

MANUFACTURING INTEGRATION TECHNOLOGY LTD.

(Company Registration Number 199200075N)

(Incorporated in the Republic of Singapore)

- (I) **UPDATE ON THE RELEASE OF THE ESCROW AMOUNT ARISING FROM THE DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF MIT SEMICONDUCTOR PTE. LTD.**
 - (II) **SECOND INTERIM TAX EXEMPT (ONE-TIER) DIVIDEND OF 3.3 SINGAPORE CENTS PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019**
 - (III) **NOTICE OF BOOKS CLOSURE DATE AND PAYMENT DATE FOR THE SECOND INTERIM DIVIDEND**
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1. Introduction

The Board of Directors (the “**Board**”) of Manufacturing Integration Technology Ltd. (the “**Company**”) refers to the following:

- (a) its circular to shareholders dated 2 January 2019 in relation to the disposal by the Company to MIT Semiconductor (Tian Jin) Company Limited (砺铸智能设备(天津)有限公司) (the “**New Purchaser**”) of the entire issued and paid-up share capital of MIT Semiconductor Pte. Ltd. at a cash consideration of up to S\$84,500,000, subject to the agreed adjustments, if any, to be made (the “**Disposal**”); and
- (b) its announcement dated 20 February 2019 in relation to the completion of the Disposal and that the Actual Sale Price for the Disposal was S\$84,500,000 (the “**Completion Announcement**”). It was also disclosed in the Completion Announcement that the Company had received 80% of the Actual Sale Price amounting to S\$67,600,000 and that the balance 20% of the Actual Sale Price amounting to S\$16,900,000 (the “**Escrow Amount**”) was paid to the Industrial and Commercial Bank of China Limited, Singapore Branch (the “**Escrow Agent**”), being the escrow agent jointly appointed by the Company and the New Purchaser to hold and deal with the Escrow Amount in accordance with the terms of an escrow agreement dated 20 February 2019 entered into among the Company, the New Purchaser and the Escrow Agent.

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Circular.

2. Release of part of the Escrow Amount

The Board wishes to announce that, in accordance with the terms of the Share Purchase Agreement and the Escrow Agreement, 50% of the Escrow Amount, or the sum of S\$8,450,000 (the “**First Escrow Payment**”), will be released by the Escrow Agent following its receipt of the instructions provided jointly by the Company and the New Purchaser.

The First Escrow Payment amounting to S\$8,450,000 will be distributed in the following manner:

- (a) the sum of S\$1,336,000, being the Shortfall Revenue Amount, will be returned to the New Purchaser; and
- (b) the sum of S\$7,114,000 will be released to the Company.

In accordance with the terms of the Share Purchase Agreement and the Escrow Agreement, the Escrow Amount was to be released in two tranches, namely as follows:

- (a) the first tranche of the Escrow Amount will be released subject to the results of the audit conducted by the New Purchaser on the Target Group for the purpose of (i) determining the Adjustment Amount and (ii) determining the cumulative revenue of the Target Group from 1 January 2018 to 31 March 2019 (the “**2018 Revenue**”); and
- (b) the second tranche of the Escrow Amount will be released subject to any claim by the New Purchaser against the Company for any breach of the representations and warranties provided by the Company under the Share Purchase Agreement.

The First Escrow Payment relates to the first tranche of the Escrow Amount and part of the Escrow Amount will be returned to the New Purchaser as the Target Group’s 2018 Revenue of S\$45,170,400 was less than the Prescribed Revenue of S\$46,506,400¹. Accordingly, pursuant to, and in accordance with, the terms of the Share Purchase Agreement and the Escrow Agreement, the sum of S\$1,336,000, being the Revenue Shortfall Amount which represented the difference between the 2018 Revenue and the Prescribed Revenue, will be returned to the New Purchaser.

The second tranche of the Escrow Amount amounting to S\$8,450,000 is expected to be released by the Escrow Agent in August 2020.

Further details relating to the escrow arrangement and the release of the Escrow Amount are set out in the Circular.

The Company will continue to keep Shareholders informed of the release of the second tranche of the Escrow Amount and an announcement in relation thereto will be made by the Company in due course.

3. Declaration of a second interim tax exempt (one-tier) dividend of 3.3 Singapore cents per ordinary share for the financial year ending 31 December 2019

The Board is pleased to announce that the Company has declared a second interim tax-exempt (one-tier) dividend of 3.3 Singapore cents per ordinary share (the “**Second Interim Dividend**”) for the financial year ending 31 December 2019.

The Second Interim Dividend will be funded from (i) the Company’s portion of the First Escrow Payment and (ii) the balance of the net proceeds arising from the 80% of the Actual Sale Price received by the Company on Completion. The declaration of the Second Interim Dividend is in line with the Company’s intention to distribute the entire net proceeds arising from the Disposal to its Shareholders.

4. Notice of Books Closure Date and Payment Date for the Second Interim Dividend

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 17 July 2019 for the preparation of dividend warrants in respect of the Second Interim Dividend.

¹ The Prescribed Revenue represents 80% of the adjusted cumulative revenue of the Target Group of S\$46,506,400 for the period from 1 January 2017 to 31 March 2018.

Duly completed and stamped registrable transfers received by the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on 16 July 2019 will be registered to determine Shareholders' entitlements to the Second Interim Dividend.

Shareholders (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 16 July 2019, will be entitled to the Second Interim Dividend.

Payment of the Second Interim Dividend will be made on 23 July 2019.

By Order of the Board
Manufacturing Integration Technology Ltd.

Lim Chin Tong
Executive Director and Chief Executive Officer
28 June 2019