



**MIT**

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

**MANUFACTURING INTEGRATION TECHNOLOGY LTD.**

(Registration No: 199200075N)

**Condensed Interim Financial Statements**

For the six months and full year ended 31 December 2022



**MIT**

***Manufacturing Integration Technology Ltd.***

(Company Registration No. 199200075N)

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

	Note	Group			Group		
		6 months ended 31 December 2022	6 months ended 31 December 2021	Change %	12 months ended 31 December 2022	12 months ended 31 December 2021	Change %
		S\$'000	S\$'000		S\$'000	S\$'000	
<b>Revenue</b>	4	5,379	6,298	(15)	11,254	11,557	(3)
Cost of sales		(5,048)	(6,187)	(18)	(10,344)	(11,431)	(10)
<b>Gross profit</b>		331	111	198	910	126	622
Other income and gains		358	477	(25)	749	1,467	(49)
Marketing and distribution costs		(196)	(199)	(2)	(402)	(410)	(2)
Administrative expenses		(1,761)	(1,729)	2	(3,439)	(3,411)	1
Finance costs		(5)	(26)	(81)	(41)	(92)	(55)
Other losses		(16)	(15)	7	(16)	(15)	7
<b>Loss before tax</b>	6	(1,289)	(1,381)	(7)	(2,239)	(2,335)	(4)
Income tax benefit	7	17	-	NM	17	17	0
<b>Loss for the period/year</b>		(1,272)	(1,381)	(8)	(2,222)	(2,318)	(4)
<b><u>Other comprehensive (loss) income:</u></b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Exchange differences on translating foreign operations, net of tax		(186)	(96)	94	(96)	31	NM
<b>Other comprehensive (loss) income for the period, net of tax</b>		(186)	(96)	94	(96)	31	NM
<b>Total comprehensive loss for the period/year</b>		(1,458)	(1,477)	(1)	(2,318)	(2,287)	1
<b>Loss per share (in cents):</b>							
<b>Basic</b>		(0.53)	(0.61)		(0.92)	(0.96)	
<b>Diluted</b>		(0.53)	(0.62)		(0.92)	(0.97)	

NM: Not meaningful



**Manufacturing Integration Technology Ltd.**

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**B. Condensed Interim Statements of Financial Position**

**As at 31 December 2022**

	<u>Notes</u>	<u>Group</u>		<u>Company</u>	
		<u>31</u> <u>December</u> <u>2022</u> <u>S\$'000</u>	<u>31</u> <u>December</u> <u>2021</u> <u>S\$'000</u>	<u>31</u> <u>December</u> <u>2022</u> <u>S\$'000</u>	<u>31</u> <u>December</u> <u>2021</u> <u>S\$'000</u>
<b>Assets</b>					
<b><u>Non-current assets</u></b>					
Plant and equipment	9	227	259	154	139
Right-of-use assets		419	1,114	90	202
Investment properties	10	7,816	8,005	7,816	8,005
Investments in subsidiaries		–	–	–	861
<b>Total non-current assets</b>		<b>8,462</b>	<b>9,378</b>	<b>8,060</b>	<b>9,207</b>
<b><u>Current assets</u></b>					
Inventories		2,662	2,611	–	–
Trade and other receivables		1,515	2,123	388	388
Other non-financial assets		238	339	112	530
Cash and cash equivalents		4,299	6,759	3,067	4,951
<b>Total current assets</b>		<b>8,714</b>	<b>11,832</b>	<b>3,567</b>	<b>5,869</b>
<b>Total assets</b>		<b>17,176</b>	<b>21,210</b>	<b>11,627</b>	<b>15,076</b>
<b>Equity and liabilities</b>					
<b><u>Equity</u></b>					
Share capital	12	20,460	20,415	20,460	20,415
Other reserves		(132)	(72)	80	44
Accumulated losses		(6,788)	(4,578)	(9,639)	(6,454)
<b>Total equity</b>		<b>13,540</b>	<b>15,765</b>	<b>10,901</b>	<b>14,005</b>
<b><u>Non-current liability</u></b>					
Lease liabilities		–	513	–	92
<b>Total non-current liability</b>		<b>–</b>	<b>513</b>	<b>–</b>	<b>92</b>
<b><u>Current liabilities</u></b>					
Other non-financial liabilities		910	1,284	–	530
Lease liabilities		468	751	94	114
Trade and other payables		2,258	2,685	632	335
Other financial liabilities	11	–	212	–	–
<b>Total current liabilities</b>		<b>3,636</b>	<b>4,932</b>	<b>726</b>	<b>979</b>
<b>Total liabilities</b>		<b>3,636</b>	<b>5,445</b>	<b>726</b>	<b>1,071</b>
<b>Total equity and liabilities</b>		<b>17,176</b>	<b>21,210</b>	<b>11,627</b>	<b>15,076</b>

