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NEWS RELEASE

Micro-Mechanics Posts Record Revenue and Profit in 1H22; Declares Interim Dividend of 6 cents per share

- Revenue grew 10.7% to S\$40.8 million which lifted its net profit to S\$9.5 million in 1H22
- Healthy gross profit margin of 54.4% in 1H22
- Sound financial position with cash of S\$18.3 million and no bank borrowings

Singapore, 28 January 2022 – 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 record half-yearly financial performance for the six months ended 31 December 2021 (“1H22”).

The Group’s net profit rose 4.6% to S\$9.5 million on the back of a 10.7% growth in revenue to S\$40.8 million in 1H22. The Group’s revenue growth in 1H22 was attributable mainly to higher sales in its three largest geographical markets - China, the USA and Malaysia – amid continued growth in the global semiconductor industry.

CEO of Micro-Mechanics, Mr Chris Borch said, “While the COVID-19 pandemic has presented a number of significant challenges to the Group, there are also a host of other economic and political concerns that go beyond the pandemic, ranging from USA-China trade friction, spiking energy costs and rapidly rising costs for materials, shipping and labour. In spite of these ongoing challenges, the Group still delivered profitable growth in 1H22.”

In line with its long-held practice of rewarding shareholders, Micro-Mechanics has declared an interim dividend of 6 cents per share (one-tier tax exempt) which is payable on 22 February 2022. This translates to a pay-out of about 88% of its earnings per share of 6.85 cents for 1H22 and is a reflection of the Group’s confidence in its long-term prospects.

During 1H22, the Group received the Corporate Excellence and Resilience Award (for companies with market capitalisation of S\$300 million to less than S\$1 billion) at the Singapore Corporate Awards Special Edition 2020/2021.

“Since listing on the Singapore Exchange in 2003, Micro-Mechanics has won more than 30 awards in recognition of our efforts to practice good corporate governance, transparency and investor relations. These awards underscore our continual commitment to putting good governance at the heart of everything we do,” said Mr Borch.

As at 31 December 2021, the Group remained in a sound financial position with a balance sheet that had total assets of S\$70.4 million, shareholders’ equity of S\$56.6 million, cash and cash equivalents of S\$18.3 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 January 2022.

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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