

**MICRO-MECHANICS (HOLDINGS) LTD**

**Condensed Interim Financial Statements  
For First Quarter and Three Months Ended  
30 September 2024**

TABLE OF CONTENTS

A. Condensed interim consolidated statement of profit or loss and other comprehensive income..... 3

B. Condensed interim statements of financial position (Group and Company)..... 4

C. Condensed interim statements of changes in equity (Group and Company)..... 5

D. Condensed interim consolidated statement of cash flows..... 6

E. Selected notes to the condensed interim consolidated financial statements..... 8

F. Other information required by Listing Rule Appendix 7.2..... 17

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2024**

	Note	Group (First Quarter) 3 months ended		
		30 Sep 24 S\$	30 Sep 23 S\$	Change
Revenue	E4	16,241,899	15,850,106	2.5%
Cost of sales		(8,010,057)	(8,118,958)	(1.3%)
<b>Gross profit</b>		<b>8,231,842</b>	<b>7,731,148</b>	6.5%
Other income	E5	110,075	86,130	27.8%
Distribution expenses		(782,718)	(738,085)	6.0%
Administrative expenses		(2,412,288)	(2,143,021)	12.6%
Other operating expenses		(889,431)	(1,089,534)	(18.4%)
<b>Results from operating activities</b>		<b>4,257,480</b>	<b>3,846,638</b>	10.7%
Finance income	E5	67,240	52,999	26.9%
Finance expense	E5	(173,719)	(150,958)	15.1%
Net finance expense		(106,479)	(97,959)	8.7%
<b>Profit before tax</b>	E5	<b>4,151,001</b>	<b>3,748,679</b>	10.7%
Tax expense	E6	(1,074,024)	(1,049,619)	2.3%
<b>Profit after tax</b>		<b>3,076,977</b>	<b>2,699,060</b>	14.0%
<b>Non-controlling interests</b>		-	-	-
<b>Profit for the period</b>		<b>3,076,977</b>	<b>2,699,060</b>	14.0%
<b>Statement of Comprehensive Income</b>				
Profit for the period		3,076,977	2,699,060	14.0%
<b>Other comprehensive income:</b> <i>Item that is or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences from foreign operations		(279,247)	154,693	(280.5%)
<b>Total comprehensive income for the period</b>		<b>2,797,730</b>	<b>2,853,753</b>	<b>(2.0%)</b>
Earnings per share:	E7			
Basic (in cents)		2.21	1.94	13.9%
Diluted (in cents)		2.21	1.94	13.9%

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group 30 Sep 24 S\$	Group 30 Jun 24 S\$	Company 30 Sep 24 S\$	Company 30 Jun 24 S\$
<b>Non-current assets</b>					
Property, plant and equipment	E9	21,556,308	22,299,885	-	-
Right-of-use assets		1,266,117	1,670,348	-	-
Investment property	E10	284,647	266,013	-	-
Subsidiaries		-	-	29,095,544	29,095,544
Trade and other receivables	E11	416,003	519,079	-	-
Deferred tax asset		19,387	19,795	-	-
		23,542,462	24,775,120	29,095,544	29,095,544
<b>Current assets</b>					
Inventories		4,102,384	3,905,905	-	-
Trade and other receivables	E11	12,317,723	11,610,943	1,007,628	1,155,110
Cash and cash equivalents		19,253,257	16,567,727	9,619,194	6,026,177
		35,673,364	32,084,575	10,626,822	7,181,287
<b>Total assets</b>		59,215,826	56,859,695	39,722,366	36,276,831
<b>Shareholders' equity</b>					
Share capital	E12	14,782,931	14,782,931	14,782,931	14,782,931
Accumulated profits		34,086,346	31,288,616	24,009,015	20,728,191
		48,869,277	46,071,547	38,791,946	35,511,122
<b>Non-current liabilities</b>					
Deferred tax liabilities		1,426,307	1,429,220	235,308	239,363
Provisions	E14	801,919	834,652	-	-
Lease liabilities		165,857	332,073	-	-
		2,394,083	2,595,945	235,308	239,363
<b>Current liabilities</b>					
Trade and other payables	E13	5,347,935	5,554,951	691,469	524,644
Lease liabilities		1,188,559	1,439,487	-	-
Current tax payable		1,415,972	1,197,765	3,643	1,702
		7,952,466	8,192,203	695,112	526,346
Total liabilities		10,346,549	10,788,148	930,420	765,709
<b>Total equity and liabilities</b>		59,215,826	56,859,695	39,722,366	36,276,831

**C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

	Share Capital	Foreign Currency Translation Reserve	Accumulated remeasure- ment on retirement benefits	Statutory reserve	Accumulated Profits	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<b>The Group</b>						
As at 1 July 2023	14,782,931	(2,004,754)	8,406	1,263,008	32,392,459	46,442,050
<b>Total comprehensive income for the period:</b>						
Profit for the period	-	-	-	-	2,699,060	2,699,060
<b>Other comprehensive income:</b>						
Foreign currency translation differences	-	154,693	-	-	-	154,693
Total comprehensive income for the period	-	154,693	-	-	2,699,060	2,853,753
<b>As at 30 September 2023</b>	<b>14,782,931</b>	<b>(1,850,061)</b>	<b>8,406</b>	<b>1,263,008</b>	<b>35,091,519</b>	<b>49,295,803</b>
As at 1 July 2024	14,782,931	(2,096,610)	33,553	1,263,008	32,088,665	46,071,547
<b>Total comprehensive income for the period:</b>						
Profit for the period	-	-	-	-	3,076,977	3,076,977
<b>Other comprehensive income:</b>						
Foreign currency translation differences	-	(279,247)	-	-	-	(279,247)
Total comprehensive income for the period	-	(279,247)	-	-	3,076,977	2,797,730
<b>As at 30 September 2024</b>	<b>14,782,931</b>	<b>(2,375,857)</b>	<b>33,553</b>	<b>1,263,008</b>	<b>35,165,642</b>	<b>48,869,277</b>

