



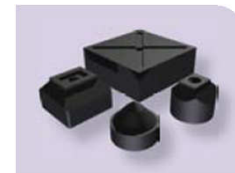
MICRO-MECHANICS
(HOLDINGS) LTD.

2Q12 Results Briefing
30 January 2012



BUSINESS HIGHLIGHTS

Mr. Chris Borch, CEO



BUSINESS MODEL

Semiconductor Tooling

Precision tools and consumable products used in the assembly and testing (A&T) of semiconductors

Large addressable market for tools in A&T space.
Five factories in Asia.



Custom Machining & Assembly

Precision parts and assemblies for Tier-1 capital equipment manufacturers

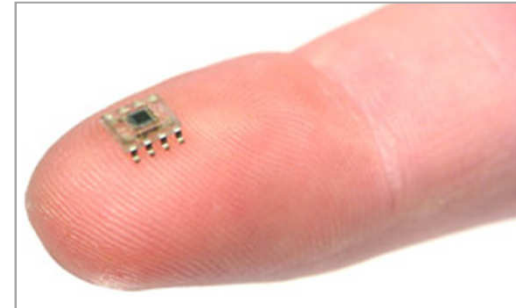
Diversifies and adds market breadth to tooling business.
Manufacturing facility in the USA.



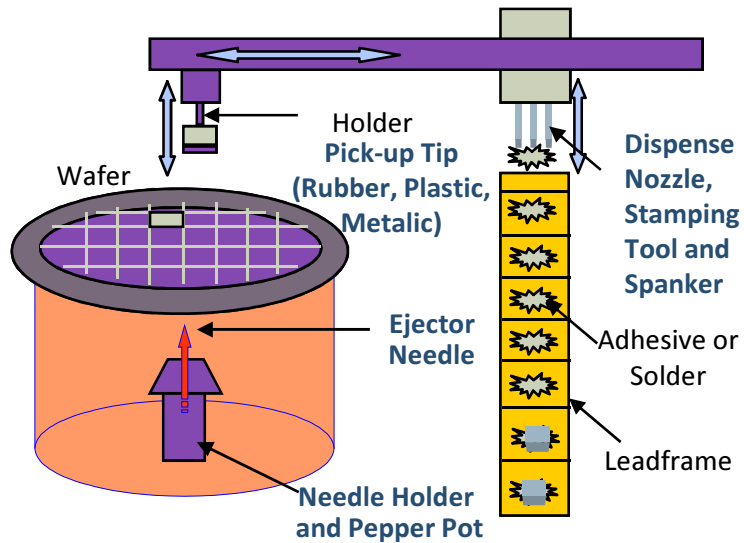
SEMICONDUCTOR TOOLING

PRODUCTS

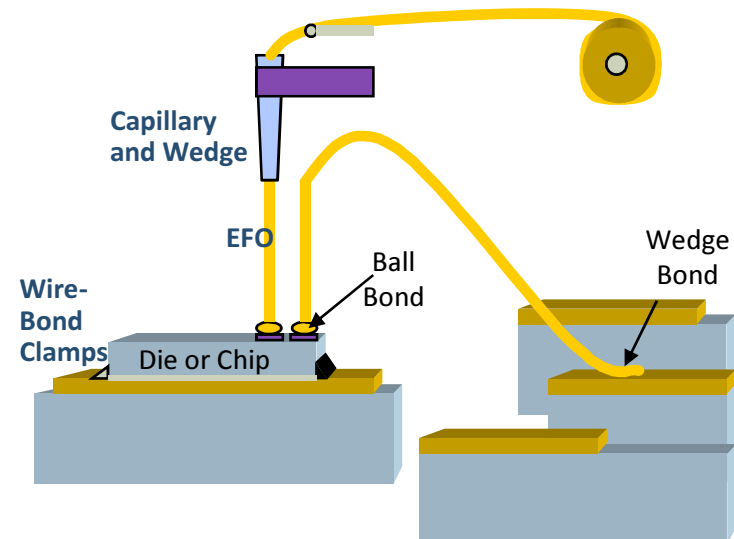
- Market-leading precision tools and parts used in die-attach, wire bonding and other semiconductor A&T processes.
- Consumable parts that need to be replaced regularly



Die-attach process and tools



Wire-bonding process and tools

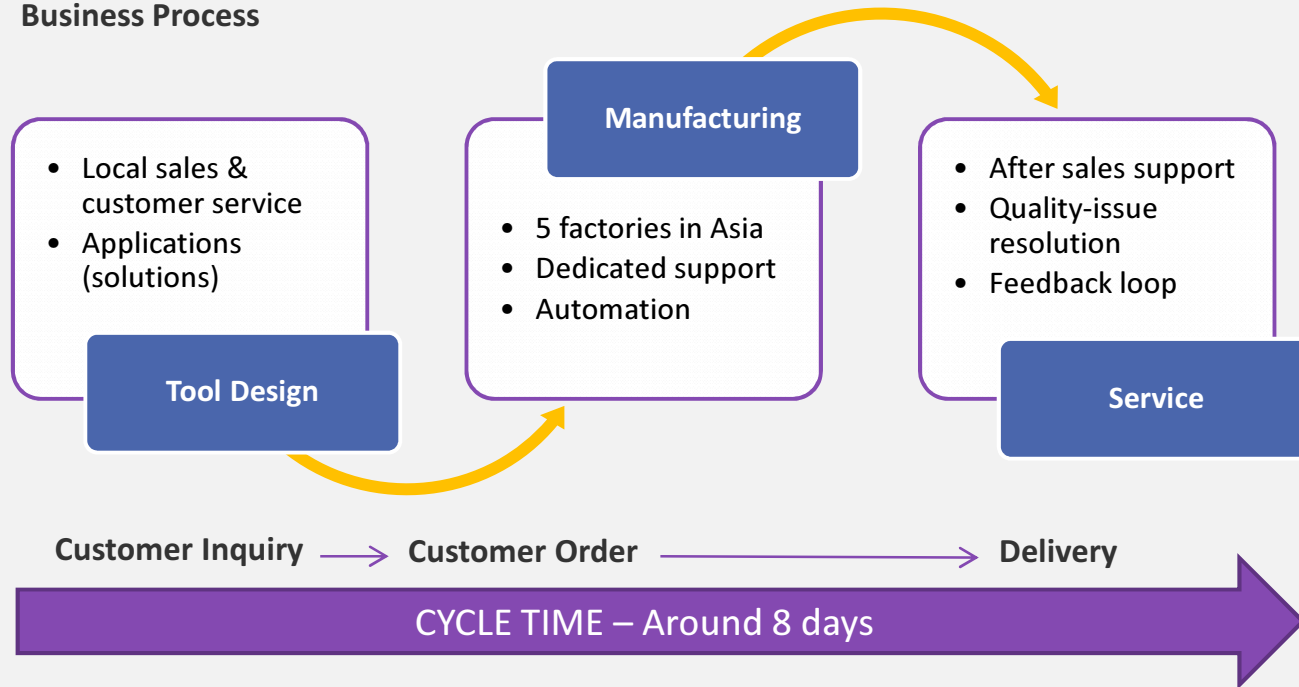


SEMICONDUCTOR TOOLING

COMPETITIVE POSITION

- Suppliers of precision tools include machine makers and small workshops with limited product range
- No known peers with similar level of proprietary technical know-how, product range & scale of operations
- We serve hundreds of customers in the chip A&T sector