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**C. Condensed Interim Statements of Changes in Equity  
Year ended 31 December 2022**

<b>Group</b>	<b>Total equity S\$'000</b>	<b>Share capital S\$'000</b>	<b>Accumulated losses S\$'000</b>	<b>Translation reserve S\$'000</b>	<b>Share option reserve S\$'000</b>
<b>Current year:</b>					
<b>Opening balance at 1 January 2022</b>	15,765	20,415	(4,578)	(116)	44
<b>Changes in equity:</b>					
Total comprehensive loss for the year	(2,318)	–	(2,222)	(96)	–
Expiry of share options	–	–	12	–	(12)
Shares based payment expenses	93	–	–	–	93
Issuance of shares pursuant to employee share option scheme	–	45	–	–	(45)
<b>Closing balance at 31 December 2022</b>	<b>13,540</b>	<b>20,460</b>	<b>(6,788)</b>	<b>(212)</b>	<b>80</b>
<b>Previous year:</b>					
<b>Opening balance at 1 January 2021</b>	25,916	28,294	(2,263)	(147)	32
<b>Changes in equity:</b>					
Total comprehensive loss for the year	(2,287)	–	(2,318)	31	–
Expiry of share options	–	–	3	–	(3)
Shares based payment expenses	60	–	–	–	60
Issuance of shares pursuant to employee share option scheme	–	45	–	–	(45)
Capital reduction (Note 12)	(7,924)	(7,924)	–	–	–
<b>Closing balance at 31 December 2021</b>	<b>15,765</b>	<b>20,415</b>	<b>(4,578)</b>	<b>(116)</b>	<b>44</b>

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**C. Condensed Interim Statements of Changes in Equity (cont'd)****Year ended 31 December 2022**

<b><u>Company</u></b>	<b><u>Total equity</u></b> <b>S\$'000</b>	<b><u>Share capital</u></b> <b>S\$'000</b>	<b><u>Accumulated losses</u></b> <b>S\$'000</b>	<b><u>Share option reserve</u></b> <b>S\$'000</b>
<b>Current year:</b>				
<b>Opening balance at 1 January 2022</b>	14,005	20,415	(6,454)	44
<b><u>Changes in equity:</u></b>				
Total comprehensive loss for the year	(3,197)	–	(3,197)	–
Expiry of share options	–	–	12	(12)
Shares based payment expenses	93	–	–	93
Issuance of shares pursuant to employee share option scheme	–	45	–	(45)
<b>Closing balance at 31 December 2022</b>	<b>10,901</b>	<b>20,460</b>	<b>(9,639)</b>	<b>80</b>
<b>Previous year:</b>				
<b>Opening balance at 1 January 2021</b>	23,601	28,294	(4,725)	32
<b><u>Changes in equity:</u></b>				
Total comprehensive loss for the year	(1,732)	–	(1,732)	–
Expiry of share options	–	–	3	(3)
Shares based payment expenses	60	–	–	60
Issuance of shares pursuant to employee share option scheme	–	45	–	(45)
Capital reduction (Note 12)	(7,924)	(7,924)	–	–
<b>Closing balance at 31 December 2021</b>	<b>14,005</b>	<b>20,415</b>	<b>(6,454)</b>	<b>44</b>

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**D. Condensed Interim Consolidated Statement of Cash Flows  
Year ended 31 December 2022**

