

## NEWS RELEASE

**Micro-Mechanics Reports 12.8% Rise in Net Profit to S\$1.8M for 3Q24**

- Group revenue eased 8.7% to S\$13.6 million in 3Q24 due to soft conditions in the semiconductor industry
- Maintains sound financial position with cash of S\$13.1 million and no bank borrowings

**Singapore, 30 April 2024** – 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, today reported that its net profit increased 12.8% to S\$1.8 million for the three months ended 31 March 2024 (“3Q24”) despite an 8.7% decline in Group revenue to S\$13.6 million during the quarter.

CEO of Micro-Mechanics, Mr Chris Borch said, “During 3Q24, the global semiconductor industry continued to work through excess inventory that had been built up during the industry’s recent cyclical slowdown. Although the Group experienced a decrease in quarterly revenue, we delivered higher net profit for 3Q24 due to our diligent efforts to control costs.”

The challenging market conditions in the global semiconductor industry were particularly significant in the Wafer-Fabrication Equipment (“WFE”) sector. This had an impact on the Group’s subsidiary in the USA (“MMUS”) which focuses on manufacturing process-critical products for the WFE sector. Consequently, sales in the USA decreased 42.0% to S\$2.2 million in 3Q24 but remained as the Group’s second largest geographical market. Sales to the Singapore market also declined 11.8% to S\$1.4 million in 3Q24 due to lower sales of WFE products.

The decrease in the Group’s sales to the USA and Singapore markets was partially buffered by higher sales in China, Malaysia and Taiwan which are markets for its process-critical consumable tools and parts used in chip packaging processes. The Group’s largest market of China witnessed sales growth of 12.5% to S\$4.7 million in 3Q24, driven by firm demand from the country’s electric vehicle and mobile phone sectors. The Malaysia market posted a moderate 4.8% sales increase to S\$2.2 million while sales in Taiwan jumped 61.3% to S\$1.0 million in 3Q24.

Said Mr Borch, “As we move into the final quarter of FY2024, we are cautiously optimistic that the worst of the downturn may now be behind us. At MMUS, we have taken various steps over the last nine months to lower the facility’s operating cost structure and put a stronger emphasis on process improvement and automation.

For our operations in Asia, we continue to focus on the value we bring to our customers and strengthen our fundamentals as part of our “Five-Star Factory” initiative. This is to ensure the Group is primed to benefit from a recovery in the semiconductor industry.”

Micro-Mechanics remains in a sound financial position. As at 31 March 2024, the Group had a balance sheet with total assets of S\$54.2 million, shareholders’ equity of S\$43.9 million, cash and cash equivalents of S\$13.1 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 2024.*

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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)