	Share Capital	Foreign Currency Translation Reserve	Accumulated Profits	Total
	S\$	S\$	S\$	S\$
<b>The Company</b>				
As at 1 July 2023	14,782,931	-	17,467,364	32,250,295
<b>Total comprehensive income for the period:</b>				
Net profit for the period	-	-	3,611,238	3,611,238
Total comprehensive income for the period	-	-	3,611,238	3,611,238
<b>As at 30 September 2023</b>	<b>14,782,931</b>	<b>-</b>	<b>21,078,602</b>	<b>35,861,533</b>
As at 1 July 2024	14,782,931	-	20,728,191	35,511,122
<b>Total comprehensive income for the period:</b>				
Net profit for the period	-	-	3,280,824	3,280,824
Total comprehensive income for the period	-	-	3,280,824	3,280,824
<b>As at 30 September 2024</b>	<b>14,782,931</b>	<b>-</b>	<b>24,009,015</b>	<b>38,791,946</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASHFLOW FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2024**

	<b>Group (First Quarter) 3 months ended</b>	
	<b>30 Sep 2024 S\$</b>	<b>30 Sep 2023 S\$</b>
<b>Cash flows from operating activities</b>		
Profit for the period	3,076,977	2,699,060
Adjustments for:		
Depreciation of property, plant and equipment	1,543,440	1,665,744
Depreciation of investment property	3,435	3,321
Property, plant and equipment written off	15,209	2,688
Gain on disposal of property, plant and equipment	(603)	(1,295)
Interest income	(67,240)	(52,999)
Interest expense on lease liabilities	26,624	50,894
Unwind of discount on reinstatement costs	4,773	4,518
Inventories written off	98,773	20,649
Tax expense	1,074,024	1,049,619
<b>Operating profit before changes in working capital</b>	<b>5,775,412</b>	<b>5,442,199</b>
Inventories	(292,125)	(148,491)
Trade and other receivables	(679,948)	(865,311)
Provisions and retirement benefits	(30,438)	10,705
Trade and other payables	218,581	(199,045)
Cash generated from operations	4,991,482	4,240,057
Tax paid	(879,444)	(685,127)
<b>Net cash from operating activities</b>	<b>4,112,038</b>	<b>3,554,930</b>
<b>Cash flows from investing activities</b>		
Payment of property, plant and equipment	(938,782)	(586,384)
Proceeds from disposal of property, plant and equipment	604	1,296
Interest received	50,260	42,399
<b>Net cash used in investing activities</b>	<b>(887,918)</b>	<b>(542,689)</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(363,469)	(328,083)
Interest paid	(26,624)	(50,894)
<b>Net cash used in financing activities</b>	<b>(390,093)</b>	<b>(378,977)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,834,027</b>	<b>2,633,264</b>
Cash and cash equivalents at beginning of period	16,409,971	14,122,013
Effect of exchange rate fluctuations on cash held	(161,653)	23,903
<b>Cash and cash equivalents at the end of period</b>	<b>19,082,345</b>	<b>16,779,180</b>

MICRO-MECHANICS (HOLDINGS) LTD  
 Condensed Interim Financial Statements for First Quarter and Three Months Ended 30 September 2024

Note:

(i) Cash and cash equivalent is derived from:

	<b>Group 30 Sep 24 S\$</b>	<b>Group 30 Sep 23 S\$</b>
Cash and cash equivalent balances	19,253,257	16,924,680
Less: Pledged cash placed with bank	(170,912)	(145,500)
	<b>19,082,345</b>	<b>16,779,180</b>

## **E. SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **E1 Corporate information**

Micro-Mechanics (Holdings) Ltd. (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the first quarter and three months ended 30 September 2024 comprise the Company and its subsidiaries (collectively, the Group).

The Group is primarily involved in the manufacturing of precision tools and components.

### **E2 Basis of preparation**

The condensed interim financial statements have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2024.

Other than adoption of the amended standards as set out in E2.2, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 June 2024, which were in accordance with SFRS(I)s.

The condensed financial statements are prepared on the historical cost basis, except for certain financial instruments which are stated at fair value.

The condensed financial statements are presented in Singapore dollars which is the Company's functional currency.

#### **E2.1 Use of estimates and judgements**

The preparation of condensed financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### **E2.2 Changes in accounting policies**

##### **New accounting standards and amendments**

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 July 2024:

- SFRS(I) 18: Presentation and Disclosure in Financial Statements
- Amendments to SFRS(I) 1-21: Lack of Exchangeability
- Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to SFRS(I)s – Volume 11

The application of the above SFRS(I)s and amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial year ending 30 June 2025.