	<u>Group</u>	
	<u>12 months ended 31 December 2022</u>	<u>12 months ended 31 December 2021</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<b><u>Cash flows used in operating activities</u></b>		
Loss before tax	(2,239)	(2,335)
Adjustments for:		
Depreciation of plant and equipment	210	339
Depreciation of investment properties	189	189
Depreciation of right-of-use assets	663	667
Interest income	(56)	(17)
Interest expense	-	15
Finance expenses	41	77
Gains on disposal of plant and equipment	-	(571)
Share based payment expenses	93	60
Allowance for inventories	-	15
Reversal of impairment loss on inventories	(17)	(60)
Net effect of exchange rate changes in consolidating foreign operations	(84)	30
Operating cash flows before changes in working capital	<u>(1,200)</u>	<u>(1,591)</u>
Trade and other receivables	554	965
Other non-financial assets	90	4
Inventories	(69)	(427)
Other non-financial liabilities	(374)	461
Trade and other payables	(330)	(58)
Net cash flow used in operation	<u>(1,329)</u>	<u>(646)</u>
Income tax refund	17	17
Net cash flows used in operating activities	<u>(1,312)</u>	<u>(629)</u>
<b><u>Cash flows from investing activities</u></b>		
Proceeds on disposal of plant and equipment	-	576
Purchase of plant and equipment	(180)	(54)
Interest received	56	17
Net cash flows (used in) from investing activities	<u>(124)</u>	<u>539</u>
<b><u>Cash flows used in financing activities</u></b>		
Decrease in borrowings	(205)	-
Interest paid	-	(15)
Capital reduction	-	(7,924)
Lease payments paid	(819)	(762)
Net cash used in financing activities	<u>(1,024)</u>	<u>(8,701)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,460)</b>	<b>(8,791)</b>
Cash and cash equivalents, statement of cash flows, beginning balance	6,759	15,550
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	<b><u>4,299</u></b>	<b><u>6,759</u></b>



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## **E. Notes to the Condensed Interim Consolidated Financial Statements**

### **1. Corporate information**

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

These condensed interim financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “Group”).

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

### **2. Basis of preparation**

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

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

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

#### **2.1 New and amended standards adopted by the Group**

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

#### **2.2 Use of judgements and estimates**

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.



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**2.2 Use of judgements and estimates (cont'd)**

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

**3. Seasonal operations**

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

**4. Segment and revenue information**

The Group is organised into the following main business segments:

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

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

**4.1 Reportable segments**

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>1 July 2022 to 31 December 2022</b>				
Total revenue by segment	4,984	1,239	–	6,223
Inter-segment sales	(841)	(3)	–	(844)
<b>Total revenue</b>	<u>4,143</u>	<u>1,236</u>	<u>–</u>	<u>5,379</u>
<b>Recurring EBITDA</b>	1,052	(2,072)	248	(772)
Interest income	23	20	–	43
Finance costs	(1)	(4)	–	(5)
Depreciation	(239)	(223)	(93)	(555)
(Loss) Profit before tax	<u>835</u>	<u>(2,279)</u>	<u>155</u>	<u>(1,289)</u>
Income tax benefit				17
<b>Loss net of tax</b>				<u>(1,272)</u>

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**4.1 Reportable segments (cont'd)**

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>1 July 2021 to 31 December 2021</b>				
Total revenue by segment	4,137	2,689	–	6,826
Inter-segment sales	(251)	(277)	–	(528)
<b>Total revenue</b>	<u>3,886</u>	<u>2,412</u>	<u>–</u>	<u>6,298</u>
<b>Recurring EBITDA</b>	470	(1,474)	248	(756)
Interest income	9	2	–	11
Finance costs	(17)	(9)	–	(26)
Depreciation	(262)	(255)	(93)	(610)
(Loss) Profit before tax	200	(1,736)	155	(1,381)
Income tax benefit				–
<b>Loss net of tax</b>				<u>(1,381)</u>
	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>1 January 2022 to 31 December 2022</b>				
Total revenue by segment	8,607	4,797	–	13,404
Inter-segment sales	(1,051)	(1,099)	–	(2,150)
<b>Total revenue</b>	<u>7,556</u>	<u>3,698</u>	<u>–</u>	<u>11,254</u>
<b>Recurring EBITDA</b>	787	(2,481)	502	(1,192)
Interest income	31	25	–	56
Finance costs	(33)	(8)	–	(41)
Depreciation	(546)	(327)	(189)	(1,062)
(Loss) Profit before tax	239	(2,791)	313	(2,239)
Income tax benefit				17
<b>Loss net of tax</b>				<u>(2,222)</u>