Business Process



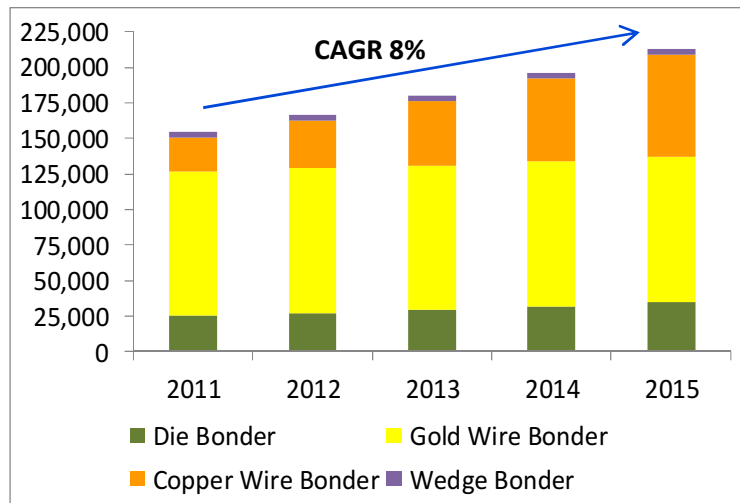
SEMICONDUCTOR TOOLING

MARKET LANDSCAPE

- **80% of semiconductor A&T is carried out in Asia**, where we have five factories
- Our share of the annual demand for precision tools used in the die-attach and wire-bond processes is around 20%*
- Annual demand for these tools is estimated at S\$200 million
- Demand for tools correlates with chip production volumes



Growing Installed Base of Die and Wire-bonding Machines*

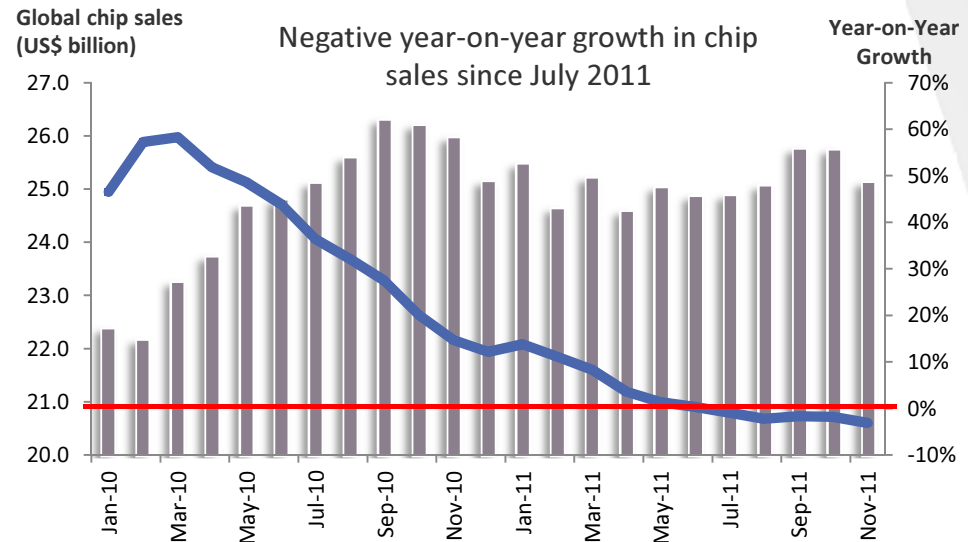


*Based on internal estimates

SEMICONDUCTOR TOOLING

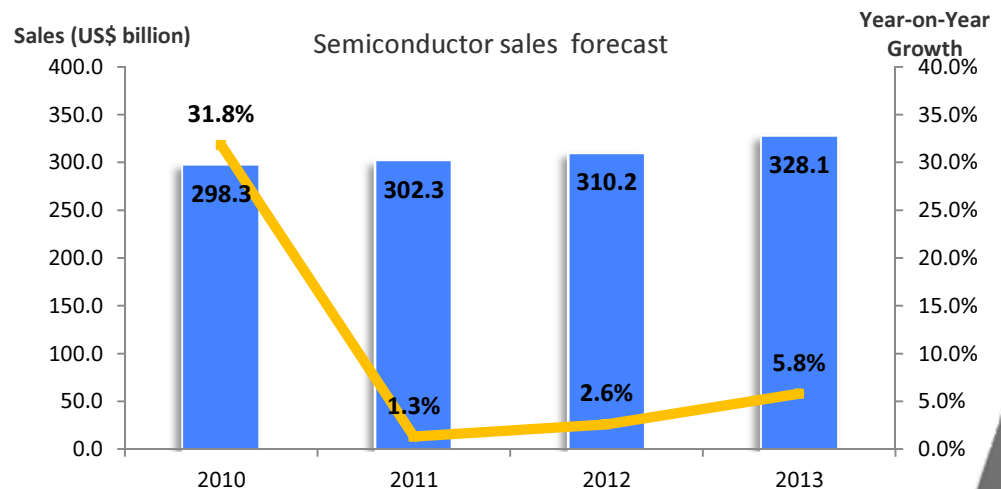
GLOBAL SEMICONDUCTOR INDUSTRY

- Supply disruptions due to floods in Thailand and economic challenges resulted in weaker chip sales performance in fourth quarter of 2011



Source: Semiconductor Industry Association (SIA)

- WSTS Autumn Forecast:
 - Semiconductor sales to grow to US\$302 billion in 2011, surpassing S\$300 billion mark for the first time
 - Expect steady and modest industry growth beyond 2011



Source: World Semiconductor Trade Statistics

SEMICONDUCTOR TOOLING

PRODUCT DEVELOPMENT



PUSHING THE LIMITS OF SIZE

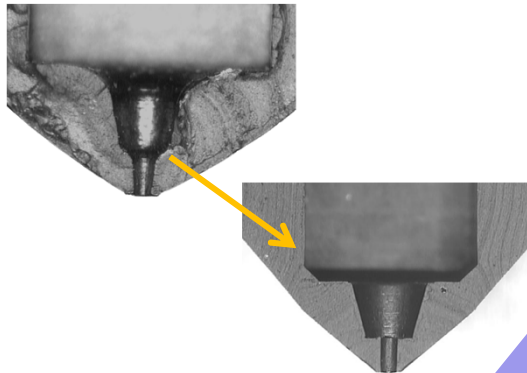
Miniaturization of devices requires the miniaturization of support tooling.

