	Share option reserve $'000
Current year:				
Opening balance at 1 January 2021	**23,601**	**28,294**	**(4,725)**	**32**
Changes in equity:				
Total comprehensive loss for the year	**(1,732)**	**–**	**(1,732)**	**–**
Expiry of share options (Note 24B)	**–**	**–**	**3**	**(3)**
Share based payment expenses (Note 24B)	**60**	**–**	**–**	**60**
Issuance of shares pursuant to performance share plans scheme (Note 24B)	**–**	**45**	**–**	**(45)**
Capital reduction (Note 22)	**(7,924)**	**(7,924)**	**–**	**–**
Closing balance at 31 December 2021	**14,005**	**20,415**	**(6,454)**	**44**
Previous year:				
Opening balance at 1 January 2020	25,650	28,294	(2,675)	31
Changes in equity:				
Total comprehensive loss for the year	(2,051)	–	(2,051)	–
Expiry of share options (Note 24B)	–	–	1	(1)
Share based payment expenses (Note 24B)	2	–	–	2
Closing balance at 31 December 2020	23,601	28,294	(4,725)	32

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2021

	Group	
	2021	**2020**
	$'000	**$'000**
Cash flows used in operating activities		
Loss before tax from continuing operations	**(2,335)**	(3,193)
Profit before tax from discontinued operations	**–**	8,027
	(2,335)	4,834
Adjustments for:		
Depreciation of plant and equipment	**339**	590
Depreciation of investment properties	**189**	189
Depreciation of right-of-use assets	**667**	741
Interest income	**(17)**	(304)
Interest expense	**15**	30
Interest expense on lease liabilities	**77**	112
Gain on disposal of semiconductor business	**–**	(8,027)
Gain on termination of lease	**–**	(22)
(Gain) loss on disposal of plant and equipment	**(571)**	16
Share based payment expenses	**60**	2
Allowance for inventories	**15**	153
Reversal of impairment loss on inventories	**(60)**	(25)
Reversal of impairment loss on trade receivables	**–**	(12)
Net effect of exchange rate changes in consolidating foreign operations	**30**	23
Operating cash flows before changes in working capital	**(1,591)**	(1,700)
Trade and other receivables	**965**	(597)
Other non-financial assets	**4**	(77)
Inventories	**(427)**	856
Other non-financial liabilities	**461**	312
Trade and other payables	**(58)**	539
Net cash flows used in operation	**(646)**	(667)
Income tax refund	**17**	–
Net cash flows used in operating activities	**(629)**	(667)

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Year Ended 31 December 2021

	Group	
	2021	**2020**
	$'000	**$'000**
Cash flows from investing activities		
Proceeds on disposal of subsidiaries	**–**	8,027
Proceeds on disposal of plant and equipment	**576**	2
Purchase of plant and equipment	**(54)**	(33)
Interest received	**17**	304
Net cash flows from investing activities	**539**	8,300
Cash flows used in financing activities		
Decrease in borrowings	**–**	(199)
Interest paid	**(15)**	(30)
Capital reduction	**(7,924)**	–
Lease payments paid	**(762)**	(774)
Net cash flows used in financing activities	**(8,701)**	(1,003)
Net (decrease) increase in cash and cash equivalents	**(8,791)**	6,630
Cash and cash equivalents, statement of cash flows, beginning balance	**15,550**	8,920
Cash and cash equivalents, statement of cash flows, ending balance (Note 21)	**6,759**	15,550

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

NOTES TO THE
FINANCIAL STATEMENTS
31 December 2021

1. GENERAL

The company is incorporated in Singapore with limited liability. 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 directors have the power to amend and reissue the financial statements.

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

The company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the subsidiaries are described in Note 17 to the financial statements.

The registered office is: 5004, Ang Mo Kio Avenue 5, #05-01, Techplace II, Singapore 569872. The company is situated in Singapore.

Uncertainties relating to the COVID-19 pandemic

The COVID-19 pandemic and the aftermath of the pandemic has caused and continues to cause disruptions resulting in uncertainties surrounding the reporting entity's business, including affecting its relationships with its existing and future customers, suppliers and employees, and which had and will continue to have an effect on its financial position, financial performance of operations, cash flows and prospects for the foreseeable future. There is significant uncertainty around the medium to long term impact of the COVID-19 pandemic. These uncertainties gave rise to difficulties in making an accurate assessment by management of the future financial impacts on the reporting entity. Management will continue to closely monitor the further economic development and its impact. It is however reasonably probable that the COVID-19 pandemic will have an impact on the reporting entity's revenues and results for the next reporting year, the extent of which will depend on how long the aftermath of the pandemic lasts.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related interpretations SFRS(I) ("SFRS(I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

1. GENERAL (CONTINUED)

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.

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 (the parent and its subsidiaries) 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 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.

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 equity investments financial assets in accordance with the financial reporting standard on financial statements.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the company's separate statement of profit or loss and other comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient, the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Distinct goods or services created over time – For long-term service contracts and projects for manufacturing or developing an asset, the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity’s performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The revenue is recognised over time by using the output method. For the output method, the revenue is recognised on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as milestones reached. For the output method, as a practical expedient for a performance obligation satisfied over time, if the entity has a right to invoice the customer at an amount that corresponds directly with the value to the customer of the entity’s performance to date, revenue is recognised at that amount (for example, in a goods or services contract an entity may have the right to bill a fixed amount for each unit of goods or service provided).

Other income

Rental income is recognised from operating leases on a straight-line basis. Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 is obligated 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 has 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 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 a relevant option 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.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

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.

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).

NOTES TO THE
FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries 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.

Plant and equipment

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. 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 100%

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.

The gain or loss arising from the derecognition of an item of plant and equipment 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.

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.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 27 on provisions related to dismantling and removing the items and to restore the site.

NOTES TO THE
FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment. The annual rates of depreciations are as follows:

Building	–	Over the remaining terms of the lease of 31 months
Office and production premises	–	Over the remaining terms of lease of 34 months

Investment properties

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee as a right-of-use asset under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) 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 only, the fair values are measured periodically on a systematic basis at least once in three years by external independent professional 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 of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded (or included in property, plant and equipment). Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an finance cost. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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

There were no business combinations during the reporting year.

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. 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about 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.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Classification and measurement of financial assets:

a. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables and cash and cash equivalents are classified in this category.

b. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

c. Financial asset that is an equity investment measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.

d. Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The fair value is 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. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. 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.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

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.

2B. OTHER EXPLANATORY INFORMATION

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2B. OTHER EXPLANATORY INFORMATION (CONTINUED)

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

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.

2C. 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.

Assessment of expected credit loss allowance on trade receivables:

The assessment of the expected credit losses ("ECL") requires a degree of estimation and judgement. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the COVID-19 pandemic). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 19 on trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2C. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONTINUED)

Assessment of allowance on inventories:

The assessment of the allowance for impairment loss on inventories requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in Note 18 on inventories.

Income tax amounts:

The entity recognises tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in Note 10 on income tax.

Assessment of impairment of right-of-use assets:

Significant judgment is applied by management when determining impairment of the right-of-use assets. Impairment is assessed for leased buildings used in operation. In making their assessment, management considers the cash-generating unit ("CGU") that is supported by the right-of-use assets. The value-in-use calculations that is used in this assessment is based on a discounted cash flow model where the cash flows are derived from the budget for the next five years and do not include any future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used in the model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 14.

NOTES TO THE
FINANCIAL STATEMENTS

31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2C. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (CONTINUED)

Assessment of impairment of subsidiaries and receivables from subsidiaries:

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 and whether receivables can be recovered. 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 $861,000 (2020: $856,000).

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Mr. Kwong Kim Mone.

3A. MEMBERS OF A GROUP:

Name	Relationship	Country of incorporation
MIT Technologies Pte Ltd	Parent company	Singapore

Related companies in these financial statements include the members of the above group of companies.