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**4.1 Reportable segments (cont'd)**

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>1 January 2021 to 31 December 2021</b>				
Total revenue by segment	9,101	3,534	–	12,635
Inter-segment sales	(740)	(338)	–	(1,078)
<b>Total revenue</b>	<u>8,361</u>	<u>3,196</u>	<u>–</u>	<u>11,557</u>
<b>Recurring EBITDA</b>	1,042	(2,609)	502	(1,065)
Interest income	13	4	–	17
Finance costs	(77)	(15)	–	(92)
Depreciation	(598)	(408)	(189)	(1,195)
(Loss) Profit before tax from continuing operations	380	(3,028)	313	(2,335)
Income tax benefit				17
<b>Loss net of tax</b>				<u>(2,318)</u>

**Assets and reconciliations**

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>31 December 2022:</b>				
Total assets for reportable segments	5,448	3,912	7,816	17,176
Total group assets	<u>5,448</u>	<u>3,912</u>	<u>7,816</u>	<u>17,176</u>
<b>31 December 2021:</b>				
Total assets for reportable segments	7,553	5,652	8,005	21,210
Total group assets	<u>7,553</u>	<u>5,652</u>	<u>8,005</u>	<u>21,210</u>

**Liabilities and reconciliations**

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<b>31 December 2022:</b>				
Total liabilities for reportable segments	1,694	1,942	–	3,636
Total group liabilities	<u>1,694</u>	<u>1,942</u>	<u>–</u>	<u>3,636</u>
<b>31 December 2021:</b>				
Total liabilities for reportable segments	3,374	2,071	–	5,445
Total group liabilities	<u>3,374</u>	<u>2,071</u>	<u>–</u>	<u>5,445</u>

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**4.1 Reportable segments (cont'd)****Other material items and reconciliations**

	<u>Built-to-print</u> S\$'000	<u>Customised automation</u> S\$'000	<u>Unallocated</u> S\$'000	<u>Group</u> S\$'000
<u>Capital expenditure</u>				
31 December 2022	77	103	–	180
31 December 2021	21	33	–	54

**4.2 Disaggregation of revenue**

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

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

	<u>Revenue</u>				<u>Non-current assets</u>	
	<u>6 months ended 31 December 2022</u> S\$'000	<u>6 months ended 31 December 2021</u> S\$'000	<u>12 months ended 31 December 2022</u> S\$'000	<u>12 months ended 31 December 2021</u> S\$'000	<u>12 months ended 31 December 2022</u> S\$'000	<u>12 months ended 31 December 2021</u> S\$'000
China	2,124	2,459	3,899	5,247	216	652
Singapore	1,074	2,233	3,523	3,017	8,246	8,726
Europe and USA	2,046	1,329	3,697	3,016	–	–
Asia excluding China and Singapore	135	277	135	277	–	–
Total continuing operations	5,379	6,298	11,254	11,557	8,462	9,378

	<u>12 months ended 31 December 2022</u> S\$'000	<u>12 months ended 31 December 2021</u> S\$'000
<b>Capital Expenditure:</b>		
China	–	15
Singapore	180	39
	180	54

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

	<u>6 months</u> <u>ended 31</u> <u>December</u> <u>2022</u> S\$'000	<u>6 months</u> <u>ended 31</u> <u>December</u> <u>2021</u> S\$'000	<u>12 months</u> <u>ended 31</u> <u>December</u> <u>2022</u> S\$'000	<u>12 months</u> <u>ended 31</u> <u>December</u> <u>2021</u> S\$'000
Top 1 customer in built-to-print segment	946	1,683	2,721	3,473
Top 2 customers in built-to-print segment	<u>2,246</u>	<u>2,770</u>	<u>5,398</u>	<u>5,757</u>
Top 1 customer in customised automation segment	469	1,372	1,696	1,860
Top 2 customers in customised automation segment	<u>935</u>	<u>1,677</u>	<u>2,392</u>	<u>2,309</u>

