

## NEWS RELEASE

### Micro-Mechanics Delivers Steady Net Profit of S\$2.7 Million for 2Q16

- Group revenue eased 5.5% to S\$12.2 million due to slower conditions in the global technology sector
- GP margin expanded to 55.9%, thanks to productivity and operational efficiency improvements
- Net profit in 1H16 rose 15.5% to S\$6.3 million, buoyed by the strong performance in 1Q16
- Group remains in a sound financial position with cash of S\$16.6 million and no debt
- Shareholders to receive an interim dividend of 2 cents per share on 25 February 2016

**Singapore, 28 January 2016** – Micro-Mechanics (Holdings) Ltd. (“Micro-Mechanics” or the “Group”), a manufacturer of high precision tools, parts and assemblies for high technology industries, today reported that it has maintained its net profit at S\$2.7 million for the 3 months ended 31 December 2015 (“2Q16”). The steady bottom line result was achieved despite a slowdown in the global technology sector which caused the Group’s revenue to ease by 5.5% to S\$12.2 million in 2Q16.

For the six months ended 31 December 2015 (“1H16”), the Group recorded a net profit of S\$6.3 million, an increase of 15.5%, buoyed by its strong performance in 1Q16. As a result, earnings per share in 1H16 improved to 4.54 cents from 3.93 cents in the previous corresponding half-year period.

In line with Micro-Mechanics’ long-held practice of rewarding shareholders for their continuous support, the Group has declared an interim dividend of 2 cents per share (one-tier tax exempt) payable on 25 February 2016.

CEO of Micro-Mechanics, Mr Chris Borch said, “We continued to witness the benefits of the time, effort and investments that we have put into developing strategies to improve our productivity and operational efficiency. These strategies resulted in an improvement in the Group’s gross profit margin to 55.9% in 2Q16 and helped to cushion the impact of lower revenue caused by slower industry conditions. Coupled with our tight rein on hiring and overhead expenses, the Group was able to deliver a stable net profit in 2Q16.”

The Group’s semiconductor tooling division, which serves customers involved in the assembly and testing of semiconductors, contributed 88.7% of Group revenue in 2Q16. While this division’s revenue dipped by 3.0%, its two largest markets continued to perform commendably in 2Q16. Sales in China was slightly higher while sales to the Malaysia market increased in volume terms although its revenue showed a decline due to the depreciation of the Malaysian Ringgit against the Singapore Dollar. Together, China and Malaysia accounted for 49% of the Group’s revenue in 2Q16.

The Group’s Custom Machining & Assembly (CMA) division, which serves high technology capital equipment manufacturers in the aerospace, medical, laser and wafer fabrication industries, also posted a slight revenue contraction in 2Q16 due to the weaker environment in the technology sector.

As at 31 December 2015, Micro-Mechanics remained in a sound financial position with a balance sheet that had total assets of S\$55.6 million, shareholders’ equity of S\$48.0 million, cash and cash equivalents of S\$16.6 million and no bank borrowings.

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*This news release should be read in conjunction with the Group's financial statements posted on the SGX website on 28 January 2016.*

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### **About Micro-Mechanics**

Micro-Mechanics designs, manufactures and markets high precision tools, parts and assemblies for the semiconductor, medical, aerospace and other high technology industries.

The Group serves a worldwide base of customers from five manufacturing facilities located in Singapore, Malaysia, China, the Philippines and the USA. Together with its direct sales presence in Taiwan, Indonesia, and Europe, the Group's strategy is to relentlessly pursue product and operational improvement while providing its global customers with fast, effective and local support.

In addition to a market-leading range of precision tools, parts and consumable products used in the assembly and testing of semiconductors, the Group also manufactures precision parts and assemblies on a contract basis for tier-one equipment, aerospace, medical and other industries.

Micro-Mechanics has won wide recognition for its high standard of corporate governance and quality of disclosure, corporate transparency and communications with investors. It is a six time recipient of the Best Investor Relations Award (small cap category) at the Singapore Corporate Awards 2015, 2014, 2013, 2012, 2011 and 2010. The Group was also a winner of the Best Managed Board (small cap category) at the Singapore Corporate Awards 2015 and 2012. In addition, it has received seven awards from the Securities Investors Association Singapore for its corporate transparency and governance practices, and was twice voted 'Best for Shareholders Rights and Equitable Treatment in Singapore' in the Asiamoney Corporate Governance Polls in 2009 and 2010.

For more information, please visit the Group's website at [www.micro-mechanics.com](http://www.micro-mechanics.com)