### **E3 Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**E4 Revenue**

Revenue of the Group represents the value of goods invoiced to third parties. Revenue comprises sale of precision tools and components.

**Revenue by segment**

Segment	4QFY2024 (Restated)		1QFY2025		1QFY2024 (Restated)		% change
	S\$	%	S\$	%	S\$	%	
Consumable tools	12,264,477	82.2%	12,734,481	78.4%	12,562,439	79.3%	1.4%
Wafer Fabrication	2,661,469	17.8%	3,507,418	21.6%	3,287,667	20.7%	6.7%
Equipment Parts							
	<b>14,925,946</b>	<b>100%</b>	<b>16,241,899</b>	<b>100%</b>	<b>15,850,106</b>	<b>100%</b>	<b>2.5%</b>

**E5 Profit before tax**

The following items have been included in arriving at the profit before tax:

	Group (First Quarter) 3 months ended		
	30 Sep 24 S\$	30 Sep 23 S\$	Change
<b>Other Income:</b>			
Gain on disposal of property, plant and equipment	603	1,295	(53.4%)
Rental income	32,707	31,619	3.4%
Government grant – CPF Transition Offset, Enabling employment credit etc	8,854	13,658	(35.2%)
Others	67,911	39,558	71.7%
<b>Expenses:</b>			
Depreciation of property, plant and equipment	1,189,792	1,322,270	(10.0%)
Depreciation of investment property	3,435	3,321	3.4%
Depreciation of right-of-use assets	353,648	343,474	3.0%
Inventories written off	98,773	20,649	378.3%
Property, plant and equipment written off	15,209	2,688	465.8%
Trade receivables written off	-	1,613	(100%)
<b>Finance income:</b>			
Interest income from banks and others	67,240	52,999	26.9%
<b>Finance expense:</b>			
Bank charges	23,681	25,613	(7.5%)
Unwind of discount on restoration cost provision	4,773	4,518	5.6%
Interest expense on lease liabilities	26,624	50,894	(47.7%)
Foreign currency exchange losses, net	118,641	69,933	69.6%

**E6 Tax expense**

	<b>Group (First Quarter) 3 months ended</b>	
	<b>30 Sep 24 S\$</b>	<b>30 Sep 23 S\$</b>
<b>Current tax expenses</b>		
Current period	1,021,550	1,018,790
Changes in estimates related to prior years	175	-
	<b>1,021,725</b>	<b>1,018,790</b>
<b>Deferred tax expenses</b>		
Origination and reversal of temporary differences	52,299	35,296
Changes in estimates related to prior years	-	(4,467)
	<b>52,299</b>	<b>30,829</b>
<b>Tax expense</b>	<b>1,074,024</b>	<b>1,049,619</b>

**E7 Earnings per share**

The calculation of the basic earnings per share is based on:

	<b>Group (First Quarter) 3 months ended</b>	
	<b>30 Sep 2024</b>	<b>30 Sep 2023</b>
Profit for the period	3,076,977	2,699,060
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	139,031,881	139,031,881
Basic earnings per share (cents)	2.21	1.94

There is no difference between the basic earnings per ordinary share and the diluted earnings per ordinary share as there are no potentially dilutive ordinary shares at the end of either period.

**E8 Net Asset Value**

	<b>Group 30 Sep 24</b>	<b>Group 30 Jun 24</b>	<b>Company 30 Sep 24</b>	<b>Company 30 Jun 24</b>
Net Asset Value per ordinary share (cents)	35.15	33.14	27.90	25.54

The net asset value per ordinary share is calculated based on net assets of S\$48.9 million (30 June 2024: S\$46.1 million) and 139,031,881 (30 June 2024: 139,031,881) shares in issue at the end of the current financial period reported on/immediately preceding financial year.

**E9 Property, plant and equipment**

During the financial period ended 30 September 2024, the Group acquired property, plant and equipment with an aggregate cost of S\$609,773 (30 September 2024: S\$443,959). The amount of assets disposed for financial period ended 30 September 2024 was S\$15,210 (30 September 2023: S\$2,688).

**E10 Investment Property**

The property is an industrial building located in Malaysia. The fair value of the investment property as at 30 September 2024 was S\$3,118,000 (30 June 2024: S\$2,878,000). No independent valuer was engaged to perform the valuation as at 30 September 2024. Management estimated the fair value of the Group's investment property by using the latest available market information for similar properties and recent experience and knowledge in the location and category of property being valued. An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued provide the fair value of the Group's investment property annually at end of each financial year end.

**E11 Trade and other receivables**

	<b>Group 30 Sep 24 S\$</b>	<b>Group 30 Jun 24 S\$</b>	<b>Company 30 Sep 24 S\$</b>	<b>Company 30 Jun 24 S\$</b>
Trade receivables	11,308,062	10,848,092	–	–
Other receivables	47,494	16,145	21,752	2,934
Deposits	411,506	416,488	–	–
Amount due from a subsidiary (non-trade)	–	–	947,044	1,134,410
Financial assets at amortised cost	11,767,062	11,280,725	968,796	1,137,344
Advances to suppliers	21,663	133,288	–	–
Prepayments	835,184	675,659	38,832	17,766
GST receivables	71,466	39,597	–	–
Forward exchange contracts	38,351	753	–	–
Trade and other receivables	12,733,726	12,130,022	1,007,628	1,155,110
Comprise of:				
Non-current	416,003	519,079	–	–
Current	12,317,723	11,610,943	1,007,628	1,155,110
	12,733,726	12,130,022	1,007,628	1,155,110

The increase in trade receivables was in line with the higher sales. The Company provides customers with credit terms that range from between 30 days to 90 days. There was no change in the Group's business activities or its credit terms during the financial period.

