



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

## NEWS RELEASE

### **Micro-Mechanics Reports Net Profit of S\$2.7M on Revenue of S\$15.9M in 1Q24**

- Group net profit improved sequentially over two consecutive quarters in 4Q23 and 1Q24
- Embarks on new “Five-Star Factory” initiative to make its worldwide factories operationally excellent
- Healthy financial position with cash of S\$16.9 million and no bank borrowings

**Singapore, 30 October 2023** – 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 its financial results for the three months ended 30 September 2023 (“1Q24”).

Amid the ongoing slowdown in the global semiconductor industry, the Group’s net profit in 1Q24 declined 36.4% year-on-year (yoy) to S\$2.7 million as revenue fell 21.5% yoy to S\$15.9 million. On a sequential basis however, the Group’s bottom line performance has improved over the past two quarters. In 1Q24, net profit gained 35.5% quarter-on-quarter (qoq) from S\$2.0 million in 4Q23.

This is in line with data from World Semiconductor Trade Statistics which shows that global chip sales increased on a month-to-month basis for six consecutive months up to August 2023. As the yoy rate of decrease in August was smaller than at any point since October 2022, the Semiconductor Industry Association said there is optimism for continued momentum in the months ahead.

CEO of Micro-Mechanics, Mr Chris Borch said, “While the Group continued to experience significant challenges during 1Q24 from the semiconductor industry’s downturn, we are encouraged that our two key geographical markets in Asia reported better qoq sales.”

Sales in China of S\$5.3 million in 1Q24 represented an increase of 22.1% qoq from 4Q23, albeit a marginal dip of 3.6% yoy from 1Q23. China remained as the Group’s largest market with a contribution of 33.6% to total revenue in 1Q24. The Malaysia market also produced higher sales sequentially by growing 19.3% qoq to S\$2.6 million in 1Q24, despite slipping 11.0% yoy from 1Q23. It made up 16.4% of Group revenue.

“Moving ahead, we will continue our strategy to grow our core businesses by maintaining a strong and unrelenting focus on the value we bring to our customers while building sustainable, competitive advantages through repeatable, scalable and cost-effective manufacturing processes.

As part of our Group’s overall strategy, we recently embarked on an initiative called “*Five-Star Factory*” to enable each of our five worldwide factories to become more effective and operationally excellent. This is a key element of our decentralization strategy to delegate decision-making away from a central authority as we have seen that our people are the ones who are in the best position to make the appropriate decisions and produce effective results since they are closest to any customer issue or operating challenge,” said Mr Borch.

Micro-Mechanics remains in a sound financial position. As at 30 September 2023, the Group had a balance sheet with total assets of S\$61.6 million, shareholders’ equity of S\$49.3 million, cash and cash equivalents of S\$16.9 million and no bank borrowings.

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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. 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)