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations, if any, are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

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

NOTES TO THE
FINANCIAL STATEMENTS
31 December 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3B. RELATED PARTY TRANSACTIONS:

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following significant related party transactions:

	Related party due to a common director	
	2021	2020
	$'000	$'000
Sale of goods	**(178)**	(74)
Shared service income (Note 5)	**–**	(9)
Shared service expenses	**13**	53

3C. KEY MANAGEMENT COMPENSATION:

	Group	
	2021	2020
	$'000	$'000
Salaries and other short-term employee benefits	**880**	1,074
Post-employment benefits	**–**	57

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

	Group	
	2021	2020
	$'000	$'000
Remuneration of directors of the company	**236**	356
Remuneration of directors of subsidiaries	**226**	181
Fees to directors of the company	**91**	179

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3D. OTHER RECEIVABLES FROM AND OTHER PAYABLES TO RELATED PARTIES:

The trade transactions and the related 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 subsidiaries are as follows:

Company	**Subsidiaries**	
	2021	**2020**
	$'000	**$'000**
Other receivables:		
At beginning of the year	**–**	8,144
Amounts paid out and payment made on behalf of the subsidiaries	**1,591**	1,616
Allowance for impairment	**(1,591)**	(9,760)
At end of the year	**–**	–
Presented in Note 19 as follows:		
Subsidiaries	**–**	12,690
Less: allowance for impairment	**–**	(12,690)
At end of the year	**–**	–

Related party	**Group**		**Company**	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Other receivables/(other payables):				
At beginning of the year	**277**	193	**(53)**	(8)
Amounts paid out and payment made on behalf of the group/company	**(283)**	(43)	**(14)**	(45)
Amounts paid in and payment made on behalf of related party	**6**	127	**67**	–
At end of the year – net debit (credit)	**–**	277	**–**	(53)
Presented in the statement of financial position as follows:				
Other receivables (Note 19)	**–**	351	**–**	21
Other payables (Note 27)	**–**	(74)	**–**	(74)
At end of the year – net debit (credit)	**–**	277	**–**	(53)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

4. REVENUE

	Group 2021 $'000	Group 2020 $'000
Sale of goods		
– Point in time	**8,996**	7,505
– Over time	**2,561**	2,499
	11,557	10,004

Revenue classified by duration of contract:

	Group 2021 $'000	Group 2020 $'000
Short-term contracts – less than 12 months	**11,289**	9,317
Long-term contracts – over 12 months	**268**	687
Total revenue	**11,557**	10,004

The distribution of revenue by geographical regions is disclosed in Note 30F.

5. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group 2021 $'000	Group 2020 $'000
Foreign exchange adjustment gains (losses) – net	**29**	(117)
Gain (loss) on disposal of plant and equipment	**571**	(16)
Gain on termination of lease	**–**	22
Reversal of impairment loss on inventories (Note 18)	**60**	25
Interest income from financial institutions	**17**	304
Allowance for inventories (Note 18)	**(15)**	(153)
Reversal of impairment loss on trade receivables (Note 19)	**–**	12
Shared service income (Note 3)	**–**	9
Rental income – investment properties (Note 15)	**598**	486
Other rental income	**50**	29
Other grant income	**35**	212
Government grant from job support scheme[#a]	**–**	821
COVID-19 related rent concessions from lessor	**29**	69
Other income	**78**	135
Net	**1,452**	1,838
Presented in profit or loss as:		
Other income and other gains	**1,467**	2,124
Other losses	**(15)**	(286)
Net	**1,452**	1,838

[#a] The purpose of the Job Support Scheme was to provide wage support to employers to help them retain their local employees during the period of economic uncertainty amid COVID-19.

NOTES TO THE
FINANCIAL STATEMENTS

31 December 2021

6. ADMINISTRATIVE EXPENSES

The major components and other selected components include the following:

	Group	
	2021	**2020**
	$'000	**$'000**
Employee benefits expense (Note 8)	**1,471**	1,612
Depreciation expense (Notes 13, 14 and 15)	**1,009**	1,335
Professional fees	**255**	272

7. FINANCE COSTS

	Group	
	2021	**2020**
	$'000	**$'000**
Interest expense on lease liabilities	**77**	112
Interest expense	**15**	30
Total finance costs	**92**	142

8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2021	**2020**
	$'000	**$'000**
Short term employee benefits expense	**4,963**	4,552
Contributions to defined contribution plans	**460**	462
Share-based payment expenses (Note 24B)	**60**	2
Other benefits	**152**	160
Total employee benefits expense	**5,635**	5,176

The employee benefits expense is classified as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
Cost of sales	**3,802**	3,300
Marketing and distribution costs	**362**	264
Administrative expenses (Note 6)	**1,471**	1,612
Total	**5,635**	5,176

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	
	2021	**2020**
	$'000	**$'000**
Audit fees to the independent auditor of the company	**55**	58
Audit fees to the other independent auditor	**13**	13
Other fees to the independent auditor of the company	**10**	10

10. INCOME TAX EXPENSE

10A. COMPONENTS OF TAX EXPENSE RECOGNISED IN PROFIT OR LOSS INCLUDE:

Group	Group	
	2021	**2020**
	$'000	**$'000**
Current tax benefit:		
Overprovision adjustment in respect of prior periods	**17**	–
Total income tax benefit	**17**	–

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% (2020: 17%) to loss or profit before income tax as a result of the following differences:

	Group	
	2021	**2020**
	$'000	**$'000**
Loss before income tax from continuing operations	**(2,335)**	(3,193)
Profit before income tax from discontinued operations	**–**	8,027
Profit before income tax	**(2,335)**	4,834
Income tax (benefit) expense at the above rate	**(397)**	822
Expenses not deductible for tax purposes	**65**	83
Income not subject to tax	**(4)**	(1,517)
Overprovision adjustment in respect of prior periods	**(17)**	–
Effect of different tax rates in different country	**16**	(14)
Deferred tax assets not recognised	**327**	579
Others	**(7)**	47
Total income tax benefit	**(17)**	–

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

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10. INCOME TAX EXPENSE (CONTINUED)

10B. DEFERRED TAX EXPENSE RECOGNISED IN PROFIT OR LOSS INCLUDES:

	Group	
	2021	**2020**
	$'000	**$'000**
Excess of tax values over net book value of plant and equipment	**31**	1
Tax loss carryforwards	**87**	565
Wear & tear allowance carryforwards	**12**	1
Provisions	**4**	12
Expiry of tax losses previously not recognised	**193**	–
Unrecognised deferred tax assets	**(327)**	(579)
	–	–

10C. DEFERRED TAX ASSETS RECOGNISED IN STATEMENT OF FINANCIAL POSITION:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets:				
Excess of tax values over net book value of plant and equipment	**233**	202	**95**	69
Tax loss carryforwards	**4,854**	4,767	**772**	694
Wear & tear allowance carryforwards	**108**	96	**70**	70
Unrecognised deferred tax assets	**(5,233)**	(5,099)	**(946)**	(841)
Provisions	**38**	34	**9**	8
Net balance	**–**	–	**–**	–

Included in unrecognised tax losses are losses that will expire as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Chinese company				
Expiring in year				
2021	**–**	1,740	**–**	–
2022	**1,782**	1,699	**–**	–
2023	**1,664**	1,586	**–**	–
2024	**1,234**	1,178	**–**	–
2025	**378**	360	**–**	–
Singapore companies				
Unlimited period	**22,603**	20,319	**4,542**	4,082
	27,661	26,882	**4,542**	4,082

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10. INCOME TAX EXPENSE (CONTINUED)

10C. DEFERRED TAX ASSETS RECOGNISED IN STATEMENT OF FINANCIAL POSITION: (CONTINUED)

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences 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. For the Chinese company, the realisation of the future income tax benefits from tax loss carryforwards is available for a period of 5 years subject to the conditions imposed by China laws.

No deferred tax assets for the tax losses (including deductible temporary difference and unused tax losses) have been recognised as the future profit streams are not probable for the relevant entities.

11. DISCONTINUED OPERATIONS

On 8 January 2018, the company entered into a non-binding term sheet and a supplemental term sheet (collectively the "Term Sheet") with a purchaser in relation to the proposed disposal by the company of its entire interest in certain of its subsidiaries undertaking the group's semiconductor business (the "Target Companies") (the "Proposed Disposal").

The semiconductor business was undertaken by the company together with two of its wholly owned subsidiaries, namely, i.Pac Manufacturing Pte. Ltd. ("i.Pac") and Generic Power Pte Ltd ("GP").

On 18 July 2018, the company had entered into an agreement to dispose the semiconductor business segment of the group.

On 20 February 2019, the sale of the Target Companies had been completed. From that date, control of Target Companies was passed to the acquirer. As a result of the disposal, the entire semiconductor business was presented as discontinued operations since 2019. There is no impact to the results in 2021.

Analysis of the result of discontinued operations and the results recognised on the re-measurement of disposal group was as follows:

	Group 2020 $'000
Revenue	–
Cost of sales	–
Gross loss	–
Other income and gains	–
Marketing and distribution costs	–
Administrative expenses	–
Other losses	–
Finance costs	–
Loss before tax	–
Income tax benefit	–
Loss after tax before disposal gain for the year	–
Gain on disposal	8,027
Total profit on discontinued operations	8,027

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11. DISCONTINUED OPERATIONS (CONTINUED)

The gain arose on the disposal of subsidiaries, being the consideration received on disposal less the carrying amount of the subsidiaries' net assets and other adjustments. No tax charge or credit arose from the transaction.

The following table is a summary of the carrying value assets and liabilities of the subsidiaries that were sold on 20 February 2019.

	Disposal group 20.2.2019 $'000
Plant and equipment	1,133
Intangible assets	14
Development projects	4,862
Inventories	12,537
Trade and other receivables	7,959
Other non-financial assets	319
Cash and cash equivalents	4,789
Provisions	(58)
Trade and other payables	(5,111)
Net assets of disposal group	26,444
Gain on disposal	52,510
Directly attributed expenses	3,855
Other adjustments	(95)
Total consideration	82,714

The remaining 10% of the purchase consideration that amounted to $8,450,000 was subject to adjustment on claims made by the purchaser prior to the expiry of the Escrow Claim Period on 19 August 2020. Management had seeked legal advice on their entitlement of this amount and was advised not to take any position that the entitlement of the entire or any part of remaining consideration for the disposal prior to the expiry date of the Escrow Claim Period is certain. Accordingly, $8,450,000 had been excluded from the estimated purchase consideration in 2019. The company had received the full amount of $8,450,000 from Escrow account on 24 August 2020.