There were no trade receivables classified under non-current assets as at 30 September 2024. The amount of S\$416,003 (30 June 2024: S\$519,079) classified as non-current comprised of mainly deposits for factory rental, utilities and advances to suppliers for the purchase of equipment.

The aging profile of the Group's trade receivables and the Company's non-trade amount due from a subsidiary as at 30 September 2024 and 30 June 2024 were as follows:

	<b>Group 30 Sep 24 S\$</b>	<b>Group 30 Jun 24 S\$</b>	<b>Company 30 Sep 24 S\$</b>	<b>Company 30 Jun 24 S\$</b>
Current	8,483,029	8,646,126	–	–
Past due 1-30 days	2,037,472	1,796,958	–	–
Past due 31-60 days	535,795	362,561	–	–
Past due more than 60 days	251,766	42,447	947,044	1,134,410
	11,308,062	10,848,092	947,044	1,134,410

During the financial period ended 30 September 2024, the Group has no bad debts written off (30 June 2024: S\$3,891). The outstanding amounts over 60 days increased due to late buy-off by customers. Historically, the

outstanding amount over 90 days have been minimal. The Group's finance team has been conscientiously engaging customers to ensure timely collection of payment.

The Board has no immediate concern on the recoverability of the trade and other receivables balances as at 30 September 2024.

## E12 Share Capital

Group and Company	30 September 2024		30 June 2024	
	Number of shares	S\$	Number of shares	S\$
Fully paid ordinary shares with no par value At 1 July and 30 Sep	139,031,881	14,782,931	139,031,881	14,782,931

There was no movement in the issued and paid-up capital of the Company since 30 June 2024.

There were no outstanding convertibles as at 30 September 2024 (30 June 2024: Nil).

The Company did not hold any treasury shares as at 30 September 2024 (30 June 2024: Nil). There was no sale, transfer, disposal, cancellation and use of treasury shares during the three months ended 30 September 2024.

## E13 Trade and other payables

	Group 30 Sep 24 S\$	Group 30 Jun 24 S\$	Company 30 Sep 24 S\$	Company 30 Jun 24 S\$
<b>Current</b>				
Trade payables	945,888	924,392	–	–
Other payables	773,070	837,131	116,944	32,544
Accrued expenses	3,569,256	3,703,769	574,525	492,100
Advances from customers	59,721	68,469	–	–
Forward exchange contracts	–	21,190	–	–
	5,347,935	5,554,951	691,469	524,644

## E14 Provisions

	Group 30 Sep 24 S\$	Group 30 Jun 24 S\$
<b>Non-current</b>		
Reinstatement costs	350,314	345,541
Retirement benefits	451,605	489,111
	801,919	834,652

The Group has made a provision in respect of the Group's obligation to reinstate the right-of-use assets to the original condition at end of the lease term. The provision is due within 1 to 2 years (30 June 2024: 1 to 2 years) and is classified as non-current liabilities.

## E15 Borrowings

The Group does not have any bank borrowings for three months ended 30 September 2024.

**E16 Financial assets and financial liabilities**

**Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

*Accounting classifications and fair values*

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Group		Company	
	30 September 2024 \$	30 June 2024 \$	30 September 2024 \$	30 June 2024 \$
<i>Financial assets measured at amortised cost</i>				
Trade and other receivables **	11,767,062	11,280,725	968,796	1,137,344
Cash and bank balances	19,253,257	16,567,727	9,619,194	6,026,177
	31,020,319	27,848,452	10,587,990	7,163,521
<i>Financial assets measured at fair value</i>				
Forward exchange contracts – asset	38,351	753	–	–
<i>Financial liabilities measured at amortised cost</i>				
Trade and other payables *	(2,743,690)	(2,822,081)	(691,470)	(524,644)
<i>Financial liabilities measured at fair value</i>				
Forward exchange contracts – liability	–	(21,190)	–	–

\* Excluding advances from customers, payroll related accruals, withholding tax payables and forward exchange contracts

\*\* Excluding advances to suppliers, prepayments, GST receivables and forward exchange contracts.

**E17 Segment reporting**

Segment information is presented based on the information reviewed by chief operating decision makers (“CODM”) for the performance assessment and resource allocation.

During the current financial period, the Group revised the reportable segments in accordance to *SFRS(I) 8: Operating Segments*, following a change in internal management reporting for decision making and performance analysis. The corresponding information for the prior period has been restated. The change in reportable segments of the Group has not resulted in any changes in the measurement of profit or loss for each reportable segment.

The Group’s current reportable segments are as follows:

- **Consumable Tools** which focus on the design and manufacturing of miniature consumable tools used in the assembly and testing of semiconductors; and
- **Wafer Fabrication Equipment (“WFE”) parts** which focus primarily on making parts for semiconductor wafer fabrication equipment.

