



Manufacturing Integration Technology Ltd

(Registration No. 199200075N)

HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2011

1(a)(i) A Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	S\$' 000		%
	30/06/2011	30/06/2010	Increase/ -Decrease
Revenue	26,282	22,245	18.1%
Cost of Sales	(19,599)	(16,660)	17.6%
Gross Profit	6,683	5,585	19.7%
<u>Other Items of Income</u>			
Interest Income	29	34	-14.7%
Dividend Income from quoted corporation	25	25	-
Other Credits	813	1,222	-33.5%
<u>Other Items of Expense</u>			
Selling and Distribution Costs	(3,292)	(1,718)	91.6%
Administrative Expenses	(2,686)	(2,450)	9.6%
Finance Costs	(60)	(43)	39.5%
Other Charges	(606)	(569)	6.5%
Profit Before Tax from Continuing Operations	906	2,086	-56.6%
Income Tax Expense	(20)	(96)	-79.2%
Profit, Net of Tax	886	1,990	-55.5%
Profit Attributable to Owners of the Parent, Net of Tax	824	1,698	-51.5%
Profit Attributable to Non-Controlling Interest, Net of Tax	62	292	-78.8%
Profit, Net of Tax	886	1,990	-55.5%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		%
	S\$' 000	S\$' 000	
	30/06/2011	30/06/2010	Increase/ -Decrease
Profit, Net of Tax	886	1,990	-55%
Available-for-Sale Financial Assets, Net of Tax	11	20	-45%
Exchange Differences on Translating Foreign Operations, Net of Tax	117	(5)	NM
Total Comprehensive Income for the Period	1,014	2,005	-49%
Total Comprehensive Income Attributable to Owners of the Parent	952	1,713	-44%
Total Comprehensive Income Attributable to Non-Controlling Interests	62	292	-79%
Total Comprehensive Income for the Period	1,014	2,005	-49%

NM: Not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statements for the current financial period reported on and the corresponding period of the immediately preceding financial year.

The Group's profit from operating activities is arrived at after other items of income & (expenses) the following:-

	Group	
	S\$'000	
	30/06/2011	30/06/2010
1) Other Credits include, mainly:		
- Reversal on allowance for impairment loss on trade receivables	-	108
- Reversal on allowance for impairment loss on inventories	773	200
- Government grant income from jobs credit scheme	-	82
- Compensation received for removal of Shanghai plant	-	705
2) Other Charges include, mainly:		
- Provision for product warranty	(86)	(48)
- Impairment loss on development expenditure	(53)	(42)
- Amortisation of development projects	(359)	(343)
- Foreign exchange adjustment losses	(92)	(92)

1(a)(iii) Amount of any adjustment for under or overprovision of tax in respect of prior years.

Not Applicable.

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
<u>Non-Current Assets:</u>				
Plant and Equipment	2,974	3,560	591	609
Intangible Assets	107	118	33	50
Development Projects	2,254	2,295	2,254	2,295
Investments in Subsidiaries	-	-	11,224	11,224
Other Financial Assets, Non-Current	1,069	1,058	1,069	1,058
Other Assets, Non-Current	43	43	43	43
Total Non-Current Assets	6,447	7,074	15,214	15,279
<u>Current Assets:</u>				
Assets Held for Sale under FRS 105	74	74	239	239
Inventories	15,109	15,741	7,315	7,321
Trade and Other Receivables	18,665	17,682	23,216	24,392
Other Assets	299	633	130	104
Cash and Cash Equivalents	11,436	15,129	5,568	4,353
Total Current Assets	45,583	49,259	36,468	36,409
Total Assets	52,030	56,333	51,682	51,688
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent:</u>				
Share Capital	45,768	45,768	45,768	45,768
Other Reserves	222	87	174	156
Accumulated Losses	(14,518)	(14,798)	(9,572)	(10,461)
Equity Attributable to Owners of the Parent, Total	31,472	31,057	36,370	35,463
Non-Controlling Interests	2,658	2,715	-	-
Total Equity	34,130	33,772	36,370	35,463
<u>Non-Current Liabilities:</u>				
Other Finance Liabilities, Non-Current	197	708	197	217
Total Non-Current Liabilities	197	708	197	217
<u>Current Liabilities:</u>				
Provisions	223	195	196	169
Income Tax Payable	69	97	-	-
Trade and Other Payables	16,611	20,120	14,879	15,799
Other Financial Liabilities	800	1,441	40	40
Total Current Liabilities	17,703	21,853	15,115	16,008
Total Liabilities	17,900	22,561	15,312	16,225
Total Equity and Liabilities	52,030	56,333	51,682	51,688

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30/06/11		As at 31/12/10	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
40	760	40	1,190

Amount repayable after one year

As at 30/06/11		As at 31/12/10	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
197	-	919	-