→ Towards **0.15mm** outside diameter and square **rubber tip**

PERFECTING KEY PROCESSES

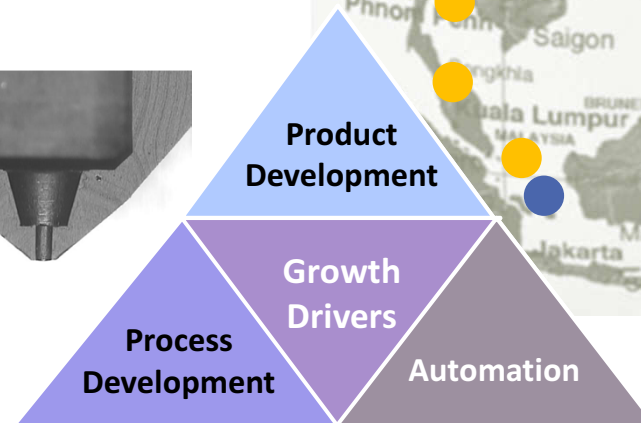
Product improvements through process innovations.

Compression molding, Vacuum molding, Transfer molding.



HAVING THE RIGHT MATERIAL

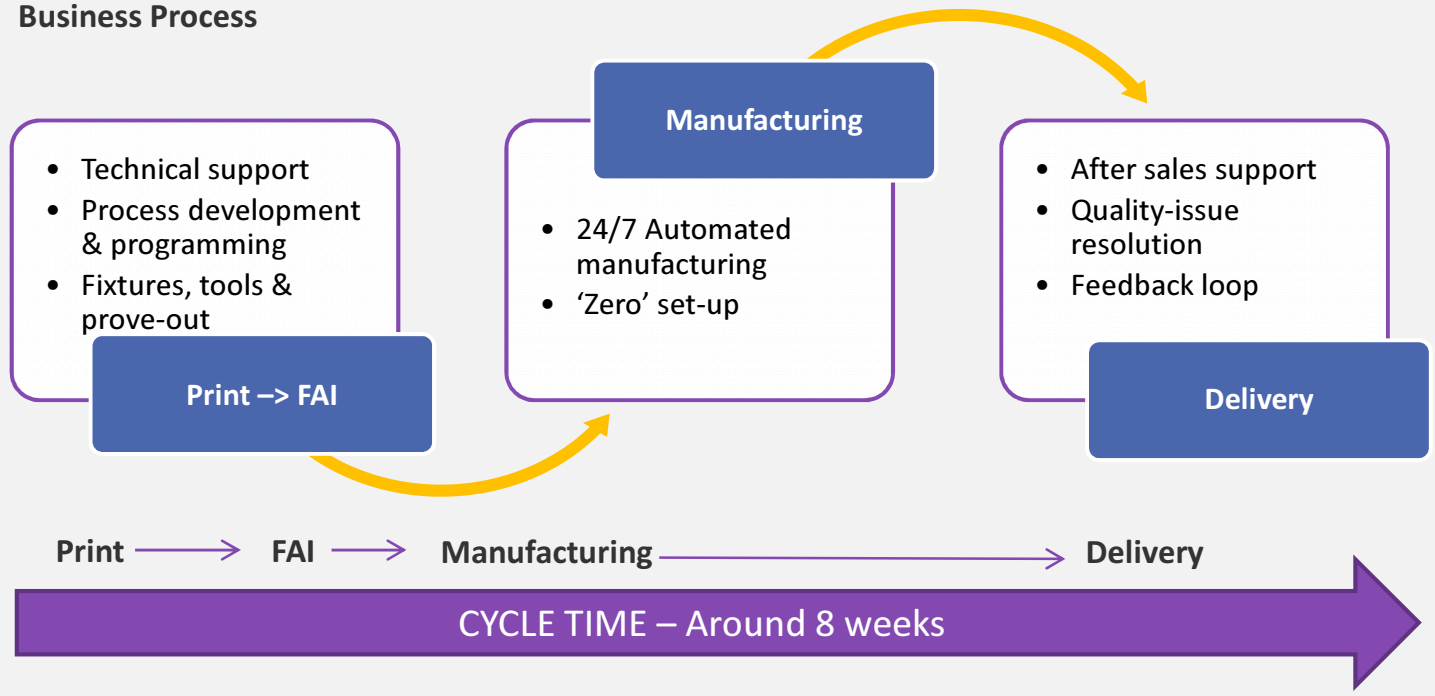
The crucial element to ensure a **high quality, reliable product** that meets industrial needs



CMA BUSINESS

BUSINESS PROCESS AND CUSTOMERS

Business Process



Customer Industries

Laser

Medical

Aerospace

Wafer fabrication

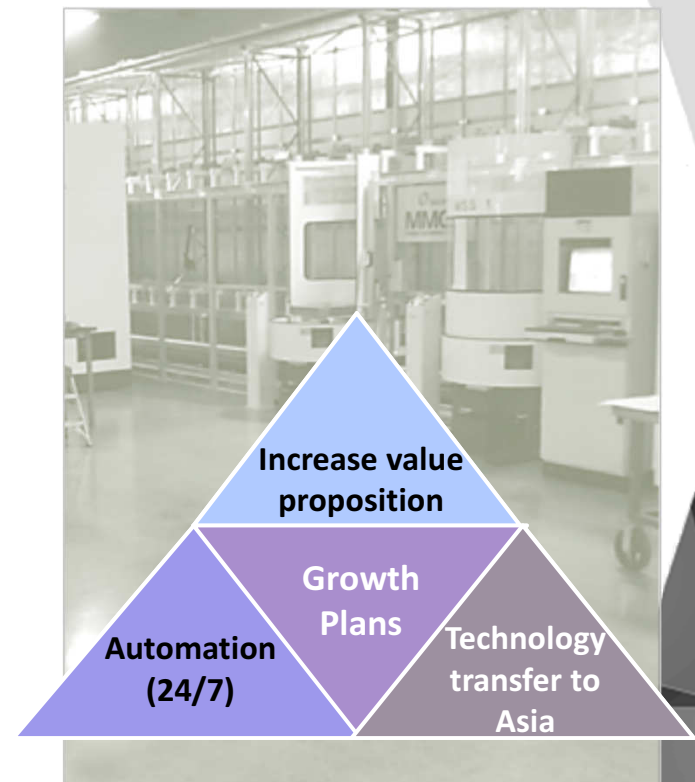


Our top 10 customers' annual demand for machined components estimated at **>\$500M**