Prior to the change in reportable segment in financial year 2025, the reportable segments were identified by geographical location as follows:

- Singapore: Includes manufacturing and distributing of precision tools.
- Malaysia: Includes manufacturing and distributing of precision tools.
- The Philippines: Includes manufacturing and distributing of precision tools.
- United States of America (“USA”): Includes manufacturing of precision components and modules and distributing of precision tools.
- China: Includes manufacturing and distributing of precision tools.

**Operating Segments  
1QFY2025**

	<b>Consumable tools S\$</b>	<b>WFE parts S\$</b>	<b>Corporate &amp; Others S\$</b>	<b>Consolidated S\$</b>
Revenue from external parties	12,734,481	3,507,418	-	16,241,899
Inter-segment revenue	-	66	(66)	-
Total revenue	<u>12,734,481</u>	<u>3,507,484</u>	<u>(66)</u>	<u>16,241,899</u>
Inter-segment commission (expense)/ income	(72,399)	72,399	-	-
Results from operating activities	4,300,061	209,493	(252,074)	4,257,480
Finance income	12,824	20,601	33,815	67,240
Finance expense	(135,048)	(14,774)	(23,897)	(173,719)
Tax expense	(982,754)	(1,961)	(89,309)	(1,074,024)
Profit for the period	<u>3,195,083</u>	<u>213,359</u>	<u>(331,465)</u>	<u>3,076,977</u>
Segment assets	38,993,354	10,542,694	9,679,778	<u>59,215,826</u>
Segment liabilities	5,518,280	1,296,711	689,279	7,504,270
Income tax	2,603,328	-	238,951	2,842,279
Total liabilities				<u>10,346,549</u>
Other segment information:				
Capital expenditure	575,857	33,916	-	609,773
Depreciation	1,053,586	493,289	-	1,546,875
Non-current assets	<u>17,996,340</u>	<u>5,546,122</u>	-	<u>23,542,462</u>

**Operating Segments**  
**1QFY2024 (restated)**

	<b>Consumable tools S\$</b>	<b>WFE parts S\$</b>	<b>Corporate &amp; Others S\$</b>	<b>Consolidated S\$</b>
Revenue from external parties	12,562,439	3,287,667	-	15,850,106
Inter-segment revenue	4,545	426	(4,971)	-
Total revenue	<u>12,566,984</u>	<u>3,288,093</u>	<u>(4,971)</u>	<u>15,850,106</u>
Inter-segment commission (expense)/ income	(103,019)	103,019	-	-
Results from operating activities	4,423,892	(420,092)	(157,162)	3,846,638
Finance income	20,288	23,732	8,979	52,999
Finance expense	(80,733)	(29,487)	(40,738)	(150,958)
Tax expense	(948,325)	-	(101,294)	(1,049,619)
Profit for the period	<u>3,415,122</u>	<u>(425,847)</u>	<u>(290,215)</u>	<u>2,699,060</u>
Segment assets	42,004,872	13,441,430	6,194,657	<u>61,640,959</u>
Segment liabilities	6,774,621	1,992,022	604,186	9,370,829
Income tax	2,757,663	-	216,664	<u>2,974,327</u>
Total liabilities				<u>12,345,156</u>
Other segment information:				
Capital expenditure	443,959	-	-	443,959
Depreciation	1,068,025	601,040	-	1,669,065
Non-current assets	<u>20,556,189</u>	<u>7,732,978</u>	-	<u>28,289,167</u>

**Geographical information**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment non-current assets are based on the geographical location of the assets.

**1QFY2025**

	<b>Singapore S\$</b>	<b>Malaysia S\$</b>	<b>The Philippines S\$</b>	<b>USA S\$</b>	<b>China S\$</b>	<b>Taiwan S\$</b>	<b>Other countries S\$</b>	<b>Total S\$</b>
Total revenue from external customers	1,349,366	2,742,308	890,140	3,803,297	5,071,103	989,053	1,396,632	16,241,899
Non-current assets	<u>9,063,277</u>	<u>4,160,426</u>	<u>1,412,413</u>	<u>5,546,122</u>	<u>3,360,224</u>	-	-	<u>23,542,462</u>

**1QFY2024 (restated)**

	<b>Singapore S\$</b>	<b>Malaysia S\$</b>	<b>The Philippines S\$</b>	<b>USA S\$</b>	<b>China S\$</b>	<b>Taiwan S\$</b>	<b>Other countries S\$</b>	<b>Total S\$</b>
Total revenue from external customers	1,127,767	2,594,031	900,498	3,721,431	5,333,731	807,556	1,365,092	15,850,106
Non-current assets	<u>10,758,658</u>	<u>4,448,962</u>	<u>1,628,557</u>	<u>7,732,978</u>	<u>3,720,012</u>	-	-	<u>28,289,167</u>

**Major customers**

There are no customers contributing more than 10% to the revenue of the Group.

**E18 Subsequent events**

There were no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

## F. OTHER INFORMATION REQUIRE BY APPENDIX LISTING RULE 7.2

### F1 Review

The condensed interim consolidated statement of financial position of Micro-Mechanics (Holdings) Ltd and its subsidiaries as at 30 September 2024 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

#### F1.1 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

#### F1.2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

##### (a) Updates on the efforts taken to resolve each outstanding audit issue.

The audited financial statements for the year ended 30 June 2024 was not subjected to an adverse opinion, qualified opinion or disclaimer of opinion.

