



MICRO-MECHANICS®
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NEWS RELEASE

Micro-Mechanics Delivers Record Results for FY2018

- Net profit rose 16.1% to S\$17.1 million on revenue growth of 13.8% to S\$65.1 million
- Sound balance sheet with cash of S\$21.1 million and zero debt
- Proposes final dividend of 5 cents per share and special dividend of 1 cent per share
- Raises total dividends to 10 cents per share for FY2018 from 8 cents per share in FY2017

Singapore, 25 August 2018 – Micro-Mechanics (Holdings) Ltd. (“Micro-Mechanics” or the “Group”), a manufacturer of high precision tools and parts used in process-critical applications for the semiconductor industry, has reported a record performance for its financial year ended 30 June 2018 (“FY2018”) as the Group’s net profit improved 16.1% to S\$17.1 million on the back of 13.8% growth in revenue to S\$65.1 million.

In line with its long-held practice of rewarding shareholders, Micro-Mechanics is proposing a final dividend of 5 cents per share and a special dividend of 1 cent per share to be paid on 20 November 2018. This will raise its total dividend payout for FY2018 to 10 cents per share, from 8 cents for FY2017.

CEO of Micro-Mechanics, Mr Chris Borch said, “The Group witnessed higher sales in our major geographical markets during FY2018, particularly in China, the USA and Philippines. As China continues to develop into a major center for global chip manufacturing, the Group remains focused on strengthening the operations in Suzhou to ensure fast, effective and local support to our customers. As a result of these efforts, we have benefited from multi-year sales growth in China.”

In FY2018, sales in China increased 21% to S\$18.0 million to remain as the Group’s largest market with 27% of revenue. Sales in the USA increased 33% to S\$12.2 million. At 19% of Group revenue, the USA has overtaken Malaysia’s contribution of 18% to become the Group’s second-largest market.

Although the chip industry has continued growing strongly into 2018 with worldwide sales up 20.4% in the first six months, the World Semiconductor Trade Statistics expects the industry’s growth to moderate to about 12.4% for all of 2018, implying a much slower rate of 4% to 5% in the second half of the year.

“As such cyclicity is typical for the semiconductor industry, our approach is to focus on its long term trends and not to get preoccupied by short-term variations. We continue to believe the semiconductor industry is poised for a prolonged period of solid growth as chips are becoming increasingly embedded in nearly every aspect of modern life, from today’s smart phones to tomorrow’s driverless cars. Hence, the key to the Group’s success lies in our continuing ability to seize long-term opportunities and correctly identify the initiatives and investments that bring value to our customers,” said Mr Borch.

As at 30 June 2018, Micro-Mechanics had a sound financial position with total assets of S\$73.3 million, shareholders’ equity of S\$60.3 million, cash and cash equivalents of S\$21.1 million and no bank borrowings.

This news release should be read in conjunction with the Group’s financial statements posted on the SGX website on 25 August 2018.

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About Micro-Mechanics

Micro-Mechanics designs, manufactures and markets high precision tools and parts used in process-critical applications for the wafer-fabrication and assembly processes of the semiconductor industry.

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

In addition to designing and manufacturing a market-leading range of consumable tools and parts used in the assembly and testing of semiconductors, the Group also engages in the contract manufacturing of precision parts and tools used in process-critical applications for the semiconductor wafer-fabrication industry.

Since listing on the Singapore Exchange in June 2003, Micro-Mechanics has won over 25 awards in recognition of its high standards of corporate governance, quality of disclosure, transparency and investor relations.

For more information, please visit the Group's website at www.micro-mechanics.com