CMA BUSINESS

COMPANY UPDATE

- Pilot line for automated, flexible manufacturing system (FMS) installed
- Engineering tests are promising
- Transition to production by 1Q13





FINANCIAL REVIEW

Mr Chow Kam Wing, CFO



RESULTS AT A GLANCE

Profit and Loss (S\$ million)

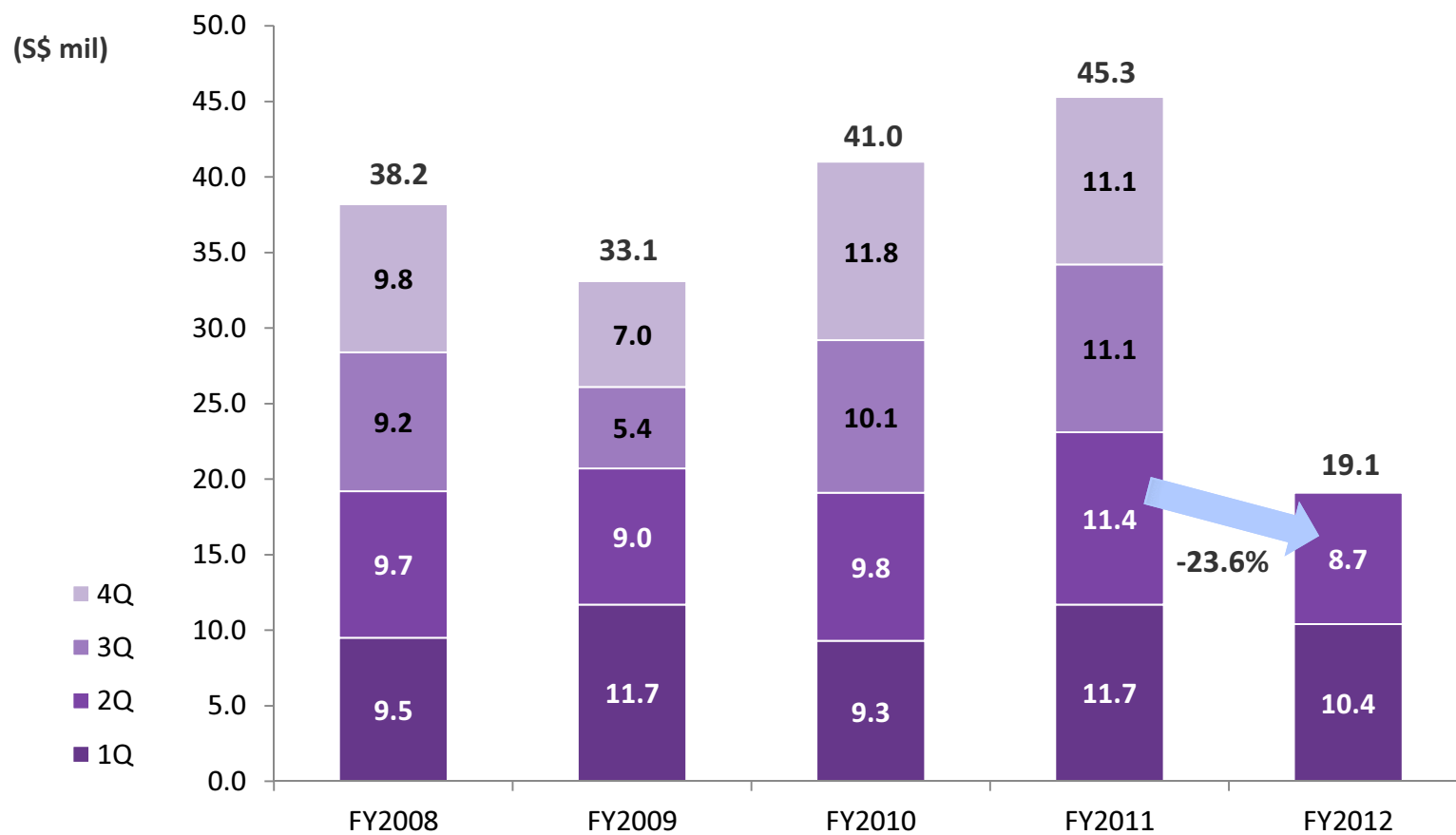
	2Q12	2Q11	Variance from 2Q11	1H12	1H11	Variance from 1H11
REVENUE	8.7	11.4	(23.6%)	19.1	23.1	(17.3%)
GROSS PROFIT	3.9	5.3	(26.9%)	8.6	11.0	(22.3%)
GP MARGIN	44.4%	46.4%	(2.0pp)	44.8%	47.6%	(2.8pp)
OPERATING EXPENSES (net of other income)	2.9	3.0	(3.5%)	5.9	6.2	(5.3%)
NET PROFIT (after tax)	0.7	1.8	(58.5%)	2.0	3.8	(47.5%)

Interim Dividend

Recommending interim dividend of 1 cent per share (S\$1.4 M in total)

