

MICRO-MECHANICS (HOLDINGS) LTD

Condensed Interim Financial Statements  
For Second Quarter and Half Year Ended  
31 December 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..... 7
- E. Selected notes to the condensed interim consolidated financial statements..... 9
- 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 SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 2024**

		<b>Group</b>					
		<b>Q2</b>			<b>Half year</b>		
	Note	<b>Oct to Dec 2024 S\$</b>	<b>Oct to Dec 2023 S\$</b>	<b>Change</b>	<b>Jul to Dec 2024 S\$</b>	<b>Jul to Dec 2023 S\$</b>	<b>Change</b>
Revenue	E4	16,294,582	13,502,386	20.7%	32,536,481	29,352,492	10.8%
Cost of sales		(8,559,493)	(7,301,150)	17.2%	(16,569,550)	(15,420,108)	7.5%
<b>Gross profit</b>		<b>7,735,089</b>	<b>6,201,236</b>	24.7%	<b>15,966,931</b>	<b>13,932,384</b>	14.6%
Other income	E5	68,420	108,015	(36.7%)	178,495	194,145	(8.1%)
Distribution expenses		(791,195)	(665,023)	19.0%	(1,573,913)	(1,403,108)	12.2%
Administrative expenses		(2,378,363)	(2,426,326)	(2.0%)	(4,790,651)	(4,569,347)	4.8%
Other operating expenses		(801,410)	(842,123)	(4.8%)	(1,690,841)	(1,931,657)	(12.5%)
<b>Results from operating activities</b>		<b>3,832,541</b>	<b>2,375,779</b>	61.3%	<b>8,090,021</b>	<b>6,222,417</b>	30.0%
Finance income	E5	115,722	56,860	103.5%	118,908	109,859	8.2%
Finance expense	E5	(49,860)	(152,842)	(67.4%)	(159,525)	(303,800)	(47.5%)
Net finance income/(expense)		65,862	(95,982)	(168.6%)	(40,617)	(193,941)	(79.1%)
<b>Profit before tax</b>	E5	<b>3,898,403</b>	<b>2,279,797</b>	71.0%	<b>8,049,404</b>	<b>6,028,476</b>	33.5%
Tax expense	E6	(944,035)	(865,351)	9.1%	(2,018,059)	(1,914,970)	5.4%
<b>Profit after tax</b>		<b>2,954,368</b>	<b>1,414,446</b>	108.9%	<b>6,031,345</b>	<b>4,113,506</b>	46.6%
<b>Non-controlling interests</b>		-	-	-	-	-	
<b>Profit for the period</b>		<b>2,954,368</b>	<b>1,414,446</b>	108.9%	<b>6,031,345</b>	<b>4,113,506</b>	46.6%
<b>Statement of Comprehensive Income</b>							
Profit for the period		<b>2,954,368</b>	<b>1,414,446</b>	108.9%	<b>6,031,345</b>	<b>4,113,506</b>	46.6%
<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		678,363	(648,293)	(204.6%)	399,116	(493,600)	(180.9%)
<b>Total comprehensive income for the period</b>		<b>3,632,731</b>	<b>766,153</b>	374.2%	<b>6,430,461</b>	<b>3,619,906</b>	77.6%
Earnings per share:	E7						
Basic (SGD in cent)		2.12	1.02	107.8%	4.34	2.96	46.6%
Diluted (SGD in cent)		2.12	1.02	107.8%	4.34	2.96	46.6%