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	<u>Group</u>		<u>Company</u>	
	<u>31</u> <u>December</u> <u>2022</u> S\$'000	<u>31</u> <u>December</u> <u>2021</u> S\$'000	<u>31</u> <u>December</u> <u>2022</u> S\$'000	<u>31</u> <u>December</u> <u>2021</u> S\$'000
<u>Financial assets:</u>				
Financial assets at amortised costs	5,814	8,882	3,455	5,339
	<u>5,814</u>	<u>8,882</u>	<u>3,455</u>	<u>5,339</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	2,726	4,161	726	541
	<u>2,726</u>	<u>4,161</u>	<u>726</u>	<u>541</u>

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

	Group		Group	
	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Income</b>				
- Interest income	43	11	56	17
- Rental income	322	326	644	648
- Reversal on allowance for impairment loss on inventories	17	60	17	60
- Grant income	-	17	-	35
- Gain on disposal of plant and equipment	-	-	-	571
- Foreign exchange adjustment gains	-	5	-	29
<b>Expenses</b>				
- Interest on borrowings	-	(5)	-	(15)
- Interest on lease liabilities	(5)	(21)	(41)	(77)
- Depreciation of property, plant and equipment and investment properties	(187)	(234)	(399)	(528)
- Foreign exchange adjustment losses	(49)	-	(16)	-

**6.2 Related party transactions**

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

**7. Taxation**

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

	<u>6 months ended 31 December 2022</u> S\$'000	<u>6 months ended 31 December 2021</u> S\$'000	<u>12 months ended 31 December 2022</u> S\$'000	<u>12 months ended 31 December 2021</u> S\$'000
Current tax benefit:				
Over provision in respect of prior years	17	-	17	17
	<u>17</u>	<u>-</u>	<u>17</u>	<u>17</u>

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**8. Net Asset Value**

	<u>Group</u>		<u>Company</u>	
	<u>31</u>	<u>31</u>	<u>31</u>	<u>31</u>
	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	S\$	S\$	S\$	S\$
Net asset value per ordinary share (in cents)	5.62	6.55	4.52	5.82

**9. Plant and equipment**

During the twelve months ended 31 December 2022, the Group acquired assets amounting to S\$180,000 (31 December 2021: S\$54,000) and disposed of assets amounting to NIL (31 December 2021: S\$6,000) net book value for proceeds of NIL. (31 December 2021: S\$577,000).

**10. Investment properties**

	<u>Group and company</u>	
	<u>2022</u>	<u>2021</u>
	S\$'000	S\$'000
<u>At cost:</u>		
At beginning of financial year and at end of financial year	9,471	9,471
<u>Accumulated depreciation:</u>		
At beginning of financial year	1,466	1,277
Depreciation charge for the financial year	189	189
At end of financial year	1,655	1,466
<u>Carrying value:</u>		
As at 31 December	7,816	8,005
Fair value for disclosure purposes only:		
Fair value at end of the financial year	12,100	12,100
Rental income from investment properties	598	598

Details of leasehold properties:

<u>Description/Location</u>	<u>Tenure of Land/ (Gross floor area)</u>	<u>Last valuation date</u>
Singapore:		
(A) 7 Yishun Industrial Street 1, #07-38, Singapore 768162	Property: 60 years from 2011 (1,062 square metres)	Commercial property. Revalued in December 2021.
(B) 7 Yishun Industrial Street 1, #06-38/39, Singapore 768162	Property: 60 years from 2011 (2,290 square metres)	Commercial property. Revalued in December 2021.

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**10.1 Valuation of investment properties**

The fair value of each investment property as at end of the reporting year is based on a valuation made by CKS Property Consultants Pte Ltd, a firm of independent professional valuers on 31 December 2021 adjusted with fluctuation of Industrial Property price index published by Singapore Government. The valuation method was based on market comparison method, a comparison with recent transactions of similar properties, preferably in vicinity, and adjusted to take into account certain factors and circumstances.

