



---

**MICRO-MECHANICS FY2011 NET PROFIT UP 43% TO S\$6.8M****Achieved record revenue of S\$45.3M; Proposing final dividend of 2 cents per share**

**Singapore, 27 August 2011** – Mainboard-listed **Micro-Mechanics (Holdings) Ltd.** (“Micro-Mechanics” or the “Group”), a manufacturer of high precision tools, parts and assemblies for high technology industries, today announced that its net profit jumped 43% to S\$6.8 million on record revenue of S\$45.3 million for the financial year ended 30 June 2011 (“FY2011”).

The Group recommends paying a final dividend of 2.0 cents per share (one-tier tax exempt) on 22 November 2011. Together with its interim dividend, this will bring total dividends for FY2011 to 3.0 cents per share.

**Said Mr Chris Borch, CEO of Micro-Mechanics**, “Since the Group’s public listing in June 2003, we have been consistently rewarding our shareholders for their support. Including the final dividend of 2.0 cents for FY2011, we would have distributed total dividends of 25.9 cents per share since 2003. Based on dividends alone, this translates into a return of 140% from the issue price of 18.4 cents at our Initial Public Offering.”

The Group achieved revenue growth of 10.6% to S\$45.3 million in FY2011, driven mainly by increased sales of its semiconductor tooling business. Geographically, sales rose 14.2% to S\$9.3 million in Malaysia which remained as the Group’s largest market for semiconductor tooling with a 20% share of revenue. Its markets in Thailand and Taiwan posted double-digit sales growth of 30.4% and 14.9% respectively. In the USA, the main market for its Custom Machining & Assembly business, sales rose 26.9% to S\$10.3 million.

“While our gross profit margin in FY2011 eased to 45.9%, the Group’s bottom line benefited from our close watch on administration, distribution and other operating expenses. These overhead costs, inclusive of other income, fell 4.8% to S\$12.2 million in FY2011 which enabled Group net profit to outpace revenue growth to reach S\$6.8 million, 43% higher than S\$4.8 million in our last financial year.

Although the present political and economic uncertainties in various parts of the world make short-term forecasting and business planning difficult, we have a clear idea of what we need to do for Micro-Mechanics to remain successful over the long term”, said Mr Borch.

For FY2012, the Group intends to grow its businesses through greater control over its headcount and focusing on capital investments that will enhance its manufacturing efficiency and productivity.

“We believe these focused investments, coupled with our efforts to enhance value creation for customers and reduce costs, will enable the Group to maintain a healthy GP margin structure of about 50% while gradually reducing our overhead expenses. With the financial strength and transparency that Micro-Mechanics represents as a publicly-listed corporation, we aim to build a compelling offering to our customers in the semiconductor, and high-technology equipment, medical and aerospace industries”, Mr Borch said.

As at 30 June 2011, the Group remained in a sound financial position with total assets of S\$43.7 million, shareholders’ equity of S\$36.8 million, cash and cash equivalents of S\$7.5 million and no bank borrowings.

---

**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 six manufacturing facilities located in Singapore, Malaysia, China, Thailand, the Philippines and the USA. Together with its direct sales presence in Taiwan, Indonesia, Korea 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.

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