	Group 2020 $'000
Net cash inflow on disposal:	
Cash consideration	8,450
Commission expenses	(423)
Settlement of advances required by purchaser injected as share capital in disposal group	–
Cash balance disposed of	–
Net loss of disposal group as at disposal date	–
Net cash inflow	8,027

There was no impact to the cash flows in 2021.

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12. EARNINGS PER SHARE

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

	Group	
	2021	**2020**
	$'000	**$'000**
A. Numerators: (loss) earnings attributable to equity:		
Continuing operations: attributable to equity holders	**(2,318)**	(3,193)
Discontinued operations: earnings for the year	**–**	8,027
	No:'000	**No:'000**
B. Denominators: weighted average number of equity shares		
Basic	**240,612**	240,112
Dilutive share options effect	**(871)**	–
C. Diluted	**239,741**	240,112

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting period.

The basic earnings per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares.

The dilutive effect derives from transactions such as share options. The diluted amount 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.

NOTES TO THE FINANCIAL STATEMENTS

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13. PLANT AND EQUIPMENT

Group	Renovations $'000	Plant and equipment $'000	Total $'000
Cost:			
At 1 January 2020	1,305	6,679	7,984
Foreign exchange adjustments	35	277	312
Additions	–	33	33
Disposal	(112)	(93)	(205)
At 31 December 2020	1,228	6,896	8,124
Foreign exchange adjustments	39	228	267
Additions	–	54	54
Disposal	–	(2,263)	(2,263)
Written off	–	(52)	(52)
At 31 December 2021	**1,267**	**4,863**	**6,130**
Accumulated depreciation and impairment:			
At 1 January 2020	1,083	5,777	6,860
Foreign exchange adjustments	35	277	312
Depreciation for the year	155	435	590
Disposal	(111)	(76)	(187)
At 31 December 2020	1,162	6,413	7,575
Foreign exchange adjustments	39	228	267
Depreciation for the year	59	280	339
Disposal	–	(2,258)	(2,258)
Written off	–	(52)	(52)
At 31 December 2021	**1,260**	**4,611**	**5,871**
Carrying value:			
At 1 January 2020	222	902	1,124
At 31 December 2020	66	483	549
At 31 December 2021	**7**	**252**	**259**

Allocation of the depreciation expense:

	Group 2021 $'000	Group 2020 $'000
Cost of sales	**5**	9
Administrative expenses	**334**	581
Total	**339**	590

NOTES TO THE FINANCIAL STATEMENTS

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13. PLANT AND EQUIPMENT (CONTINUED)

Company	Renovations $'000	Plant and equipment $'000	Total $'000
Cost:			
At 1 January 2020	101	713	814
Additions	–	24	24
At 31 December 2020	101	737	838
Additions	–	7	7
Disposal	–	(1)	(1)
Written off	–	(52)	(52)
At 31 December 2021	**101**	**691**	**792**
Accumulated depreciation:			
At 1 January 2020	80	290	370
Depreciation for the year	9	167	176
At 31 December 2020	89	457	546
Depreciation for the year	9	151	160
Disposal	–	(1)	(1)
Written off	–	(52)	(52)
At 31 December 2021	**98**	**555**	**653**
Carrying value:			
At 1 January 2020	21	423	444
At 31 December 2020	12	280	292
At 31 December 2021	**3**	**136**	**139**

The depreciation expense is recorded under administrative expenses.

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14. RIGHT-OF-USE ASSETS

The details of right-of-use assets in the statement of financial position are as follows:

Group	Building $'000	Office and production premises $'000	Total $'000
Cost:			
At 1 January 2020	1,697	1,396	3,093
Addition	–	339	339
Modification	–	(43)	(43)
Termination of lease	–	(355)	(355)
Disposal	–	(229)	(229)
Foreign exchange adjustments	79	–	79
At 31 December 2020	1,776	1,108	2,884
Foreign exchange adjustments	88	–	88
At 31 December 2021	**1,864**	**1,108**	**2,972**
Accumulated depreciation:			
At 1 January 2020	374	375	749
Depreciation for the year	391	350	741
Termination of lease	–	(134)	(134)
Disposal	–	(229)	(229)
Foreign exchange adjustments	17	–	17
At 31 December 2020	782	362	1,144
Depreciation for the year	402	265	667
Foreign exchange adjustments	47	–	47
At 31 December 2021	**1,231**	**627**	**1,858**
Carrying value:			
At 1 January 2020	1,323	1,021	2,344
At 31 December 2020	994	746	1,740
At 31 December 2021	**633**	**481**	**1,114**

Allocation of the depreciation expense:

Group	2021 $'000	2020 $'000
Cost of sales	**181**	176
Administrative expenses	**486**	565
Total	**667**	741

14. RIGHT-OF-USE ASSETS (CONTINUED)

The details of right-of-use assets in the statement of financial position are as follows:

Company	**Office and production premises $'000**
Cost:	
At 1 January 2020	229
Addition	339
Disposal	(229)
At 31 December 2020 and 31 December 2021	339
Accumulated depreciation:	
At 1 January 2020	128
Depreciation for the year	125
Disposal	(229)
At 31 December 2020	24
Depreciation for the year	113
At 31 December 2021	**137**
Carrying value:	
At 1 January 2020	101
At 31 December 2020	315
At 31 December 2021	**202**

The depreciation expense is recorded under administrative expenses.

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

Group	**Building**		**Office and production premises**	
	2021	**2020**	**2021**	**2020**
Number of right-of-use assets	**1**	1	**2**	2
Remaining term – range	**1.6 years**	2.6 years	**1.8 years**	2.8 years
Remaining term – average	**1.6 years**	2.6 years	**1.8 years**	2.8 years
Number of leases with termination options	**1**	1	**2**	2

NOTES TO THE FINANCIAL STATEMENTS

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14. RIGHT-OF-USE ASSETS (CONTINUED)

Other information about the leasing activities relating to the right-of-use assets are summarised as follows: (Continued)

Company	**Office and production premises**	
	2021	**2020**
Number of right-of-use assets	**2**	2
Remaining term	**1.8 years**	2.8 years
Number of leases with termination options	**1**	1

The leases are for rentals payable for the factories and offices. The lease rental terms are negotiated for an average term of three years and rentals are subject to an escalation clause.

During the year, the group carried out a review of the recoverable amount of its right-of-use assets where there were indicators of impairment. The group took into consideration the cash-generating unit ("CGU") that is supported by the right-of-use assets. The assessment included the revenue based on committed sales orders from customer and expected repeat orders based on the historical trend from these customers for 2022. Management also made assumptions on the expected growth rate for this CGU.

This assessment is subject to certain assumptions as follows:

(a) Sales growth rate from year 2023 to 2026 based on the expected outlook for the manufacturing industry; and

(b) Discount rate of 10% which is used as the weighted-average cost of capital. The group has no external borrowings.

As a result of this assessment, management concluded that there was no impairment to be recognised.

NOTES TO THE FINANCIAL STATEMENTS

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15. INVESTMENT PROPERTIES

	Group and company 2021 $'000	2020 $'000
At cost:		
At beginning of the year and at end of the year	**9,471**	9,471
Accumulated depreciation:		
At beginning of the year	**1,277**	1,088
Depreciation for the year	**189**	189
At end of the year	**1,466**	1,277
Carrying value:		
At end of the year	**8,005**	8,194
Fair value for disclosure purposes only:		
Fair value at end of the year	**12,100**	11,676
Rental income from investment properties (Note 5)	**598**	486

Details of leasehold properties:

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

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 recorded under administrative expenses.

The fair value of each investment property as at the end of the reporting year is based on a valuation made by CKS Property Consultants Pte Ltd, a firm of independent professional valuers on 31 December 2021 on a systematic basis. The valuation method was based on market comparison method, a comparison with recent transactions of similar properties, preferably in vicinity, and adjusted to take into account certain factors and circumstances. Management has determined that the highest and best use of the asset is the current use and that it would provide a maximum value to market participants principally through its use in combination with other assets.