##### (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

### F2 Review of Group Performance

#### REVIEW OF PROFIT AND LOSS

##### Group Revenue

		1Q	2Q	3Q	4Q	Full Year
REVENUE	FY2025	S\$16,241,899	NA	NA	NA	NA
	FY2024	S\$15,850,106	S\$13,502,386	S\$13,609,940	S\$14,925,946	S\$57,888,378
	% growth	2.5%	NA	NA	NA	NA

For the three months ended 30 September 2024 (“1QFY2025”), the Group’s revenue increased by 2.5% year-on-year (“yoy”) to S\$16.2 million from S\$15.9 million in 1QFY2024. This is generally in line with the trend of global semiconductor sales. On a quarter-on-quarter (“qoq”) basis, Group revenue in 1QFY2025 was 8.8% higher than S\$14.9 million in 4QFY2024, marking the third consecutive quarter of revenue increase.

##### Revenue by segment

Segment	4QFY2024 (Restated)		1QFY2025		1QFY2024 (Restated)		% change
	S\$	%	S\$	%	S\$	%	
Consumable tools	12,264,477	82.2%	12,734,481	78.4%	12,562,439	79.3%	1.4%
Wafer Fabrication	2,661,469	17.8%	3,507,418	21.6%	3,287,667	20.7%	6.7%
Equipment Parts							
	<b>14,925,946</b>	100%	<b>16,241,899</b>	100%	<b>15,850,106</b>	100%	2.5%

In 1QFY2025, sales from the consumable tools segment increased by 1.4% to S\$12.7 million from S\$12.6 million in 1QFY2024, while the qoq sales increased by 3.8% from S\$12.3 million in 4QFY2024. Consumable tools remained as the Group’s core business segment, which accounted for 78.4% of the Group’s revenue in 1QFY2025.

On a geographical basis, sales from China decreased by 4.9% but remained as the Group’s largest geographical market with a contribution of 31.2% to the Group’s revenue in 1QFY2025.

Sales in Wafer Fabrication Equipment Parts (“WFE”) increased by 6.7% to S\$3.5 million in 1QFY2025 from \$3.3 million in the same quarter a year ago and contributed 21.6% to the Group’s revenue. WFE sales increased by 31.8% from S\$2.7 million in 4QFY2024 on qoq basis. The geographical markets for the WFE segment are mainly USA and Singapore.

#### *Capacity Utilisation*

Capacity Utilisation		1Q	2Q	3Q	4Q	Full Year
	FY2025	49%	NA	NA	NA	NA
	FY2024	50%	41%	40%	43%	44%

In line with the revenue recovery trend observed, the Group’s average capacity utilisation rate increased for the second consecutive quarter to 49%.

As announced in FY2024, the Group aims to achieve average capacity utilisation in the range of 50 to 65%. This will allow the Group to capture sudden surges in industry or customer demand that are typical for the semiconductor industry.

#### *Gross Profit (GP) Margin*

Group GP Margin		1Q	2Q	3Q	4Q	Full Year
	FY2025	50.7%	NA	NA	NA	NA
	FY2024	48.8%	45.9%	46.4%	46.5%	47.0%

The Group’s gross profit increased by 6.5% yoy to S\$8.2 million in 1QFY2025 as gross profit margin increased to 50.7% in 1QFY2025. This was due to improved operating leverage and better product mix which has seen a sustained increase in the Group’s gross profit margin levels over the last four quarters.

#### *Other income, Distribution Expenses, Administrative Expenses, Other Operating Expenses and Net Finance Expense*

<i>Other income, Distribution Expenses, Administrative Expenses, Other Operating Expenses and Net Finance Expense</i>		1Q	2Q	3Q	4Q	Full Year
	FY2025 % of sales	S\$4,080,841 25.1%	NA	NA	NA	NA
	FY2024 % of sales	S\$3,982,469 25.1%	S\$3,921,439 29.0%	S\$3,731,326 27.4%	S\$4,017,244 26.9%	S\$15,652,478 27.0%

For 1QFY2025, the Group’s other income increased by 27.8% to S\$110k from S\$86k in 1QFY2024. This was attributed mainly to higher scrap sales reported in 1QFY2025.

The Group continues to prioritise prudent capital management and financial discipline, particularly on its expense structure. Distribution expenses in 1QFY2025 were relatively stable at S\$0.8 million. Administrative expenses increased by 12.6% to S\$2.4 million in 1QFY2025 from S\$2.1 million in 1QFY2024 due mainly to increase in stock written off in view of the change in inventory policy and higher staff performance bonus. Other operating expenses in 1QFY2025 decreased by 18.4% from S\$1.1 million in 1QFY2024 to S\$0.9 million as a result of the cost-reduction measures implemented at MMUS.

Net finance costs increased by 8.7% to S\$106k as compared to S\$98k in 1QFY2024. This was mainly due to foreign exchange loss incurred during the period with the strengthening of the Singapore dollar against other currencies.

In aggregate, the Group’s administrative, distribution, other operating expenses and net finance costs (net of other income) remained stable at S\$4.1 million in 1QFY2025. The overhead expenses as a percentage of sales in 1QFY2025 remained comparable to 1QFY2024, with improvement of 1.8% as compared to 4QFY2024.

