



**MICRO-MECHANICS®**  
*perfect parts and tools, on time, every time*

## NEWS RELEASE

### **Micro-Mechanics' Net Profit Jumps 42.3% to S\$4.7M in 1Q21**

- Group's revenue for 1Q21 grows 18.3% to a record S\$18.1 million
- Sound financial position with cash of S\$25.5 million and zero bank borrowings

**Singapore, 29 October 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 that its net profit jumped 42.3% to S\$4.7 million for the three months ended 30 September 2020 ("1Q21"). The improvement in the Group's bottom line came as its quarterly revenue increased 18.3% to a record of S\$18.1 million in 1Q21.

CEO of Micro-Mechanics, Mr Chris Borch said, "The Group delivered a commendable financial performance in 1Q21 despite facing numerous challenges caused by the COVID-19 pandemic. While dealing with the repercussions of a global pandemic is something new for Micro-Mechanics, we believe it is important to build an organization that is strong, flexible and resilient.

To this end, we have been putting goals, structures and processes in place to make it easier for the Group to adjust to changes in circumstances and ensure business continuity.

One of the Group's key initiatives is ensure we maintain a healthy gross profit margin as this is an important measure of our competitive strength, focus on the customer and the value that our work brings to their businesses. Indeed, our gross profit margin in 1Q21 improved to 54.8% from 53.4% in the same quarter a year ago.

Another ongoing initiative is to steadily automate our operations. Because a single defect can cause disastrous consequences in the precision manufacturing process of semiconductors, our customers need the parts and tools used in critical processes to be flawless. To help them achieve this, we are automating our operations around processes that are repeatable, scalable and cost-effective. This includes digitalizing our workflows for efficiency, mobility and the ability for our people to work remotely for both their safety and work-life balance."

Since its listing in 2003, one of the Group's key goals has also been to continue growing without taking on debt while building a track record for consistently rewarding shareholders.

Subject to shareholders' approval at its Annual General Meeting on 30 October 2020, the Group will distribute a final dividend of 5 cents and a special dividend of 2 cents per share for its financial year ended 30 June 2020 ("FY2020"). This will bring its total dividend payment for FY2020 to 12 cents per share, compared with 10 cents per share for FY2019.

As at 30 September 2020, Micro-Mechanics had a balance sheet with total assets of S\$76.8 million, shareholders' equity of S\$62.7 million, cash and cash equivalents of S\$25.5 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 29 October 2020.*

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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 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)