GROUP REVENUE

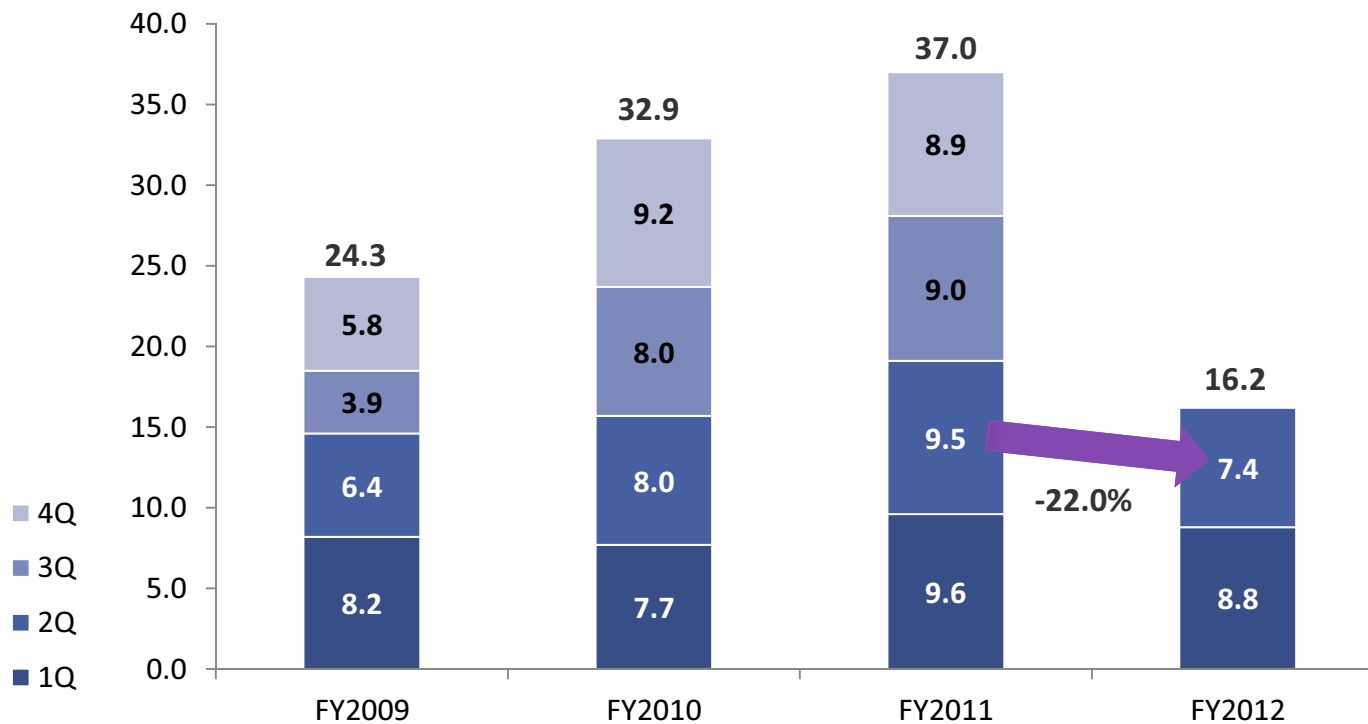
Slower business conditions and continuing global uncertainties resulted in a revenue decline of S\$2.1 million for semiconductor tooling business, and S\$0.6 million for CMA business during 2Q12



TOOLING BUSINESS

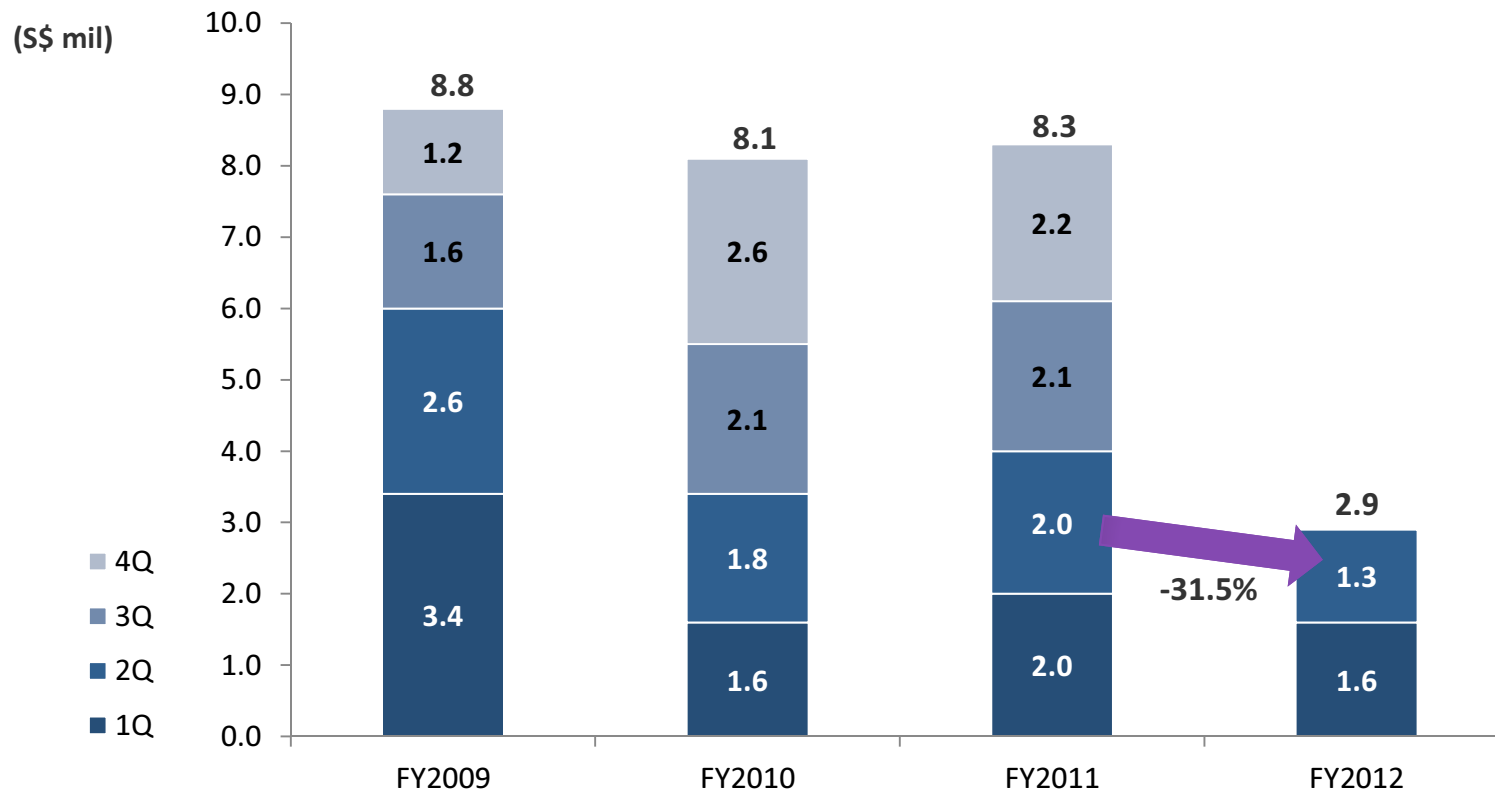
- Sales declined due mainly to slowdown in global chip manufacturing activity
- Partly affected by suspension of operations in Thailand
- Appreciation of SGD against the USD, Ringgit and Baht