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15. INVESTMENT PROPERTIES (CONTINUED)

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

Assets:	(A) 7 Yishun Industrial Street 1, #07-38, Singapore 768162 (B) 7 Yishun Industrial Street 1, #06-38/39, Singapore 768162
Fair value and fair value hierarchy – Level:	(A) $4,200,000 (2020: $4,045,000), Level 3 (2020: Level 3); (B) $7,900,000 (2020: $7,631,000), Level 3 (2020: Level 3).
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent offer to sell prices for similar properties.
Significant unobservable (2021 and 2020: observable) inputs and range:	Price per square meters. (A) $3,955 (2020: $3,809) (B) $3,450 (2020: $3,332)
Relationship of unobservable inputs to fair value:	Favourable (adverse) change in the latest selling price in the market will increase (decrease) fair value
Sensitivity on management's estimates – 10% variation from estimate	2021 Impact (A) – lower by $420,000; higher by $420,000 (B) – lower by $790,000; higher by $790,000

16. INTANGIBLE ASSETS

Patents	Group and company $'000
Cost:	
At 1 January 2020, 31 December 2020 and 31 December 2021	86
Accumulated depreciation:	
At 1 January 2020, 31 December 2020 and 31 December 2021	86
Carrying value:	
At 1 January 2020	–
At 31 December 2020	–
At 31 December 2021	–

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	**2020**
	$'000	**$'000**
Movements during the year:		
At beginning of the year	**856**	851
Additions	**2,215**	1,989
Reduction of quasi-equity loans	**(2,901)**	(2,331)
Reversal for impairment	**691**	347
At the end of the year	**861**	856
Carrying value in the books of the company comprising:		
Unquoted equity shares at cost	**2,424**	2,424
Quasi-equity loans (Note A)	**33,261**	19,666
Allowance for impairment on unquoted equity shares	**(2,424)**	(2,424)
Allowance for impairment on quasi-equity loans	**(18,119)**	(18,810)
Reclassified from trade and other receivables (Note 19)	**(14,281)**	–
Total carrying value	**861**	856
Movements in allowance for impairment:		
Balance at beginning of the year	**21,234**	21,581
Reversal of impairment on quasi-equity loans	**(691)**	(347)
Reclassified from trade and other receivables (Note 19)	**14,281**	–
Balance at end of the year	**34,824**	21,234

Note A:
These are interest free quasi-equity loans provided by 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;
(ii) Casem (Asia) Pte Ltd; and
(iii) Automated Manufacturing Solutions 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.

In prior years, the decreasing performance of certain subsidiaries was considered sufficient evidence to trigger the impairment test. As detailed in this note, the impairment test resulted in the recognition of a loss. Accordingly it has been written down to the recoverable amount.

During the year, the company has reversed $691,000 (2020: $347,000) of impairment on quasi-equity loans due to repayment from a subsidiary.

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17. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The subsidiaries held by the company are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditors	Cost		Effective percentage of equity held	
	2021	2020	2021	2020
	$'000	$'000	%	%
Held by the company:				
Casem (Asia) Pte Ltd[a]	**100**	100	**100**	100
Singapore				
Design and manufacturing of automated equipment				
Semiconductor Precision Technology Pte Ltd[a]	**1,500**	1,500	**100**	100
Singapore				
Investment holding				
Automated Manufacturing Solutions Pte. Ltd.[a] [b]	**824**	824	**100**	100
Singapore				
Manufacturing and repair of lifting and handling equipment				
	2,424	2,424		
Held by Semiconductor Precision Technology Pte Ltd:				
MIT (Shanghai) Co., Ltd.[c]			**100**	100
People's Republic of China				
Design, manufacture and distribution of automated equipment and components for electronic and semiconductor industries				

(a) Audited by RSM Chio Lim LLP, a member of RSM International.
(b) The company has provided an undertaking of financial support for the subsidiary's external liabilities of $1,985,000.
(c) Audited by SBA Stone Forest CPA Co., Ltd., an affiliated firm of RSM Chio Lim LLP.

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18. INVENTORIES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Raw materials	**276**	285	**–**	–
Work-in-progress	**2,233**	1,755	**–**	–
Finished goods	**102**	84	**–**	–
	2,611	2,124	**–**	–

Inventories are stated after allowance. Movement in allowance:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At beginning of the year	**2,502**	2,438	**–**	–
Reversed to profit or loss and included in other income and gains (Note 5)	**(60)**	(25)	**–**	–
Charged to profit or loss and included in other losses (Note 5)	**15**	153	**–**	–
Inventories previously impaired now written off	**(77)**	(68)	**–**	–
Foreign exchange adjustments	**152**	4	**–**	–
At end of the year	**2,532**	2,502	**–**	–
Increase (decrease) in inventories of finished goods and work-in-progress	**496**	(964)	**–**	–
Raw materials and consumables used	**8,117**	8,910	**828**	1,951

Due to usage of certain raw materials, the group made a reversal of $60,000 (2020: $25,000) in the current year profit or loss.

There are no inventories pledged as security for liabilities.

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19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables:				
Outside parties	**3,266**	3,815	**354**	707
Less: allowance for impairment	**(1,236)**	(1,268)	**–**	(90)
Related party (Note 3)	**35**	8	**–**	–
	2,065	2,555	**354**	617
Other receivables:				
Advances to employees	**10**	1	**8**	–
Subsidiaries (Notes 3 and 17)	**–**	–	**–**	12,690
Less: allowance for impairment	**–**	–	**–**	(12,690)
Related party (Note 3)	**–**	351	**–**	21
Other receivables	**48**	119	**26**	26
	58	471	**34**	47
Total trade and other receivables	**2,123**	3,026	**388**	664
Movements in above allowance:				
At beginning of the year	**1,268**	1,228	**12,780**	3,032
Foreign exchange adjustments	**60**	52	**2**	–
Reversal for trade receivables and included in other gains (Note 5)	**–**	(12)	**–**	(12)
Charge for other receivables and included in other losses	**–**	–	**1,591**	9,760
Transferred to investment in subsidiaries upon reclassification as quasi-equity (Note 17)	**–**	–	**(14,281)**	–
Written off	**(92)**	–	**(92)**	–
At end of the year	**1,236**	1,268	**–**	12,780

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These trade receivables are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

The group has few customers and which can be graded as low risk individually. These trade receivables are individually assessed and are considered to have low credit risk. At the end of the reporting year, a loss allowance is recognised at an amount equal to life time expected credit losses because there has not been a significant financing component and significant increase in credit risk since initial recognition. There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the trade receivable's credit risk at initial recognition (based on original, unmodified cash flows) with the credit risk at the reporting date. As the credit risk is low, no loss allowance is recognised based on the lifetime expected credit losses on the amount.

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 (2020: 30 to 90 days). However 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	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables:				
1 to 30 days	**565**	–	**281**	–
31 to 60 days	**11**	–	**–**	–
61 to 90 days	**–**	113	**–**	–
Over 180 days	**–**	322	**–**	322
Total	**576**	435	**281**	322

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables:				
Over 2 years	**–**	16	**–**	16
Over 3 years	**–**	6	**–**	6
Over 6 years	**–**	67	**–**	67
Over 7 years	**1,236**	1,179	**–**	1
Total	**1,236**	1,268	**–**	90

The balances have been fully provided and the group and the company no longer trades with the customers above.

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19. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Top 1 customer	**1,127**	1,183	**280**	364
Top 2 customers	**1,407**	1,548	**354**	544
Top 3 customers	**1,660**	1,828	**–**	617

Other receivables are normally with no fixed terms and therefore there is no maturity. Other receivables are regarded as low credit risk as if they have a low risk of default and the debtor has strong capacity to meet the contractual cash flows obligation in near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

20. OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Deposits to secure services	**123**	323	**454**	187
Prepayments	**216**	13	**76**	41
	339	336	**530**	228

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Not restricted in use	**6,759**	15,550	**4,951**	14,249
Interest earning balances maturing within 1 to 2 months	**4,924**	12,702	**4,500**	12,500

During the year, the rate of interest for the cash on interest earning accounts is between 0.19% and 0.3% (2020: between 0.01% and 0.15%) per annum.

21. CASH AND CASH EQUIVALENTS (CONTINUED)

21A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	2020 $'000	Cash flows $'000	Non-cash changes $'000	2021 $'000
Other financial liabilities	202	–	10[a]	**212**
Lease liabilities	1,903	(762)	123[b]	**1,264**
Total liabilities from financing activities	2,105	(762)	133	**1,476**

	2019 $'000	Cash flows $'000	Non-cash changes $'000	2020 $'000
Other financial liabilities	386	(199)	15[a]	202
			177[b]	
			339[c]	
			(243)[d]	
Lease liabilities	2,447	(774)	(43)[e]	1,903
Total liabilities from financing activities	2,833	(973)	245	2,105

(a) Includes exchange difference of $10,000 (2020: $15,000).
(b) Includes interest expense on lease liabilities of $77,000 (2020: $112,000) (Note 7) and exchange difference of $46,000 (2020: $65,000) as at 31 December 2021.
(c) There were lease liabilities of $339,000 arising from right-of-use assets in prior year.
(d) Included a termination of lease in a subsidiary amounting to $243,000. The group recognised a gain on termination of lease of $22,000 (Note 5) after accounting for the carrying value of the right-of-use assets.
(e) Included an adjustment of $43,000 due to a modified lease arrangement in a subsidiary during the year.

22. SHARE CAPITAL

Company	Number of ordinary shares issued '000	Share capital $'000
Ordinary shares of no par value:		
Balance at 1 January 2020 and 31 December 2020	240,112	28,294
Issuance of shares under performance share plan	500	45
Capital reduction	–	(7,924)
Balance at 31 December 2021	**240,612**	**20,415**

During the financial year, the company returned $7,924,000 (2020: $Nil) in cash pursuant to a capital reduction under Section 78G of the Companies Act.