Details of any collateral

1. The Company's motor vehicle is financed under Hire Purchase.
2. Short term bank loan of RMB 4,000,000 to the wholly-owned subsidiary, MIT (Shanghai) Co., Ltd is guaranteed by the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (S\$'000)	
	30/06/2011	30/06/2010
<u>Cash Flows from Operating Activities</u>		
Profit before Tax	906	2,086
Adjustments for:		
Depreciation of Plant and Equipment	477	616
Interest Income	(29)	(33)
Interest Expense	60	43
Gain on Disposal of Plant and Equipment	-	(61)
Development Project Expenses Charged to Cost of Sales	16	721
Amortisation of Development Projects	359	343
Amortisation of Intangible Assets	17	43
Impairment in Value of Development Expenditures	53	42
Share Based Payment	7	16
Operating Cash Flow From Changes in Working Capital	1,866	3,816
Trade and Other Receivables	(603)	(7,436)
Other Assets	398	(92)
Inventories	632	(4,007)
Trade and Other Payables	(3,510)	5,559
Provisions	28	73
Net Effect of Exchange Rate Changes in Consolidation Foreign Operation	37	(9)
Net Cash Flow Used in Operations before Interest and Tax	(1,152)	(2,096)
Income Tax (Paid)/Refund	(48)	40
Net Cash Flow Used in Operating Activities	(1,200)	(2,056)
<u>Cash Flow from Investing Activities</u>		
Purchase of Plant and Equipment	(280)	(517)
Disposal of Plant and Equipment	-	100
Development Projects Incurred	(387)	(1,026)
Additions of Patents	(6)	(1)
Interest Received	29	33
Dividends Income from Quoted Corporation	25	25
Net Cash Flow Used in Investing Activities	(619)	(1,386)
<u>Cash Flow from Financing Activities</u>		
Interest Paid	(60)	(43)
Decrease in Short -Term Borrowings	(1,131)	-
Dividends Paid	(544)	-
Dividends Paid to Non-Controlling Interests	(119)	-
(Decrease)/Increase in Finance Leases	(20)	200
Net Cash (Used in)/From Financing Activities	(1,874)	157
Net Decrease in Cash and Cash Equivalents	(3,693)	(3,285)
Cash and Cash Equivalents, Statement of Cash Flow, Beginning Balance	15,129	19,662
Cash and Cash Equivalents, Statement of Cash Flow, Ending Balance	11,436	16,377

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

Current Year:

Opening Balance at 1 January 2011

Movement in Equity:

Total Comprehensive Income for the Period

Grant of Share Options

Dividends Paid

Closing Balance at 30 June 2011

Previous Year:

Opening Balance at 1 January 2010

Movement in Equity:

Total Comprehensive Income/(Loss) for the Period

Expiry of Share Options

Grant of Share Options

Closing Balance at 30 June 2010

Total Equity	Attributable to Parent Sub-total	Share Capital	Accumulated Losses	Other Reserves	Translation Reserves	Share Option Reserves	Non-Controlling Interests
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
33,772	31,057	45,768	(14,798)	58	(69)	98	2,715
1,014	952	-	824	11	117	-	62
7	7	-	-	-	-	7	-
(663)	(544)	-	(544)	-	-	-	(119)
34,130	31,472	45,768	(14,518)	69	48	105	2,658
30,170	28,002	45,768	(17,793)	26	(65)	66	2,168
2,005	1,713	-	1,698	20	(5)	-	292
(1)	(1)	-	-	-	-	(1)	-
17	17	-	-	-	-	17	-
32,191	29,731	45,768	(16,095)	46	(70)	82	2,460

Company

Current Year:

Opening Balance at 1 January 2011

Movement in Equity:

Total Comprehensive Income for the Period

Grant of Share Options

Dividends Paid

Closing Balance at 30 June 2011

Previous Year:

Opening Balance at 1 January 2010

Movement in Equity:

Total Comprehensive Income for the Period

Expiry of Share Options

Grant of Share Options

Closing Balance at 30 June 2010

Total Equity	Share Capital	Accumulated Losses	Other Reserves	Share Option Reserves
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
35,463	45,768	(10,461)	58	98
1,444	-	1,433	11	-
7	-	-	-	7
(544)	-	(544)	-	-
36,370	45,768	(9,572)	69	105
34,293	45,768	(11,567)	26	66
1,397	-	1,377	20	-
(1)	-	-	-	(1)
17	-	-	-	17
35,706	45,768	(10,190)	46	82

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

No ordinary shares were issued during the period.