(S\$ mil)



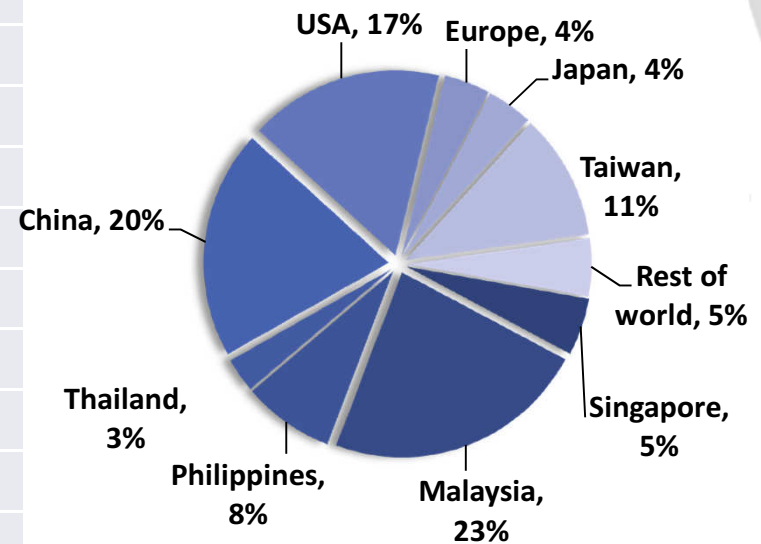
CMA BUSINESS

- Reduced demand for capital equipment
- Impact of USD depreciation against the SGD



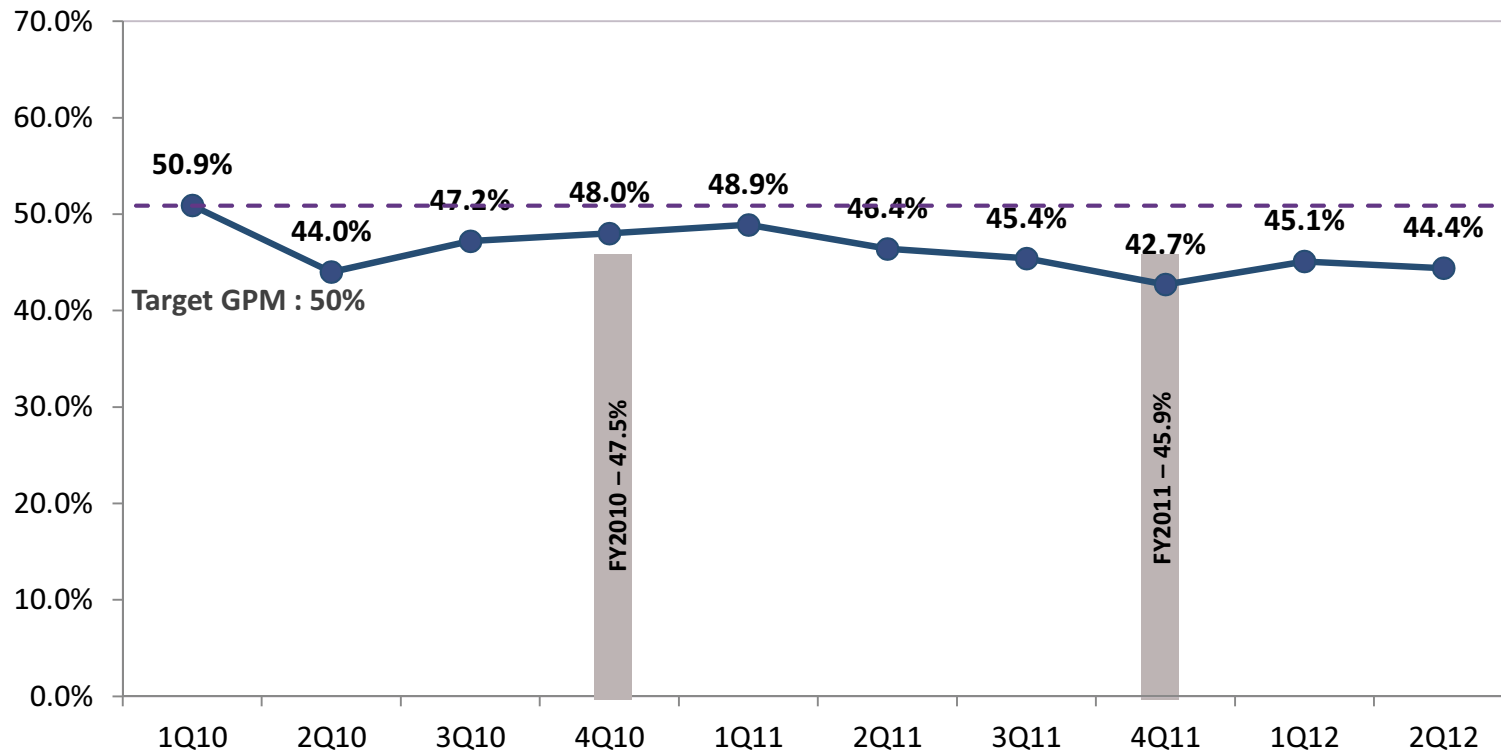
REVENUE BY GEOGRAPHICAL MARKET

(S\$ mil)	2Q12	2Q11	Change
Singapore	0.5	0.5	0.1%
Malaysia	2.0	2.4	(17.4%)
Philippines	0.6	0.8	(17.0%)
Thailand	0.3	0.9	(70.3%)
China	1.7	1.8	(4.9%)
USA	1.5	2.6	(43.3%)
Europe	0.4	0.4	(5.5%)
Japan	0.4	0.5	(24.0%)
Taiwan	0.9	1.0	(1.6%)
Rest of world	0.4	0.5	(20.6%)
Total	8.7	11.4	(23.6%)