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.

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22. SHARE CAPITAL (CONTINUED)

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		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Net debt:				
All current and non-current borrowings including leases	**1,476**	2,105	**206**	317
Less: Cash and cash equivalents	**(6,759)**	(15,550)	**(4,951)**	(14,249)
Net debt	**(5,283)**	(13,445)	**(4,745)**	(13,932)
Adjusted capital:				
Total equity	**15,765**	25,916	**14,005**	23,601
Debt-to-adjusted capital ratio	**N/M**	N/M	**N/M**	N/M

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 continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure 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.

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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. ESOS to take up 7,409,000 (2020: 534,000) unissued ordinary shares in the company were outstanding as follows:–

Date of grant	Balance as at 1.1.2021	New	Lapsed	Exercised	Balance as at 31.12.2021	Exercise Price $	Expiry date
Options to subscribe number of unissued ordinary shares of no par value:							
20 May 2016	14,000	–	–	–	14,000	0.1940*	19 May 2026
20 May 2016	20,000	–	–	–	20,000	0.1550**	19 May 2026
5 June 2017	200,000	–	(50,000)	–	150,000	0.2450*	4 June 2022
5 June 2017	300,000	–	(75,000)	–	225,000	0.1960**	4 June 2022
5 October 2021	–	3,500,000	–	–	3,500,000	0.0600*	4 October 2031
5 October 2021	–	3,500,000	–	–	3,500,000	0.0480**	4 October 2031
	534,000	7,000,000	(125,000)	–	7,409,000		

* Market price
** 20% discount to the market price of company's shares

During the current reporting year, no options were exercised under ESOS.

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the reporting year:

	Year 2021	WAEP ($) 2021	Year 2020	WAEP ($) 2020
Outstanding at beginning of year	**534,000**	**0.09**	559,000	0.15
New options during the year	**7,000,000**	**0.06**	–	0.09
Expired during the year	**(125,000)**	**0.06**	(25,000)	0.09
	7,409,000	**0.06**	534,000	0.09
Exercisable at end of year	**7,409,000**	**0.06**	534,000	0.09

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

During the current reporting year, the fair value of share options amounting to $44,000 (2020: $32,000) was 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 profit or loss during the reporting year is approximately $15,000 (2020: $2,000).

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23. SHARE-BASED PAYMENTS (CONTINUED)

Performance Share Plan ("PSP")

During the year, the company has issued and allotted 500,000 ordinary shares in the share capital of the company to the Executive Director and Chief Executive Officer of the company pursuant to the Performance Share Plans ("PSP") and recognised an expense in profit or loss of approximately $45,000 (2020: $Nil). As at 31 December 2021, the number of outstanding performance shares held under PSP was 500,000 (2020: 1,000,000).

24. OTHER RESERVES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Foreign currency translation reserve (Note 24A)	**(116)**	(147)	**–**	–
Share option reserve (Note 24B)	**44**	32	**44**	32
At end of the year	**(72)**	(115)	**44**	32

All reserves classified on the face of the statements 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	
	2021	**2020**
	$'000	**$'000**
At beginning of the year	**(147)**	(182)
Exchange differences on translating foreign operations	**31**	35
At end of the year	**(116)**	(147)

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 financial statements.

24. OTHER RESERVES (CONTINUED)

24B. SHARE OPTION RESERVE

	Group and company	
	2021	**2020**
	$'000	**$'000**
At beginning of the year	**32**	31
Exercise of share options	**(45)**	–
Expiry of share options	**(3)**	(1)
Share based payment expenses (Note 8)	**60**	2
At end of the year	**44**	32

25. LEASE LIABILITIES

Lease liabilities are presented in the statements of financial position as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Lease liabilities, current	**751**	674	**114**	111
Lease liabilities, non-current	**513**	1,229	**92**	206
	1,264	1,903	**206**	317

The group has two leases relating to office and production premises and one lease relating to a building. The company has one lease relating to office and production premises. Other information about the leasing activities relating to the right-of-use assets are summarised as follows: remaining term ranged from 19 months to 22 months; there are no variable payments linked to an index; there is no option to extend the lease for a further term.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is disclosed in Note 31E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use assets are disclosed in Note 14.

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26. OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Contract liabilities	**1,284**	823	**530**	178

The contract liabilities represents consideration receivable during the reporting year that are unsatisfied as of the end of the reporting year. The contract liabilities are expected to be recognised within one year.

The movements in contract liabilities are as follows:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At the beginning of the year	**823**	–	**178**	–
Consideration received or receivable	**3,022**	3,322	**630**	1,828
Performance obligation satisfied – revenue recognised	**(2,561)**	(2,499)	**(278)**	(1,650)
At the end of the year	**1,284**	823	**530**	178

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade payables:				
Outside parties	**1,762**	1,415	**3**	49
	1,762	1,415	**3**	49
Other payables:				
Related party (Note 3)	**–**	74	**–**	74
Outside parties and accrued liabilities*	**923**	1,186	**332**	579
	923	1,260	**332**	653
Total trade and other payables	**2,685**	2,675	**335**	702

* Provision for restoration amounted to $14,000 (2020: $14,000) and is included as part of other payables.

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28. OTHER FINANCIAL LIABILITIES

	Group	
	2021	**2020**
	$'000	**$'000**
Financial instruments with fixed interest rates:		
Short-term bank loan	**212**	202

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

1. Corporate guarantee from the company.

The total outstanding for the short-term bank loan of $212,000 (2020: $202,000) (approximately RMB1,000,000) bears interest at a fixed rate of 5.44% (2020: 5.44%) per annum. The short-term bank loan was repaid on 5 January 2022. The fair value was 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).

29. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

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

	2021	**2020**
	$'000	**$'000**
Group and company		
Not later than one year	**598**	598
Between one to two years	**415**	598
Between two to three years	**–**	415
	1,013	1,611
Rental income for the year (Note 5)	**598**	486

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

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30. FINANCIAL INFORMATION BY OPERATING SEGMENTS

30A. 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 the financial reporting standards on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes, the group is organised into the following major strategic operating segments that offer different products and services: (1) build-to-print and (2) customised automation within the non-semiconductor business. 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 systems. This forms the basis on management reports and the primary segment information that is available and evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance.

The revised segments and the types of products and services are as follows:

The built-to-print segment is mainly engaged in contract equipment manufacturing activities.

The customised automation segment is mainly engaged in designing, developing, and manufacturing of automated equipment.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the 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 and amortisation, interests and income taxes (called "Recurring EBITDA").

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

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30. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

30B. PROFIT OR LOSS FROM CONTINUING OPERATIONS AND RECONCILIATIONS

Segment information about these businesses is presented below:

	Built-to-print $'000	Customised automation $'000	Unallocated $'000	Group $'000
Continuing operations 2021				
Revenue by segment				
Total revenue by segment	**9,101**	**3,534**	**–**	**12,635**
Inter-segment sales	**(740)**	**(338)**	**–**	**(1,078)**
Total revenue	**8,361**	**3,196**	**–**	**11,557**
Recurring EBITDA	**1,042**	**(2,609)**	**502**	**(1,065)**
Interest income	**13**	**4**	**–**	**17**
Finance costs	**(77)**	**(15)**	**–**	**(92)**
Depreciation	**(598)**	**(408)**	**(189)**	**(1,195)**
Profit (loss) before tax from continuing operations	**380**	**(3,028)**	**313**	**(2,335)**
Income tax benefit				**17**
Loss from continuing operations				**(2,318)**
Continuing operations 2020				
Revenue by segment				
Total revenue by segment	7,395	4,850	–	12,245
Inter-segment sales	(591)	(1,650)	–	(2,241)
Total revenue	6,804	3,200	–	10,004
Recurring EBITDA	78	(2,321)	408	(1,835)
Interest income	154	150	–	304
Finance costs	(112)	(30)	–	(142)
Depreciation	(653)	(678)	(189)	(1,520)
(Loss) profit before tax from continuing operations	(533)	(2,879)	219	(3,193)
Income tax benefit				–
Loss from continuing operations				(3,193)

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30. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

30C. ASSETS AND RECONCILIATIONS

	Built-to-print $'000	Customised automation $'000	Unallocated $'000	Group $'000
2021:				
Total assets for reportable segments	**7,553**	**5,652**	**8,005**	**21,210**
Total group assets	**7,553**	**5,652**	**8,005**	**21,210**
2020:				
Total assets for reportable segments	12,267	11,058	8,194	31,519
Total group assets	12,267	11,058	8,194	31,519

30D. LIABILITIES AND RECONCILIATIONS

	Built-to-print $'000	Customised automation $'000	Unallocated $'000	Group $'000
2021:				
Total liabilities for reportable segments	**3,374**	**2,071**	**–**	**5,445**
Total group liabilities	**3,374**	**2,071**	**–**	**5,445**
2020:				
Total liabilities for reportable segments	3,548	2,055	–	5,603
Total group liabilities	3,548	2,055	–	5,603

30E. OTHER MATERIAL ITEMS AND RECONCILIATIONS

	Built-to-print $'000	Customised automation $'000	Unallocated $'000	Group $'000
Capital expenditure				
2021	**21**	**33**	**–**	**54**
2020	14	19	–	33

30. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

30F. 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.