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

Assets:	(A) 7 Yishun Industrial Street 1, #07-38, Singapore 768162 (B) 7 Yishun Industrial Street 1, #06-38/39, Singapore 768162
Fair value and fair value hierarchy – Level:	(A) S\$4,200,000 (2020: S\$4,200,000), Level 3 (2021: Level 3); (B) S\$7,900,000 (2020: S\$7,900,000), Level 3 (2021: Level 3).
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent offer to sell prices for similar properties.
Significant unobservable (2022 and 2021: observable) inputs and range:	Price per square meters. (A) \$3,955 (2021 : \$3,955) (B) \$3,450 (2021: \$3,450)
Relationship of unobservable inputs to fair value:	Favourable (adverse) change in the latest selling price in the market will increase (decrease) fair value
Sensitivity on management’s estimates – 10% variation from estimate	2022 Impact (A) – lower by \$420,000; higher by \$420,000 (B) – lower by \$790,000; higher by \$790,000

**11. Other financial liabilities**

	<u>Group and company</u>	
	<u>31</u>	<u>31</u>
	<u>December</u>	<u>December</u>
	<u>2022</u>	<u>2021</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<u>Amount repayable within one year or on demand</u>		
Secured	–	212
<u>Amount repayable after one year</u>		
Secured	–	–

In prior year, the short-term bank loan of S\$212,000 (approximately RMB1,000,000) to the wholly owned subsidiary, MIT (Shanghai) Co., Ltd. was guaranteed by the Company and has been fully settled during the current year.



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**12. Share capital**

<u>Group and Company</u>	<u>Number of ordinary shares issued</u> '000	<u>Share capital</u> S\$'000
<u>Ordinary shares of no par value:</u>		
Balance at 1 January 2022	240,612	20,415
New issued shares	500	45
Balance at 31 December 2022	<u>241,112</u>	<u>20,460</u>

On 1 July 2022, the Company issued and allotted 500,000 ordinary shares in the share capital of the Company to an Executive Director and Chief Executive Officer of the Company pursuant to the MIT Performance Share Plan (“PSP”).

As at 31 December 2022, the number of ordinary shares issued was 241,112,470 (31 December 2021: 240,612,470 ordinary shares).

**(i) Share Options**

As at 31 December 2022, the number of outstanding share options to subscribe for ordinary shares under the Scheme was 5,934,000 (31 December 2021: 7,409,000). During the year, no options were exercised under the Scheme. 1,475,000 unexercised options had lapsed and were cancelled during the year.

**(ii) Performance Shares**

During the year, the Company has issued and allotted 500,000 ordinary shares in the share capital of the Company to an Executive Director and Chief Executive Officer of the Company pursuant to the PSP. As at 31 December 2022, there was no outstanding performance shares held under the MIT Performance Share Plan (31 December 2021: 500,000).

**(iii) Treasury Shares**

As at 31 December 2022, no ordinary shares were held as Treasury Shares (31 December 2021: NIL). No shares were bought back by the Company during the year.

The Company does not have any subsidiary holdings.

**13. Subsequent events**

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



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## **F. Other Information Required by Listing Rule Appendix 7.2**

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

The condensed interim statements of financial position of Manufacturing Integration Technology Ltd and its subsidiaries as at 31 December 2022 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the twelve-month period then ended, including certain explanatory notes have not been audited or reviewed.

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

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

### **Turnover**

The Group recorded a lower revenue of S\$5.38m in 2H2022 and S\$11.25m for the full year ended 31 December 2022 when compared with S\$6.30m in 2H2021 and S\$11.56m for the full year ended 31 December 2021. The decline was mainly due to a lower build-to-print and customized automation sales.

### **Earnings**

The Group achieved a higher gross profit margin of 6% in 2H2022 as compared with 2% in 2H2021 and also improved gross profit margin from 1% in FY2021 to 8% in FY2022. This is largely attributable to the higher margin from the build-to-print business as well as the customized automation business during the year.

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

- Rental income (2H2022: S\$0.32m; FY2022: S\$0.64m)
- Reversal on allowance for impairment loss on inventories (2H2022: S\$0.02m; FY2022: S\$0.02m)
- Interest income (2H2022: S\$0.04m; FY2022: S\$0.06m)

There was no gain on disposal of plant and equipment in FY2022 (FY2021: S\$0.57m)

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

The other losses were foreign exchange adjustment losses during the year.

