



## NEWS RELEASE

### **Micro-Mechanics Reports Net Profit of S\$3.3M on Revenue of S\$15.3M in 1Q20**

- 1Q20 marked the Group's first quarter-on-quarter growth in revenue and net profit since 1Q19
- 1Q20 financial results lower year-on-year but improved from the last three quarters of FY2019
- Group maintains its sound financial position with cash of S\$24.3 million and zero debt

**Singapore, 30 October 2019** – 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, today reported its financial results for the three months ended 30 September 2019 ("1Q20").

In 1Q20, the Group's revenue declined 9.1% to S\$15.3 million from S\$16.9 million in 1Q19. Lower revenue, coupled with higher depreciation, personnel and equipment maintenance costs, resulted in the Group's net profit slipping to S\$3.3 million in 1Q20. While this was a decrease of 27.4% year-on-year from S\$4.5 million in 1Q19, net profit in 1Q20 was an increase of 20.9% from S\$2.7 million in 4Q19.

CEO of Micro-Mechanics, Mr Chris Borch said, "The current downturn in the global semiconductor industry continued to affect the Group's performance during 1Q20. Although the Group's financial results in 1Q20 were lower year-on-year, it is notable that our revenue and net profit in 1Q20 recorded sequential growth for the first time since 1Q19 and were also higher compared to each of the last three quarters of FY2019.

While growing the Group's top line and the value we create for our customers remain key priorities, we also have a consistent focus on improving our gross profit margin which we believe is a key indication of our competitive strength and the value that we bring to customers."

Through various operational strategies such as set-up time reduction, higher automation and smart-factory initiatives, the Group continued to post a commendable gross profit margin of 53.4% in 1Q20.

"Going forward, we intend to continue working to enhance the efficiency of our operations and focusing on parts and tools that offer opportunities for attractive profit margins. As the Group grows, we also plan to continue automating our operations, streamlining our processes and using technology to leverage the know-how and skills of our people," said Mr Borch.

At its annual general meeting to be held today, Micro-Mechanics will be seeking shareholders' approval to pay a final dividend of 5 cents per share and a special dividend of 1 cent per share. Upon approval, the Group's total dividend payout for FY2019 would be 10 cents per share which is the same as FY2018 despite slower business conditions caused by the semiconductor industry's downturn. Since its listing, the Group has been consistently rewarding its shareholders with regular dividend payments. Shareholders who bought Micro-Mechanics shares at its Initial Public Offer in 2003 would have realised a return of almost 400% based just on total dividends of 73.9 cents per share received during this 17-year period.

As at 30 September 2019, Micro-Mechanics maintained a healthy financial position with total assets of S\$73.0 million, shareholders' equity of S\$61.9 million, cash and cash equivalents of S\$24.3 million and no bank borrowings.

### **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 30 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](http://www.micro-mechanics.com)