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

	Revenue		Non-current assets	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
China	**5,247**	4,068	**652**	1,015
Singapore	**3,017**	1,605	**8,726**	9,468
Europe and USA	**3,016**	4,322	**–**	–
Asia excluding China and Singapore	**277**	9	**–**	–
Total continuing operations	**11,557**	10,004	**9,378**	10,483

	2021	**2020**
	$'000	**$'000**
Capital Expenditure:		
China	**15**	–
Singapore	**39**	33
	54	33

30G. INFORMATION ABOUT MAJOR CUSTOMERS

	2021	**2020**
	$'000	**$'000**
Top 1 customer in built-to-print segment	**3,473**	3,177
Top 2 customers in built-to-print segment	**5,757**	5,390
Top 1 customer in customised automation segment	**1,860**	1,650
Top 2 customers in customised automation segment	**2,309**	2,352

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31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

31A. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The following table categorises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets:				
Financial assets at amortised costs	**8,882**	18,576	**5,339**	14,913
At end of the year	**8,882**	18,576	**5,339**	14,913
Financial liabilities:				
Financial liabilities at amortised cost	**4,161**	4,780	**541**	1,019
At end of the year	**4,161**	4,780	**541**	1,019

Further quantitative disclosures are included throughout these financial statements.

31B. 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. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity 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 guidelines includes 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 (if necessary). 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 acceptable 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.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

31C. FAIR VALUES OF FINANCIAL INSTRUMENTS

The analysis 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 the significant financial instruments stated at amortised cost and at fair value in the statements 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.

31D. CREDIT RISK ON FINANCIAL ASSETS

Financial assets are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets 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 expected credit losses ("ECL") on financial assets, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables.

On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables, an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process. For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

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31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

31E. LIQUIDITY RISK – FINANCIAL LIABILITIES MATURITY ANALYSIS

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 70 days (2020: 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.

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

Group	**Less than 1 year $'000**	**1 – 3 years $'000**	**Total $'000**
Non-derivative financial liabilities:			
2021:			
Gross lease liabilities	**793**	**520**	**1,313**
Gross other financial liabilities	**223**	**–**	**223**
Trade and other payables	**2,685**	**–**	**2,685**
At end of the year	**3,701**	**520**	**4,221**
2020:			
Gross lease liabilities	748	1,276	2,024
Gross other financial liabilities	219	–	219
Trade and other payables	2,675	–	2,675
At end of the year	3,642	1,276	4,918

Company	**Less than 1 year $'000**	**1 – 3 years $'000**	**Total $'000**
Non-derivative financial liabilities:			
2021:			
Gross lease liabilities	**118**	**93**	**211**
Trade and other payables	**335**	**–**	**335**
At end of the year	**453**	**93**	**546**
2020:			
Gross lease liabilities	118	211	329
Trade and other payables	702	–	702
At end of the year	820	211	1,031

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

31E. LIQUIDITY RISK – FINANCIAL LIABILITIES MATURITY ANALYSIS (CONTINUED)

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 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 counterparty 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. At the end of the reporting year, no claims on the financial guarantees are expected.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year, no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	Group	
	2021	**2020**
	$'000	**$'000**
Corporate guarantees in favour of financial institutions for facilities extended to:		
Subsidiary	**1,378**	1,313

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

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 operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Undrawn borrowing facilities	**3,312**	3,028	**2,146**	1,918

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31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

31F. INTEREST RATE RISK

Interest rate risk arises on interest-bearing financial instruments recognised in statements of financial position. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Financial liabilities with interest:				
Fixed rate	**1,476**	2,105	**206**	317
At end of the year	**1,476**	2,105	**206**	317
Financial assets with interest:				
Fixed rate	**4,924**	12,702	**4,500**	12,500
At end of the year	**4,924**	12,702	**4,500**	12,500

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

31G. FOREIGN CURRENCY RISKS

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

31G. FOREIGN CURRENCY RISKS (CONTINUED)

Analysis of significant amounts denominated in major non-functional currencies are as follows:

Group	US dollar $'000	Euro $'000	Total $'000
2021:			
Financial assets:			
Cash and cash equivalents	**227**	**–**	**227**
Trade and other receivables	**327**	**–**	**327**
Total financial assets	**554**	**–**	**554**
Net financial assets at end of the year	**554**	**–**	**554**
2020:			
Financial assets:			
Cash and cash equivalents	1,022	335	1,357
Trade and other receivables	683	–	683
Total financial assets	1,705	335	2,040
Financial liabilities:			
Trade and other payables	(22)	(47)	(69)
Total financial liabilities	(22)	(47)	(69)
Net financial assets at end of the year	1,683	288	1,971

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

31G. FOREIGN CURRENCY RISKS (CONTINUED)

Company	US dollar $'000	Euro $'000	Total $'000
2021:			
Financial assets:			
Cash and cash equivalents	**65**	**–**	**65**
Trade and other receivables	**74**	**–**	**74**
Total financial assets	**139**	**–**	**139**
Net financial assets at end of the year	**139**	**–**	**139**
2020:			
Financial assets:			
Cash and cash equivalents	576	–	576
Trade and other receivables	438	–	438
Total financial assets	1,014	–	1,014
Financial liabilities:			
Trade and other payables	–	(46)	(46)
Total financial liabilities	–	(46)	(46)
Net financial assets (liabilities) at end of the year	1,014	(46)	968

There is exposure to foreign currency risk as part of its normal business. In particular, there is an exposure to US dollars currency risk due to a portion of sales denominated in 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, when required.

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the US$ with all other variables held constant would have an unfavourable effect on pre-tax profit of	**(55)**	(168)	**(14)**	(101)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

31G. FOREIGN CURRENCY RISKS (CONTINUED)

The effect of Euro is not significant.

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 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.

32. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS(I) No.	Title
SFRS (I) 3	Definition of a Business – Amendments
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to
SFRS (I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements
SFRS (I) 16	COVID-19 Related Rent Concessions – Amendment to (effective from 30 June 2021)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

33. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS (I) 3	Definition of a Business – Reference to the Conceptual Framework – Amendments to	1 Jan 2022
Various	Annual Improvements to SFRS(I)s 2018-2020	1 Jan 2022

SHAREHOLDERS' INFORMATION

AS AT 25 MARCH 2022

I	Class of shares	:	Ordinary share
	Number of ordinary shares in issue (excluding treasury shares)	:	240,612,470
	Voting rights	:	One vote per share

STATISTICS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	3	0.09	204	0.00
100 – 1,000	892	26.71	871,945	0.36
1,001 – 10,000	1,738	52.05	7,880,277	3.27
10,001 – 1,000,000	687	20.58	53,792,534	22.36
1,000,001 AND ABOVE	19	0.57	178,067,510	74.01
TOTAL	**3,339**	**100.00**	**240,612,470**	**100.00**

II Treasury Shares and Subsidiary Holdings – NIL

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	MIT TECHNOLOGIES PTE LTD	120,627,910	50.13
2	RAFFLES NOMINEES (PTE.) LIMITED	20,811,100	8.65
3	KWONG KIM MONE	6,734,118	2.80
4	DBS NOMINEES (PRIVATE) LIMITED	3,735,000	1.55
5	CHAN KOK TUNG TOM	3,039,726	1.26
6	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,831,862	1.18
7	TAN ENG CHUA EDWIN	2,462,500	1.02
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,448,800	1.02
9	LIM CHIN TONG	2,141,100	0.89
10	LAI WENG KAY	1,606,500	0.67
11	LOW BOON YONG	1,527,400	0.63
12	IFAST FINANCIAL PTE. LTD.	1,493,100	0.62
13	KWONG KAM SENG	1,379,147	0.57
14	CHUA SOK KHIM	1,350,000	0.56
15	CITIBANK NOMINEES SINGAPORE PTE LTD	1,302,100	0.54
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,255,900	0.52
17	PHILLIP SECURITIES PTE LTD	1,165,900	0.48
18	ESTATE OF KONG KIM YIT, DECEASED	1,139,147	0.47
19	LIM & TAN SECURITIES PTE LTD	1,016,200	0.42
20	LIM CHIN HUAT (LIN JINFA)	1,000,000	0.42
	TOTAL	**179,067,510**	**74.40**

SHAREHOLDERS' INFORMATION

AS AT 25 MARCH 2022

TWENTY LARGEST SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Kwong Kim Mone[1]	6,734,118	2.80	120,627,910	50.13
Kwong Kim Ho[2]	–	–	120,627,910	50.13
MIT Technologies Pte Ltd	120,627,910	50.13	–	–
Teo Ee Nam (Zhang Dailan)[3]	700,000	0.29	21,281,300	8.84

1 Kwong Kim Mone holds a total of 127,362,028 shares, of which 6,734,118 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 1967.