Share Options

Under the MIT Employees Share Option Scheme ("ESOS"), Options to subscribe for 4,302,000 ordinary shares remained unexercised as at 30 June 2011 (30 June 2010: 5,920,000)

Treasury Shares

As at 30 June 2011, 3,437,000 ordinary shares are held as treasury shares (30 June 2010: 3,437,000). No shares were bought back by the Company during the current half year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group & Company	
	as at 30/06/11	as at 31/12/10
Total number of issued shares	221,016,870	221,016,870
Less : Treasury Shares	3,437,000	3,437,000
Total number of issued shares (excluding treasury shares)	217,579,870	217,579,870

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 June 2011.

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

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2010, except for the adoption of the new and revised Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2011.

The adoption of the new and revised FRS does not have any material impact to the financial statements for the Group and Company for the period ended 30 Jun 2011.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	30/06/11	30/06/10
Earnings per ordinary share of the group, after deducting any provision for preference dividends (in cents):		
(a) Based on weighted average number of ordinary shares on issue; and	0.38	0.78
(b) On a fully diluted basis	0.38	0.78

- a) Earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the year.
- b) Earnings per ordinary share on a fully diluted basis is computed based on the weighted average number of shares during the period adjusted to assume conversion of all dilutive ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Company		Group	
	30/06/11	31/12/10	30/06/11	31/12/10
Net asset value per ordinary share based on issued share capital at the end of (in cents):	16.72	16.30	14.46	14.27

8. **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's revenues increased 18.1% to S\$26.3m in the first 6 months of this financial year; up from S\$22.2m in the previous corresponding period. The higher turnover was mainly due to the spillover of semiconductor equipment orders from last year as well as contributions from our CEM business.

Earnings

Gross profit margin for the Group has slightly improved to 25.4% in 1H 2011 from 25.1% when compared to 1H 2010. Despite the stronger SGD against USD, which has adverse impact on our margin, the fruits of our cost reduction efforts have helped us to stay competitive on the cost front.

The lower interest income was in line with the lower cash on hand.

The Other Credits mainly came from reversal on allowance for impairment loss on inventories which was made in previous years.

The increase in Selling and Distribution Costs were mainly due to increase in sales commission payable to penetrate a new market as well as higher traveling expenses for higher business activities.

In line with the increase in business activities, Administrative Expenses were slightly increased by 9.6%.

The increase in Finance Costs was due to higher of short term loan for our Shanghai subsidiary which subsequently paid towards end of 1H 2011.

The higher impairment loss on development expenditure and provisions for product warranty contributed to a higher Other Charges for the 1H of this financial year.

As a result, the Group recorded a Profit net of tax of S\$0.9m for the first half of FY2011, compared to a Profit net of tax of S\$2.0m in the previous corresponding period.

Assets and Liabilities

The decrease in Plant and Equipment was mainly due to the depreciation charged during the first 6 months of this financial year.

The increase in Trade and Other Receivables was in line with higher revenue recorded during 1H 2011. A further sum of S\$7.3m was received subsequently.

The lower Other Assets was due to lower deposits received and prepayment compared to the same period of last financial year.

The decrease in Other Financial Liabilities, current & non-current were mainly a result of decrease in short & long term loan for the working capital in the Group's Shanghai operations towards end of 1H 2011.

In line with the higher revenue base, Provisions increased by S\$0.03m mainly for warranty and installation costs.

Cash Flow

The Cash and cash equivalents reduced by S\$3.7m mainly for repayment of short & long term loan, annual dividends as well as for working capital purposes during 1H 2011.

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

The result is in line with the prospect statement disclosed in the previous result announcement.

10. 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.

Commentary

After a hectic 2010, the semiconductor sector was expected to take a breather in 2011 as the industry naturally consolidates. Our 1H 2011 results reflected this trend and we expect 2H 2011 to follow suit even as news of the financial uncertainty in the US continue to unfold. Furthermore, competition in the semiconductor equipment industry remains keen and pricing pressures remain.

There was also a push back in investments by our major solar customers in the first half of FY 2011. We are hoping to see a resumption of customer spending in the second half, whilst generating more customer interest in our newly launched Universal Laser Scribes capable of handling Gen 5 glass panels of up to 1.2m x 1.2m in size.

Our contract equipment manufacturing segment is also expected to be more active as we will commence the supply of key modules to a leading LED equipment maker from the fourth quarter of this financial year. This breakthrough will see potential sales of up to S\$10 million over the next 12 months. More importantly, it will broaden the Group's industrial coverage from semiconductors and solar to the high growth LED sector.

To-date, our Group order book stands at S\$19m.

Barring unforeseen circumstances, we expect to remain profitable in FY 2011.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the half year ended 30 June 2011.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not Applicable.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not Applicable.

- 15. A breakdown of sales.**

Not Applicable.

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not Applicable.

ON BEHALF OF THE BOARD

Kwong Kim Mone
Chairman and Managing Director

10 August 2011
Singapore

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half year ended 30 June 2011 to be false or misleading.

On behalf of the Board of Directors

Kwong Kim Mone
Chairman and Managing Director

Lee Yong Guan
Director

10 August 2011