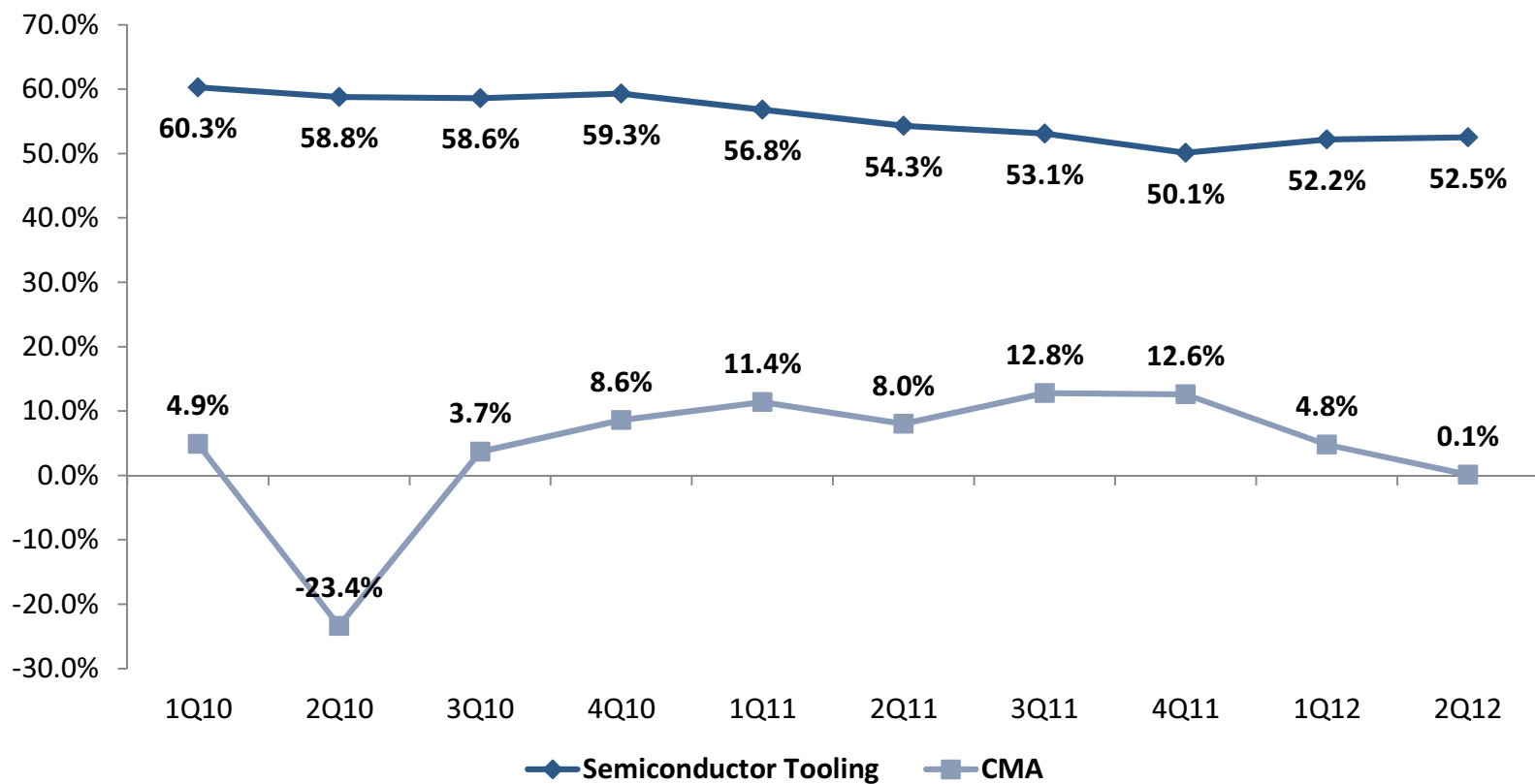
GROSS PROFIT MARGIN

- Gross profit declined by S\$1.4 M to S\$3.9 M in 2Q12
- Capacity utilisation decreased to 46% compared to 54% in 2Q11
- GP margin lower year-on-year due to selling price pressure, weaker greenback, lower sales volume



GROSS PROFIT MARGIN

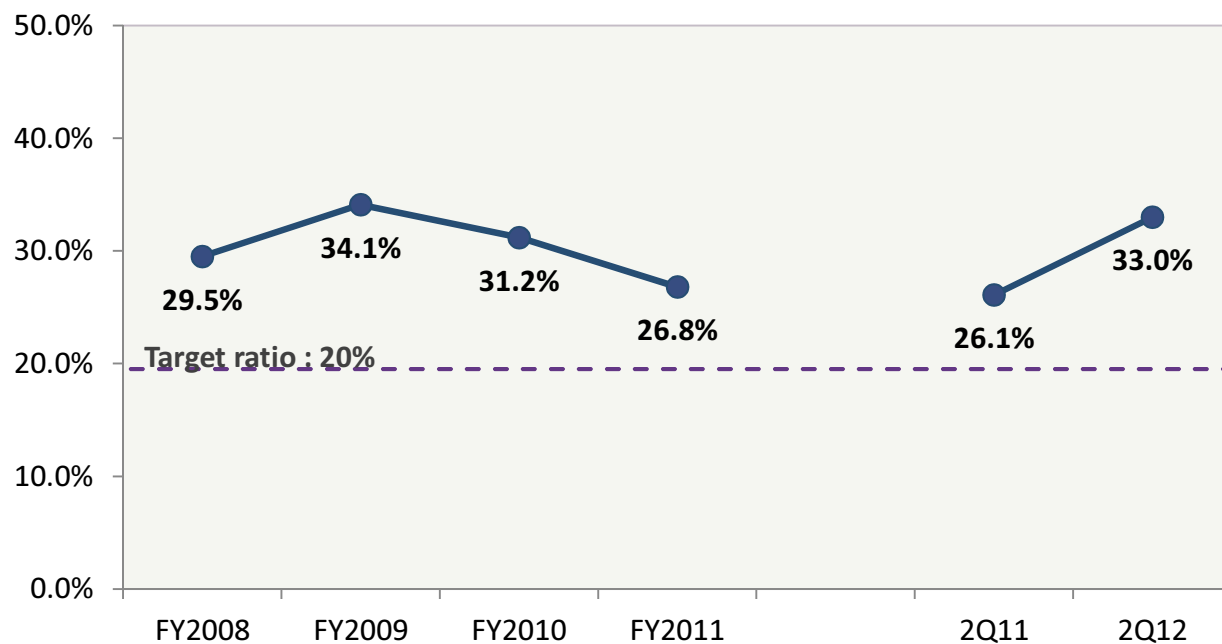
- Semiconductor tooling GPM remained above 50%
- CMA GPM narrowed due to lower utilisation rate



