



NEWS RELEASE

Micro-Mechanics Posts 13.1% Increase in Net Profit to S\$14.7M in FY2020

- Group's net profit in 4Q20 jumped 45.5% to S\$3.9m
- Proposing final dividend of 5 cents per share and special dividend of 2 cents per share
- Total dividends of 12 cents per share for FY2020, up 20% from 10 cents per share in FY2019
- Sound financial position with cash of S\$20.8 million and zero borrowings

Singapore, 28 August 2020 – 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 a 13.1% rise in its net profit to S\$14.7 million for its financial year ended 30 June 2020 ("FY2020"). This was attained on a 6.4% increase in revenue to S\$64.2 million.

For the three months ended 30 June 2020 ("4Q20"), Group net profit jumped 45.5% to S\$3.9 million, its highest level since 1Q19. This strong performance was achieved on the back of revenue growth of 17.5% to S\$16.4 million as the Group's sales grew across most of its markets, reflecting the resilience of the chip industry amid the COVID-19 pandemic.

In keeping with its consistent practice of rewarding shareholders, Micro-Mechanics is proposing to pay a final dividend of 5 cents per share and a special dividend of 2 cents per share. This will raise the Group's total dividend payout for FY2020 by 20% to 12 cents per share from 10 cents per share in FY2019.

CEO of Micro-Mechanics, Mr Chris Borch said, "In spite of all of the challenges and concerns during this unprecedented period, the Group performed admirably in 4Q20 and delivered a commendable financial performance for FY2020. We are pleased to share the better results with our shareholders during this difficult time by raising our total dividends which also signals our confidence in the Group's long-term prospects."

The Semiconductor Industry Association now expects global chip sales to increase 3.3% in 2020 after the industry registered 6.0% growth for the first six months of the year. Nonetheless, the Group believes it remains difficult to accurately assess the impact of the COVID-19 pandemic on its business during FY2021.

"While demand for the high precision parts and tools that we supply to the semiconductor industry was surprisingly resilient in 4Q20, there is still plenty to worry about due to rapidly changing market conditions, continuing COVID-19 containment measures by governments around the world, travel restrictions and the possibility of future enforced factory shutdowns due to the pandemic.

In the long term however, our view of the semiconductor industry remains unchanged if not enhanced. We believe the industry is poised for a prolonged period of solid growth as chips become increasingly embedded in nearly every aspect of modern life. Hence, the key to Micro-Mechanics' 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 2020, Micro-Mechanics had a balance sheet with total assets of S\$71.1 million, shareholders' equity of S\$58.0 million, cash and cash equivalents of S\$20.8 million and no bank borrowings.

MEDIA AND INVESTOR RELATIONS CONTACT

OCTANT CONSULTING

phone (65) 62963583

Herman Phua | mobile 9664 7582 | email herman@octant.com.sg

Lisa Heng | mobile 9090 9887 | email lisa@octant.com.sg

This news release should be read in conjunction with the Group's financial statements posted on the SGX website on 28 August 2020.

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