**Profit before Tax and Net Profit**

		1Q	2Q	3Q	4Q	Full Year
Net Profit after tax	FY2025	S\$3,076,977	NA	NA	NA	NA
	FY2024	S\$2,699,060	S\$1,414,446	S\$1,844,259	S\$2,080,351	S\$8,038,116
	% growth	14.0%	NA	NA	NA	NA

As a result of the above, the Group's profit before tax increased by 10.7% to S\$4.2 million in 1QFY2025 from S\$3.7 million in 1QFY2024.

Income tax expenses increased by 2.3% to S\$1.1 million in 1QFY2025 from S\$1.0 million in 1QFY2024. For 1QFY2025, the Group's effective tax rate decreased to 25.9% from 28.0% in 1QFY2024. The tax expenses included a provision of S\$87k for withholding tax on dividends to be remitted to Singapore from various overseas subsidiaries.

After deducting income tax expenses, the Group's net profit increased by 14.0% yoy to S\$3.1 million in 1QFY2025 from S\$2.7 million in 1QFY2024.

On a sequential basis, net profit in 1QFY2025 gained 48% qoq from S\$2.1 million in 4QFY2024. Net profit margin in 1QFY2025 was 18.9% as compared to 17.0% in 1QFY2024 and 13.9% in 4QFY2024.

Correspondingly, the Group's earnings per share increased to 2.21 cents in 1QFY2025 from 1.94 cents in 1QFY2024.

**Balance Sheet**

The Group maintained a resilient financial position. As at 30 September 2024, the Group's balance sheet had total assets of S\$59.2 million (FY2024: S\$56.9 million), shareholders' equity of S\$48.9 million (FY2024: S\$46.1 million), cash and cash equivalents of S\$19.3 million (FY2024: S\$16.6 million) and no bank borrowings.

**Long Term Assets**

As at 30 September 2024, the amount of non-current assets was relatively stable at S\$23.5 million as compared to 30 June 2024.

**Trade Receivables**

		As at end of 1Q	As at end of 1H	As at end of 3Q	As at end of 2H
Trade Receivables	FY2025	S\$11,308,062	NA	NA	NA
	≥ 90 days	0.1%			
	Write-off	-			
	FY2024	S\$11,126,896	S\$10,009,584	S\$10,203,778	S\$10,848,092
	≥ 90 days	0.1%	0.03%	0.6%	0.03%
	Write-off	S\$1,613	S\$480	S\$1,798	-

Total trade receivables as at 30 September 2024 of S\$11.3 million was higher than S\$10.8 million as at 30 June 2024 mainly due to higher sales in the current quarter. Of this, S\$10k was outstanding for 90 days or more (S\$3.7k at end of 30 June 2024). There is no bad debts written off during the period.

**Trade & Other Payables**

As at 30 September 2024, the Group's trade payables totaled S\$946k (30 June 2024: S\$924k), with amount of S\$589 outstanding for 30 days or more (30 June 2024: S\$13.1k).

Non-trade payables and accrued expenses totaled remained at approximately S\$0.8 million as at 30 September 2024 and 30 June 2024 and S\$3.6 million (S\$3.7 million at end of 30 June 2024) respectively as at 30 June 2024.

**Long term liabilities**

As at 30 September 2024, the deferred tax liabilities were largely unchanged at S\$1.4 million.

**Inventory**

The Group continuously manages its inventory to avoid over-stocking and minimise write-offs. As a percentage of annualised sales, the Group's inventory of S\$4.1 million as at 30 September 2024 (S\$3.9 million at end of FY2024) was 6.3% (6.7% at end of FY2024). Inventory written off amounted to S\$99k (1QFY2024:S\$21k).

**Capital Expenditure**

		1Q	2Q	3Q	4Q	Full Year
Capital Expenditure	FY2025	S\$609,773	NA	NA	NA	NA
	% of sales					
	FY2024	S\$443,959	S\$608,964	S\$559,784	S\$412,388	S\$2,025,095
	% of sales					3.5%

The Group's capital expenditure in 1QFY2025 amounted to S\$610k which was mainly related to the purchases of plant and equipment in China and computers and software in Philippines, China and USA.

For FY2025, the Group expects to incur capital expenditure of approximately S\$5.0 million on machinery and equipment to upgrade the production capacity and capabilities of the Group's five factories.

**Cash Flow Analysis**

The Group generated net cash from operations of S\$4.1 million in 1QFY2025 (S\$3.6 million in 1QFY2024). After deducting net cash used for investing activities of S\$888k and net cash used for financing activities of S\$390k, the Group generated free cash flow of S\$2.8 million and ended 1QFY2025 with cash and cash equivalents of S\$19.3 million which included S\$0.1 million in pledged deposits.

**F3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement had been issued for the current financial reporting period. There is no material variance from the Group's previous financial period commentary under Section F4.

**F4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.****Sector performance and outlook**

Heading into FY2025, the Group continues to believe that the global semiconductor industry is in the advanced stages of rebalancing production and inventory. According to World Semiconductor Trade Statistics (WSTS), global sales of semiconductors are expected to recover to their 2022 peak by the end of 2024 with sales of US\$611 billion. In line with this trend\*, Group revenue increased for the third consecutive quarter to S\$16.2 million for the three months ended 30 September 2024.