OPERATING EXPENSES

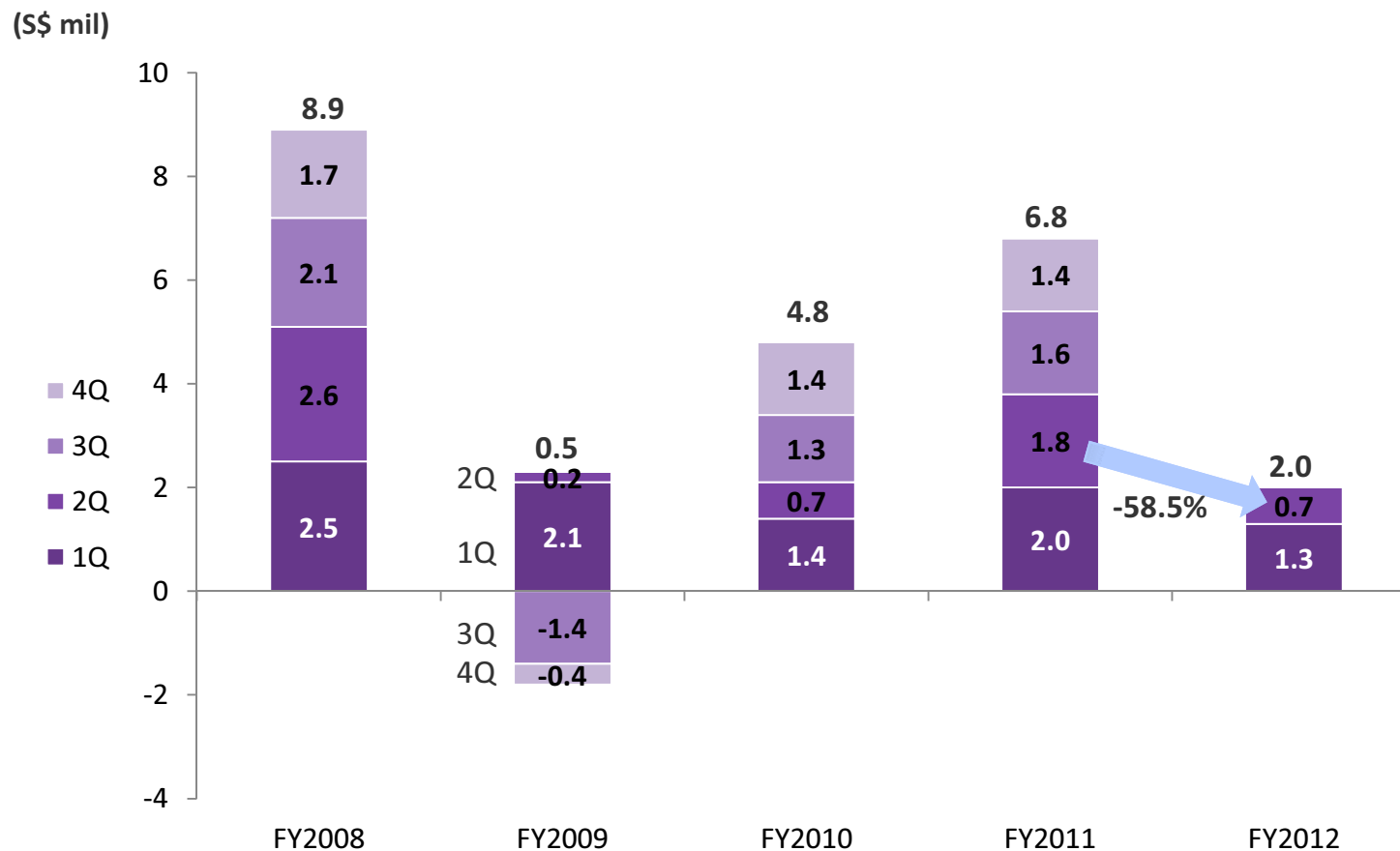
- Administrative, distribution and other operating expenses (inclusive of other income) decreased 3.5% y-o-y to S\$2.9 M in 2Q12
- As a percentage of sales, operating expenses were higher in 2Q12 due to the drop in revenue

OPERATING EXPENSES / SALES



GROUP NET PROFIT

- 1H12 net profit was S\$2.0 million, down 47.5% from S\$3.8 million in 1H11
- Affected by weaker revenue and gross profit margin



BALANCE SHEET (31 DEC 11)

		31 Dec 11	30 Sep 11
CASH	Operating cash flow Cash and cash equivalents <i>% of total assets</i>	S\$1.0 M (2Q12) S\$6.0 M [#] 14.2%	S\$2.5 M (1Q12) S\$8.8 M 18.9%
GEARING	Total borrowings	Nil	Nil
TRADE RECEIVABLES	(Outstanding > 90days) / Total trade receivables Bad debt expense	0.1% Nil (2Q12)	0.8% Nil (1Q12)
INVENTORY	Inventory / Sales Inventory write-off	5.8%* S\$14k (2Q12)	5.5%* S\$14k (1Q12)
EQUITY	Shareholders' equity NAV per share	S\$36.6m 26.31 cents	S\$38.5m 27.70 cents

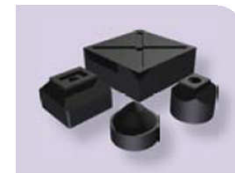
[#] Paid dividends of S\$2.8 M with respect to FY2011 and invested around S\$1 M in new production equipment during 2Q12.

* Annualised figures



OUTLOOK

Mr Chris Borch, CEO





IN CLOSING...

Operating Environment

- Global economy remains fragile
- Semiconductor industry expected to expand at modest pace in 2012

Semiconductor Tooling

- Positioned to ride on industry strength and miniaturization trend
- Rightsize our operations in Thailand, in line with expected decline in level of customer activity there
- 3Q (Jan-Mar) is a seasonally slower quarter; market conditions generally improve in 4Q of the financial year

CMA

- Continued focus on improving operating fundamentals and cost structure
- Investment in a fully-automated manufacturing underpins strategy for building a compelling offering for customers and a strong competitive advantage

Financial

- Healthy cashflows from operations
- No borrowings



SAFE HARBOUR FOR FORWARD-LOOKING STATEMENTS

This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Micro-Mechanics (Holdings) Ltd. believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Micro-Mechanics (Holdings) Ltd. and its business operations.

Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in and new developments in technologies and trends;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in the semiconductor industry and our ability to compete under these conditions;
- changes in pricing for our products; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements.

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**MICRO-MECHANICS
(HOLDINGS) LTD.**

Micro-Mechanics

31 Kaki Bukit Place

Eunos Techpark

Singapore 416209

www.micro-mechanics.com

Investor Relations Contact

Octant Consulting

Tel (65) 6296 3583

herman@octant.com.sg /

lisa@octant.com.sg