2 Kwong Kim Ho is deemed interested in the shares of MITT by virtue of section 7 of the Companies Act 1967.

3 Mr. Teo Ee Nam (Zhang Dailan) is deemed to be interested in 19,246,700 Shares held in SCB trading account under the name of Raffles Nominees (Pte.) Limited, 1,035,100 Shares held in Citibank Nominees Singapore Pte Ltd and 999,500 Shares held in UOB SRS.

PERCENTAGE OF SHAREHOLDINGS IN HANDS OF THE PUBLIC

43.7% 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 OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **MANUFACTURING INTEGRATION TECHNOLOGY LTD.** (the "Company") will be convened and held by way of electronic means on Thursday, 28 April 2022 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Independent Auditor's Report thereon.
(Resolution 1)

2. To re-elect Mr Lim Chin Hong as Director of the Company retiring pursuant to Article 91 of the Company's Constitution.
[See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect Mr Pow Tien Tee as Director of the Company retiring pursuant to Article 91 of the Company's Constitution.
(Resolution 3)

4. To approve the payment of Directors' Fees up to S$150,000 for the financial year ending 31 December 2022, to be paid yearly in arrears (FY2021: up to S$150,000).
(Resolution 4)

5. To re-appoint Messrs RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 5)

6. 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:

7. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act 1967 (the "Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, 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

NOTICE OF
ANNUAL GENERAL MEETING

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 and subsidiary holdings) 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 and subsidiary holdings) 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 Singapore Exchange Securities Trading Limited) 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 and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) 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, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of Singapore Exchange Securities Trading Limited; 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 Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution 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)]

NOTICE OF ANNUAL GENERAL MEETING

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

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant awards in accordance with the provisions of the prevailing MIT Performance Share Plan (the "Plan") and (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) to allot and issue and/or deliver such number of fully-paid shares in the form of the existing shares held as treasury shares and/or the new shares as may be required to be delivered pursuant to the vesting of the awards under the Plan, provided always that the aggregate number of shares (comprising new shares and/or treasury shares) to be delivered pursuant to the Plan, when added to the number of new shares issued and issuable and the number of treasury shares delivered pursuant to all other share schemes of the Company for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) 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 7)**

9. **Authority to issue shares under the MIT Employee Share Option Scheme 2019**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant options under the prevailing MIT Employee Share Option Scheme 2019 (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 in the capital of the Company (excluding treasury shares and subsidiary holdings) 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 8)**

10. **Proposed Renewal of the Share Buy Back Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (the "Shares") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices 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) market purchases (each a "Market Purchase") transacted on the Singapore Exchange Securities Trading Limited (the "SGX-ST") through the SGX-ST's ready market trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

NOTICE OF
ANNUAL GENERAL MEETING

(ii) off-market purchases (each an "Off-Market Purchase") 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 conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy Back Mandate");

(b) 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 of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:

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

(ii) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Buy Back Mandate are carried out in full to the Prescribed Limit mandated;

(c) in this Ordinary Resolution:

"Prescribed Limit" means that number of issued Shares representing ten per centum (10%) of the total number of issued Shares as at the date of the passing of this Ordinary Resolution unless the Company has effected a reduction of its issued share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any subsidiary holdings and Shares which are held as treasury shares will be disregarded for purposes of computing the ten per centum (10%) limit;

"Relevant Period" means the period commencing from the date of the Annual General Meeting at which the renewal of the Share Buy Back Mandate is approved and expiring on the date on which the next Annual General Meeting of the Company is held or required by law to be held, whichever is earlier; and

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

(i) in the case of a Market Purchase, one hundred and five per centum (105%) of the Average Closing Price (as hereinafter defined) of the Shares; and

(ii) in the case of an Off-Market Purchase, one hundred and twenty per centum (120%) of the Average Closing Price (as hereinafter defined) of the Shares,

NOTICE OF
ANNUAL GENERAL MEETING

where:

"Average Closing Price" means the average of the closing market prices of a Share traded on the SGX-ST over the last five (5) market days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as hereinafter defined) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action which occurs during the relevant five-day period and the date of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

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

(d) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Buy Back Mandate, in any manner as they think fit, which is permissible under the Companies Act; and

(e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

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

11. **Proposed continued appointment of Mr Pow Tien Tee as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That contingent upon the passing of Ordinary Resolution 3 above and Ordinary Resolution 11 below, and in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of SGX-ST, shareholders to approve Mr Pow Tien Tee's continued appointment as Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Pow Tien Tee's retirement or resignation as Director of the Company; or the conclusion of the third Annual General Meeting following the passing of Ordinary Resolution 11 below.
[See Explanatory Note (vi)] **(Resolution 10)**

12. **Proposed continued appointment of Mr Pow Tien Tee as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That contingent upon the passing of Ordinary Resolution 10 above, and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of SGX-ST, shareholders (excluding Directors, Chief Executive Officer, and their associates) to approve Mr Pow Tien Tee's continued appointment as Independent Director of the Company, this Resolution to remain in force until the earlier of Mr Pow Tien Tee's retirement or resignation as Director of the Company; or the conclusion of the third Annual General Meeting following the passing of Ordinary Resolution 10 above.
[See Explanatory Note (vi)] **(Resolution 11)**

By Order of the Board

Wong Yoen Har
Company Secretary
Singapore, 13 April 2022

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr Lim Chin Hong will, upon re-election as Director of the Company, remain as Executive Director, Chief Executive Officer and a member of the Investment Committee and will be considered non-independent.

(ii) The Ordinary Resolution 6, 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 in the capital of the Company (excluding treasury shares and subsidiary holdings), 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 and subsidiary holdings) will be calculated based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) 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 and any subsequent bonus issue, consolidation or subdivision of shares.

(iii) The Ordinary Resolution 7, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting of the Company 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 in the capital of the Company (excluding treasury shares and subsidiary holdings) from time to time.

(iv) The Ordinary Resolution 8, 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 up to a number not exceeding in aggregate (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) from time to time.

(v) The Ordinary Resolution 9, if passed, will empower the Directors of the Company to buy back issued Shares from time to time (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued Shares (excluding subsidiary holdings and treasury shares) at the prices of up to but not exceeding the Maximum Price, in accordance with the terms and subject to the conditions set out in the Appendix to Shareholders dated 13 April 2022 (the "Appendix"), the Companies Act and the Listing Manual of the Singapore Exchange Securities Trading Limited. This authority will, unless revoked or varied at general meeting, continue in force until the earlier of (i) the date that the next Annual General Meeting of the Company is held or required by law to be held and (ii) the date on which the purchases or acquisitions of Shares are carried out in full to the Prescribed Limit mandated.

The Company may use internal sources of funds and/or external borrowings to finance the purchases or acquisitions of its Shares pursuant to the Share Buy Back Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of Annual General Meeting as these will depend on the number of Shares purchased or acquired, whether the purchase or acquisition of Shares is made out of capital and/or profits, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are cancelled or held as treasury shares.

Purely for illustrative purposes only, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy Back Mandate on the audited consolidated financial statements of the Company for the financial year ended 31 December 2021, based on certain assumptions, are set out in paragraph 2.7 of the Appendix. Please refer to the Appendix for more details.

NOTICE OF
ANNUAL GENERAL MEETING

(vi) Ordinary Resolutions 10 and 11 are to seek approvals from the shareholders via a Two-Tier Voting process for Mr Pow Tien Tee to continue in office as Independent Director of the Company for a three-year term, with effect from the passing of these resolutions proposed at this Annual General Meeting, until the conclusion of the third annual general meeting of the Company following the passing of these resolutions. The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. Such refreshment process of the Board will take some time and cannot happen overnight in order to maintain stability to the Board. Furthermore, the Company benefits from Mr Pow who has, over time, gained valuable insights into the Group, its market and the industry.

The Nominating Committee and the Board have determined that Mr Pow Tien Tee remains objective and independent minded in Board deliberations. His vast experience enable him to provide the Board and the various Board Committees on which he serves, with pertinent experience and competence to facilitate sound decision-making and that his length of service does not in any way interfere with his exercise of independent judgment nor hinder his ability to act in the best interests of the Company. Additionally, Mr Pow Tien Tee fulfils the definition of Independent Director of the Listing Rules of the Listing Manual of SGX-ST and the Code of Corporate Governance 2018. More importantly, the Board trusts that Mr Pow Tien Tee is able to continue to discharge his duties independently with integrity and competency.

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

Shareholders should note that in the event that the proposed Ordinary Resolutions 3, 10 and 11 relating to the continued appointment of Mr Pow Tien Tee as Independent Director are not passed, the Company shall endeavour to fill the vacancy of the independent director (which must comprise of at least one-third of the Board) within two months, in any case not later than three months from the date of this Annual General Meeting, for the purpose of compliance with Rule 210(5)(c) of the Listing Manual of SGX-ST.

Printed copies of the following documents will not be sent to members. Instead, these documents can be assessed at the Company website https://www.mitech-ltd.com.sg or on the SGX website https://www.sgx.com/securities/company-announcements:–

1. **Annual Report 2021**
2. **Appendix to Shareholders**
3. **Notice of Annual General Meeting**
4. **Proxy Form**

Notes:

(1) The Annual General Meeting (the "AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

(2) The Company is arranging for a live webcast and live audio feed of the AGM proceedings (the "**Live AGM Webcast**" or "**Live AGM Audio Feed**") which will take place on Thursday, 28 April 2022 at 9.30 a.m. in place of the physical AGM. Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed, and the Company will not accept any physical attendance by members.