Looking ahead, the WSTS expects the global semiconductor sales to grow 12.5% to US\$687 billion in 2025. Despite the improved operating environment, the Group remains cautiously optimistic about the continued recovery of the semiconductor industry, particularly as macroeconomic and geopolitical uncertainties continue to evolve.

*\*Note: WSTS forecasts global semiconductor sales, and while the Group's manufacturing of high precision tools and parts is part of the semiconductor industry's supply chain, the Group's performance in specific business segments during any particular time period may not always correlate with the general sales trend of the semiconductor industry.*

**Update on key initiatives for FY2025**

The Group continues to execute and progress several key initiatives to drive earnings recovery for FY2025, with positive impact observed in 1QFY2025. These include:

***Sustaining the turnaround and returning to profitability at MMUS***

In 2HFY2024, the Group strategically recalibrated MMUS's engineering and product focus to create a more compelling, competitive and higher-value product mix of process-critical parts for the WFE industry. The Group also implemented a host of initiatives to optimise costs and improve efficiency as part of its overarching focus on enhancing operational excellence and accelerating innovation across its facilities.

Since then, core operating performance at MMUS has improved significantly. WFE revenue increased by 31.8% qoq and 6.7% yoy to S\$3.5 million for 1QFY2025. MMUS saw orders rebounding in tandem with an improved product mix and continues to observe the positive momentum in 2QFY2025. Through the cost optimisation initiatives at MMUS, the Group's other operating expenses decreased by 18.4% yoy to S\$0.9 million for 1QFY2025. Correspondingly, the Group's WFE segment turned profitable with a profit before tax of S\$213k for 1Q2025 for the Group's WFE segment, compared to a loss of S\$426k for 1QFY2024.

The Group is encouraged by the progress at MMUS and intends to continue its focus on sustaining this momentum.

***Executing the 'Five-Star Factory' initiative***

The 'Five-Star Factory' initiative has continued to yield positive impact across the Group's operations, as demonstrated by the continued upward momentum in sales recovery in 1QFY2025. Looking to the rest of FY2025, the Group remains focused on strengthening the five fundamentals or "pillars" to accelerate excellence across its five factories. These include:

- **High-Performance Teams:** Building a high-performance team of talented people with the right skills in the right positions, upskilling the Group's workforce through training programmes, and aligning incentive systems with measurements of progress and performance.
- **Fast, Effective & Local Support to Global Customers:** Strengthening the Group's decentralised structure, thus further improving its ability to respond to its customers' evolving needs quickly and effectively and to solve high-value customer and industry problems.
- **Workplace Efficiency, Health, and Safety:** Implementing "8S" practices by all personnel resulting in organised, productive, clean, safe and environmentally responsible operations.
- **Operational Excellence:** Leveraging lean engineering and management principles, data and automation to develop fast, flawless and cost-effective manufacturing.
- **Innovation Excellence:** Creating a culture that promotes fresh thinking and ingenuity that drives product and process innovations and improvements, enables new manufacturing capability, and encourages the adoption of new technologies and methodologies.

***Prioritising disciplined capital management and good governance***

The Group continues to exercise disciplined capital management and uphold good governance to deliver sustainable long-term shareholder returns. During 1QFY2025, the Group generated net cash from operating activities of S\$4.1 million. After deducting net cash used in investing activities of S\$888k and net cash used in financing activities of S\$390k, the Group generated free cash flow of S\$2.8 million for 1QFY2025 with S\$19.3 million in cash which included S\$0.1 million in pledged deposits and no bank borrowings.

***Business outlook***

Looking to the rest of FY2025, the Group remains focused on its goal to become a leading Next Generation Supplier of high precision tools and parts used in process-critical applications for the wafer-fabrication and assembly processes of the semiconductor industry. The Group remains cautiously optimistic of the continued recovery of the semiconductor industry amid ongoing macroeconomic and geopolitical uncertainty. The Group remains vigilant and focused on building the core foundation of the business to future-proof its operations for sustainable high-quality earnings and long-term growth.

**F5. Dividend Information****(a) Current Financial Period Reported on**

Any dividend recommended for the current financial period reported on?  
Nil.

**(b) Corresponding Period of the Immediate Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?  
Nil.

**(c) The date dividend is payable**

Not applicable.

**(d) Books Closure Date**

Not applicable.

**(e) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared in the first quarter ended 30 September 2024 which is in line with the Group's usual practice to declare or recommend dividend in the second quarter and fourth quarter of each financial year since its IPO.

**F6. Interested person transactions**

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

For the three months ended 30 September 2024, the Group has made rental payment of US\$140,343 (30 September 2023: US\$140,343) and electrical services payment of US\$52,500 (30 September 2023: US\$52,500) to Sarcadia LLC, a controlling shareholder of the Company and a family company set up by Mr. Christopher Reid Borch, the CEO of the Company.

Except for the above, there was no other interested person transaction relating to any director, controlling shareholders and their associates as defined in Chapter 9 of the Listing Manual.

**F7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

**F8. Disclosure of person occupying a managerial position who are related to a director, CEO or substantial shareholder**

Not applicable.

**F9. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

To the best of the Board of Directors' knowledge, nothing has come to their attention which may render the financial results of the Group and of the Company for the financial period ended 30 September 2024 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Wendy Tan Wei Lee**  
Company Secretary  
30 October 2024