

NEWS RELEASE

Micro-Mechanics Posts Record Sales and Profit for 9M21

- Net profit rose 24.0% to S\$13.3 million on revenue growth of 14.1% to S\$54.6 million in 9M21
- Healthy financial position with cash of S\$16.4 million and no bank borrowings

Singapore, 30 April 2021 – 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 achieved a record financial performance for the nine months ended 31 March 2021 (“9M21”).

The Group today reported that its net profit jumped 24.0% to S\$13.3 million on the back of revenue growth of 14.1% to S\$54.6 million in 9M21. For the three months ended 31 March 2021 (“3Q21”), the Group’s revenue grew at a moderate pace of 9.1% to S\$17.7 million following the busy year-end holiday period for the electronics industry. Correspondingly, Group net profit increased 7.9% to S\$4.2 million in 3Q21.

CEO of Micro-Mechanics, Mr Chris Borch said, “The global semiconductor industry got off to a positive start in 2021. As a result, the Group benefited from continuing demand for our high precision tools and parts, and recorded steady increases in both our top and bottom lines during 3Q21.”

Sales in China grew 27.7% to S\$5.9 million to remain as Micro-Mechanics’ largest geographical market with a contribution of 33% to the Group’s revenue in 3Q21. The Malaysia and Singapore markets also recorded higher year-on-year sales in 3Q21 and accounted for 15% and 9% of Group revenue respectively.

Based on data from the World Semiconductor Trade Statistics (WSTS), global semiconductor sales for the months of January and February 2021 amounted to US\$79.6 billion, an increase of about 14% from the same two-month period in 2020. In its Semiconductor Market Forecast released on 17 March 2021, WSTS said it now expects semiconductor sales to increase by 10.9% to US\$488 billion in 2021, compared to its previous projection of US\$469 billion made in December 2020.

“As the semiconductor industry continues to grow and develop new equipment and processes for manufacturing chips with device geometries below 10 nanometers, we think only a handful of suppliers will have the capabilities to meet the increasingly stringent requirements of the industry. We believe that our strong customer focus, rigorous evaluation process for making investments, and the great work by our people should enable the Group to maintain a healthy gross profit margin.

Indeed, our gross profit margin expanded to 54.5% in 3Q21 from 52.0% in 3Q20. We plan to continue working to strengthen this key measure of our competitive strength and the value that we create for our customers,” said Mr Borch.

As at 31 March 2021, the Group maintained a sound balance sheet with total assets of S\$67.0 million, shareholders’ equity of S\$52.9 million, cash and cash equivalents of S\$16.4 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 30 April 2021.

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

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