(3) Members will be able to participate in the AGM in following manner set out in the paragraphs below.

Live AGM Webcast and Live AGM Audio Feed:

(a) Members may watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed. To do so, members will need to pre-register at http://bit.ly/MITAGM2022 (the "**Registration Link**") by 9.30 a.m. on 25 April 2022 (the "**Registration Deadline**") to enable the Company to verify their status.

(b) Following verification, authenticated members will receive an email by 9.30 a.m. on 27 April 2022 containing a link to access the Live AGM Webcast of the AGM proceedings or a toll-free telephone number to access the Live AGM Audio Feed of the AGM proceedings, according to their preferred mode of accessing the AGM proceeding selected during the pre-registration process.

(c) Members must not forward the abovementioned link or telephone number to other persons who are not members of the Company and who are not entitled to attend the AGM.

NOTICE OF
ANNUAL GENERAL MEETING

(d) Members who have registered by the Registration Deadline but did not receive an email response by 9.30 a.m. on 27 April 2022 may contact the Company by email at meeting@mitech-ltd.com.sg. Members will need to identify themselves by providing the following details:

(i) The member's full name as it appears in the share records;
(ii) The member's NRIC/Passport/UEN Number;
(iii) The member's contact number and email address; and
(iv) The manner in which the member holds the shares in the Company (e.g. via CDP/CPF/SRS).

Submission of Proxy Forms to Vote:

(a) Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a proxy form to appoint the Chairman of AGM to cast votes on their behalf.

(b) Members (whether individual or corporate) appointing the Chairman of AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of AGM as proxy for that resolution will be treated as invalid.

(c) The Chairman of AGM, as proxy, need not be a member of the Company.

(d) The proxy form, duly completed and signed, must be submitted by:

(i) mail to the registered office of the Company at Block 5004 Ang Mo Kio Ave 5, #05-01, TECHplace II, Singapore 569872; or
(ii) email to meeting@mitech-ltd.com.sg,

in either case, by no later than 9.30 a.m. on 26 April 2022, being 48 hours before the time fixed for the AGM.

Members are strongly encouraged to submit completed proxy forms electronically via email in view of the current COVID-19 situation.

(e) Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including investors under the Central Provident Fund and the Supplementary Retirement Scheme (the "CPF and SRS Investors"), who wish to exercise their votes by appointing the Chairman of AGM as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 9.30 a.m. on 18 April 2022) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of AGM to vote on their behalf by 9.30 a.m. on 26 April 2022.

Submission of Questions in Advance:

(a) Please note that members will not be able to ask questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.

(b) Members may submit questions relating to the agenda of the AGM from now till 9.30 a.m. on 21 April 2022, via email to meeting@mitech-ltd.com.sg or via the Registration Link.

(c) The Company will endeavour to address the substantial and relevant questions by 22 April 2022 with responses to questions from members be posted on the SGXNet and the Company's website.

Investors who hold Shares through Relevant Intermediaries (as defined in Section 181 of the Companies Act):

Such investors (including CPF and SRS Investors) who wish to participate in the AGM by:

(i) observing or listening to the AGM proceedings contemporaneously via the Live AGM Webcast or the Live AGM Audio Feed;
(ii) submitting questions in advance of the AGM; and/or
(iii) voting by appointing the Chairman of AGM as proxy at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

NOTICE OF
ANNUAL GENERAL MEETING

IMPORTANT REMINDER: Members should also note that the Company may be required to make further changes to its AGM arrangements at short notice, the members should keep abreast of the Company's announcements that may be made from time to time on SGXNet.

The Company wishes to thank all members for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal data privacy:

By submitting an instrument appointing the Chairman of AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of AGM as proxy appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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

IMPORTANT

1. The Annual General Meeting will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the Annual General Meeting by way of electronic means (including arrangements by which the meeting can be electronically accessed via live audio- visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions before the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the Notice of Annual General Meeting dated 13 April 2022.
3. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 9.30 a.m. on 18 April 2022.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 April 2022.

Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. A printed copy of this proxy form will not be despatched to members.

PROXY FORM
(Please see notes overleaf before completing this Form)

I/We ____

of ____

being a member/members of **MANUFACTURING INTEGRATION TECHNOLOGY LTD.** (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be convened and held by way of electronic means on Thursday, 28 April 2022, at 9.30 a.m. and at any adjournment thereof in the following manner:

No.	Resolutions relating to:	Number of Votes For(1)	Number of Votes Against(1)	Number of Votes Abstain(1)
Ordinary Business				
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021			
2	Re-election of Mr Lim Chin Hong as Director pursuant to Article 91 of the Company's Constitution			
3	Re-election of Mr Pow Tien Tee as Director pursuant to Article 91 of the Company's Constitution			
4	Approval of Directors' Fees up to S$150,000 for the financial year ending 31 December 2022			
5	Re-appointment of Messrs RSM Chio Lim LLP as Independent Auditor			
Special Business				
6	Authority to issue new shares			
7	Authority to issue shares under the MIT Performance Share Plan			
8	Authority to issue shares under the MIT Employee Share Option Scheme 2019			
9	Proposed Renewal of the Share Buy Back Mandate			
10	Approval of Mr Pow Tien Tee's continued appointment as Independent Director in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited			
11	Approval of Mr Pow Tien Tee's continued appointment as Independent Director by shareholders (excluding Directors, Chief Executive Officer, and their associates) in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited			

(1) If you wish the Chairman of the Meeting as your proxy to cast all your votes For or Against a resolution, please tick within the box in respect of that resolution. Alternatively, please indicate the number of votes For or Against in the For or Against box in respect of that resolution.

If you wish the Chairman of the Meeting as your proxy to Abstain from voting on a resolution, please tick in the Abstain box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the Abstain box in respect of that resolution.

In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this ______ day of __________________ 2022

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

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 81SF of the Securities and Futures Act 2001), 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.

   Due to the current COVID-19 restriction orders in Singapore, a member will not be able to vote online or through the live webcast and live audio-feed on the resolutions to be tabled for approval at the Meeting. Members who wish to exercise their votes must submit a proxy form to appoint the Chairman of the Meeting to cast votes on their behalf. Member (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

2. The Chairman of the Meeting, as a proxy, need not be a member of the Company.

3. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

(1) Fold along this line

Affix
Postage
Stamp

Manufacturing Integration Technology Ltd.
Blk 5004 Ang Mo Kio Ave 5
#05-01 TECHplace II
Singapore 569872

(2) Fold along this line

4. Where an instrument appointing Chairman of the Meeting as proxy is signed and authorised on behalf of the appointor by an attorney, the letter of power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

5. The instrument appointing Chairman of the Meeting as proxy, duly executed, must be deposited at the Company's registered office at Block 5004 Ang Mo Kio Ave 5, #05-01, TECHplace II, Singapore 569872; or emailed to meeting@mitech-ltd.com.sg, not less than forty-eight (48) hours before the time appointed for the holding of the Meeting. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. Members are strongly encouraged to submit completed proxy forms via email to the email address provided above in view of the current COVID-19 situation.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy. In addition, in the case of the members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE

LIM CHIN HONG
(Executive Director
and Chief Executive Officer)

NON-EXECUTIVE

KWONG KIM MONE
(Non-Executive and
Non-Independent Chairman)

LEE YONG GUAN
(Lead Independent Director)

POW TIEN TEE
(Independent Director)

BOARD OF COMMITTEES

AUDIT COMMITTEE

LEE YONG GUAN
(Chairman)

POW TIEN TEE
KWONG KIM MONE

NOMINATING COMMITTEE

LEE YONG GUAN
(Chairman)

KWONG KIM MONE
POW TIEN TEE

REMUNERATION COMMITTEE

POW TIEN TEE
(Chairman)

LEE YONG GUAN
KWONG KIM MONE

INVESTMENT COMMITTEE

KWONG KIM MONE
(Chairman)

LIM CHIN HONG
LEE YONG GUAN
POW TIEN TEE

COMPANY SECRETARY

WONG YOEN HAR

REGISTERED OFFICE

Blk 5004 Ang Mo Kio Ave 5
#05-01, TECHplace II,
Singapore 569872
Tel: +65 6867 8052
Fax: +65 6261 3181
Website: www.mitech-ltd.com.sg
Co. Registration No.: 199200075N

SHARE REGISTRAR

Boardroom Corporate & Advisory
Services Pte. Ltd.
1 Harbourfront Avenue,
#14-07 Keppel Bay Tower
Singapore 098632
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

Uthaya C Ponnusamy
Partner-in-charge since financial
year ended 31 December 2020

PRINCIPAL BANKER

United Overseas Bank Limited

Manufacturing Integration Technology Ltd
BLK 5004, ANG MO KIO AVE 5 #05-01 TECHPLACE II,
SINGAPORE 569872
TEL +65 68678052 FAX +65 62613181
www.mitech-ltd.com.sg