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



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### **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\$0.05m from S\$2.61m as at 31 December 2021 to S\$2.66m as at 31 December 2022 in anticipation of major deliveries in the coming months.

Trade and other receivables lowered by 29%, with intensive collection effort during the year.

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

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

### **Cash Flow**

The cash & cash equivalents of S\$4.30m represents a decrease of S\$2.46m from 31 Dec 2021 and was mainly attributable to:

- Lease payment (S\$0.82m)
- Trade and other payables (S\$0.33m)
- Plant and equipment (S\$0.18m)
- Short-term loan repayment (S\$0.21m)

Cash and cash equivalents per share stood at 1.78 cents, which accounts for about 32% of the net asset per share.

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

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

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

Our overall worldwide Built-to-Print business did not show the growth we had expected, despite the buoyant semiconductor market, and is primarily caused by the Chinese government-enforced shutdown of our MITSHA plant in Shanghai due to the COVID-19 pandemic. We have had almost no revenue in our Shanghai facility for a few months, as the lockdown order in Shanghai had paralysed the whole supply chain to our Shanghai factory. The supply chain situation was eventually restored, and some shipment activities started at the end of the year. However, we will have to address MIT Shanghai with our key strategic customer, as a supply chain node in the long run.



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Despite the hiccups in Shanghai plant, the Built-to-Print business in Singapore (CASEM) continued to have double digit growth, even though the incremental amount was unable to offset the revenue deficit of MIT Shanghai. In the last quarter of FY2021, we had embarked on a new project with one of our current customers and began shipping products in the second half of FY2022. The well-executed successful product transfer had doubled our small revenue with this customer and consequently, triggered discussion on more prospective pipeline projects for FY2023.

The Customised Automation business (AMS) did grow year on year; however, it was well shy of the targeted revenue that we were expecting. The main primary reason for the lack lustre growth is the uncertainty of the economy due to the pandemic and the war, which greatly affect the business confidence of our customers in committing to large capital investment. Most of the “committed” projects are delayed and some were cancelled. Therefore, we redeploy more resources to accelerate several strategic initiatives that were launched FY2021. In the beginning of FY2022, we had signed an agreement with an overseas company to be their key partner, as their manufacturing hub in Singapore. We had sent teams to the overseas customer site to develop and assemble high-tech urban farming equipment for the global market. Our teams had returned from training and began building sub-assemblies for shipment, as well as the preparation for the full assemblies in FY2023. We are in the investment phase for this project and working closely with this customer to grow with them in tandem.

A second strategic program of AMS is partnering with a reputable renown global machine control supplier to increase the capability and capacity of the CNC machines. This project will allow AMS to leverage its automation expertise in launching its own family of product to augment the CNC machines by increasing their productivity of operating 24x7 with much reduced manpower. Our partner will market released this machine option in 1Q2023 by having open house events and trade exhibitions in Malaysia.

It had been three years since MIT divested our semiconductor business and returned all the proceeds of the capital gains to our shareholders. Our obligations and moratorium to the divestment had ceased after this period, and with the US and China trade war, coupled with the growth of the semiconductor new market, had presented us with new possibility. A key initiative that MIT Limited had launched in FY2022, was to set up a semiconductor business unit to refocus on the semiconductor equipment market that had emerged and addressable because of our unique branding pedigree over the last three decades. We have invested in the people resources for business development and engineering capabilities to develop equipment to address an emerging and growing segment in 2HFY2022. We reinforced our capabilities by setting up an operation in Malaysia named MIT Penang, which is a wholly-owned subsidiary. Therefore, we will be launching our own new families of semiconductor equipment in FY2023, primarily to address the opportunities of the emerging green and sustainable economy.



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**5. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

No.

**(c) Date payable**

No applicable.

**(d) Record date**

No applicable.

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

No dividend has been declared or recommended. This is in line with our operating performance amidst a difficult business environment.

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

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

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

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



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

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to their attention which may render the condensed interim financial statements for the six months and full year ended 31 December 2022 to be false or misleading.

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

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

**ON BEHALF OF THE BOARD**

**Lim Chin Hong**  
**Executive Director and Chief Executive Officer**

24 February 2023