

NEWS RELEASE

Micro-Mechanics' Net Profit Gains 6.9% to S\$5.0 million in 1Q22

- Quarterly revenue grew 12.7% to a record of S\$20.5 million in 1Q22
- Gross profit margin in 1Q22 improved to 55.5% compared to 54.8% in 1Q21
- Healthy financial position with cash of S\$24.6 million and no bank borrowings

Singapore, 28 October 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 reported a 6.9% increase in net profit to S\$5.0 million for the three months ended 30 September 2021 (“1Q22”).

The Group's improved bottom line was attained on the back of record quarterly revenue of S\$20.5 million in 1Q22, representing an increase of 12.7% from 1Q21. Buoyed by growth of the global semiconductor industry, the Group witnessed increased sales across the majority of its key geographical markets during 1Q22, led by the China and USA markets.

Sales in China jumped 33.7% to S\$7.3 million in 1Q22 to remain as Micro-Mechanics' largest market with a contribution of 36% to its revenue. Sales of the Group's second largest market in the USA increased 8.8% to S\$4.0 million in 1Q22 and accounted for 20% of its revenue.

CEO of Micro-Mechanics, Mr Chris Borch said, “While the COVID-19 pandemic continues to present numerous operational challenges to the Group, we managed to keep all our worldwide factories running without any major hiccups during 1Q22, thanks largely to the diligent efforts and commitment of our people. Together with tailwinds from the global semiconductor industry's continuing momentum, the Group was able to perform admirably in 1Q22.

Although a host of economic, political and operational concerns beyond the COVID-19 pandemic gives us plenty to worry about for FY2022, the Group has to-date not witnessed any significant impact on our financial results from these factors. We will keep shareholders updated if there are material developments that could affect the Group's performance.

In fact, these challenges have motivated the Group to accelerate changes and innovations, as well as strengthen our focus on key initiatives that will make us a stronger competitor in the industry. Some of these initiatives include working to maintain a healthy gross profit margin, progressively automating our operations, excelling in corporate governance and transparency, and building a great manufacturing business without debt while consistently rewarding shareholders.”

As at 30 September 2021, the Group remained in a healthy financial position with a balance sheet that had total assets of S\$77.3 million, shareholders' equity of S\$63.2 million, cash and cash equivalents of S\$24.6 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 28 October 2021.

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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 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