

NEWS RELEASE

Micro-Mechanics Reports Record Profit of S\$13.9 M for 9M22

- Group revenue reached a record S\$60.5 million in 9M22, up 10.8% on the back of double-digit sales growth in the China, USA and Malaysia markets
- Healthy financial position with cash of S\$15.0 million and no bank borrowings

Singapore, 29 April 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 financial performance for the nine months ended 31 March 2022 (“9M22”).

In 9M22, Micro-Mechanics’ net profit increased 5.0% to S\$13.9 million on the back of revenue growth of 10.8% to S\$60.5 million. For the three months ended 31 March 2022 (“3Q22”), Group net profit gained 5.8% to S\$4.4 million as revenue grew 11.2% to S\$19.7 million.

Revenue in both 3Q22 and 9M22 was driven by double-digit sales registered in the Group’s three largest geographical markets - China, the USA and Malaysia – amid the continuing uptrend in the global semiconductor market.

The Group’s sales in China grew 23.1% to S\$21.1 million in 9M22 to remain as its largest geographical market with a revenue contribution of 34.9%. Sales from its second largest market in the USA increased 10.0% to S\$12.1 million and accounted for 19.9% of Group revenue in 9M22. The Malaysia market registered a sales increase of 13.5% to S\$9.6 million and contributed 15.9% to Group revenue in 9M22.

CEO of Micro-Mechanics, Mr Chris Borch said, “The COVID-19 pandemic continues to present many challenges to the Group’s operations, whether directly as a result of government restrictions affecting our employees’ movements, or indirectly through disruptions to the supply chain and our customers’ production schedules. Moreover, the global business environment remains shrouded by a host of other economic and political concerns ranging from the war between Russia and Ukraine, spiking energy costs, shortages and rapidly rising costs for materials, shipping and labour.

Despite facing strong headwinds, the Group was still able to deliver growth in both our top and bottom lines for 3Q22 and 9M22. Indeed, these challenges are helping us to accelerate structural changes, implement process improvements and develop innovations while strengthening our focus on key initiatives which we believe will make Micro-Mechanics an even more valuable supplier to our customers and a stronger competitor in the industry.”

As at 31 March 2022, the Group remained in a sound financial position with a balance sheet that had total assets of S\$67.1 million, shareholders’ equity of S\$52.7 million, cash and cash equivalents of S\$15.0 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 April 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