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

	Note	Group 31 Dec 24 S\$	Group 30 Jun 24 S\$	Company 31 Dec 24 S\$	Company 30 Jun 24 S\$
<b>Non-current assets</b>					
Property, plant and equipment	E9	21,167,570	22,299,885	-	-
Right-of-use assets		1,010,151	1,670,348	-	-
Investment property	E10	-	266,013	-	-
Subsidiaries		-	-	29,095,544	29,095,544
Trade and other receivables	E11	398,512	519,079	-	-
Deferred tax asset		19,591	19,795	-	-
		22,595,824	24,775,120	29,095,544	29,095,544
<b>Current assets</b>					
Inventories		3,660,950	3,905,905	-	-
Trade and other receivables	E11	11,684,336	11,610,943	813,580	1,155,110
Cash and bank balances		20,236,591	16,567,727	8,606,228	6,026,177
		35,581,877	32,084,575	9,419,808	7,181,287
<b>Total assets</b>		58,177,701	56,859,695	38,515,352	36,276,831
<b>Shareholders' equity</b>					
Share capital	E12	14,782,931	14,782,931	14,782,931	14,782,931
Reserves		33,548,121	31,288,616	23,164,496	20,728,191
		48,331,052	46,071,547	37,947,427	35,511,122
<b>Non-current liabilities</b>					
Deferred tax liabilities		1,360,700	1,429,220	224,179	239,363
Provisions	E14	828,863	834,652	-	-
Lease liabilities		45,748	332,073	-	-
		2,235,311	2,595,945	224,179	239,363
<b>Current liabilities</b>					
Trade and other payables	E13	5,162,727	5,554,951	339,918	524,644
Lease liabilities		1,039,374	1,439,487	-	-
Current tax payable		1,409,237	1,197,765	3,828	1,702
		7,611,338	8,192,203	343,746	526,346
Total liabilities		9,846,649	10,788,148	567,925	765,709
<b>Total equity and liabilities</b>		58,177,701	56,859,695	38,515,352	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	-	-	-	-	4,113,506	4,113,506
<b>Other comprehensive income:</b>						
Foreign currency translation differences	-	(493,600)	-	-	-	(493,600)
Total comprehensive income for the period	-	(493,600)	-	-	4,113,506	3,619,906
<b>Transactions with owners, recognised directly in equity</b>						
Final dividend of 3.0 cents per share (one-tier tax exempt) in respect of previous financial year	-	-	-	-	(4,170,956)	(4,170,956)
Total transactions with owners	-	-	-	-	(4,170,956)	(4,170,956)
<b>As at 31 December 2023</b>	<b>14,782,931</b>	<b>(2,498,354)</b>	<b>8,406</b>	<b>1,263,008</b>	<b>32,335,009</b>	<b>45,891,000</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	-	-	-	-	6,031,345	6,031,345
<b>Other comprehensive income:</b>						
Foreign currency translation differences	-	398,690	426	-	-	399,116
Total comprehensive income for the period	-	398,690	426	-	6,031,345	6,430,461
<b>Transactions with owners, recognised directly in equity</b>						
Final dividend of 3.0 cents per share (one-tier tax exempt) in respect of previous financial year	-	-	-	-	(4,170,956)	(4,170,956)
Total transactions with owners	-	-	-	-	(4,170,956)	(4,170,956)
<b>As at 31 December 2024</b>	<b>14,782,931</b>	<b>(1,697,920)</b>	<b>33,979</b>	<b>1,263,008</b>	<b>33,949,054</b>	<b>48,331,052</b>

## MICRO-MECHANICS (HOLDINGS) LTD

Condensed Interim Financial Statements for Second Quarter and Half Year Ended 31 December 2024

	<b>Share Capital</b>	<b>Accumulated Profits</b>	<b>Total</b>
	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	-	4,531,662	4,531,662
Total comprehensive income for the period	-	4,531,662	4,531,662
<b>Transactions with owners, recognised directly in equity</b>			
Final dividend of 3.0 cents per share (one-tier tax exempt) in respect of previous financial year	-	(4,170,956)	(4,170,956)
Total transactions with owners	-	(4,170,956)	(4,170,956)
<b>As at 31 December 2023</b>	<b>14,782,931</b>	<b>17,828,070</b>	<b>32,611,001</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	-	6,607,261	6,607,261
Total comprehensive income for the period	-	6,607,261	6,607,261
<b>Transactions with owners, recognised directly in equity</b>			
Final dividend of 3.0 cents per share (one-tier tax exempt) in respect of previous financial year	-	(4,170,956)	(4,170,956)
Total transactions with owners	-	(4,170,956)	(4,170,956)
<b>As at 31 December 2024</b>	<b>14,782,931</b>	<b>23,164,496</b>	<b>37,947,427</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASHFLOW FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	<b>GROUP</b>			
	<b>Q2</b>		<b>Half year</b>	
	<b>Oct to Dec 2024 S\$</b>	<b>Oct to Dec 2023 S\$</b>	<b>Jul to Dec 2024 S\$</b>	<b>Jul to Dec 2023 S\$</b>
<b>Cash flows from operating activities</b>				
Profit for the period	2,954,368	1,414,446	6,031,345	4,113,506
Adjustments for:				
Depreciation of property, plant and equipment	1,548,374	1,646,002	3,091,814	3,311,746
Depreciation of investment property	4	3,264	3,439	6,585
Property, plant and equipment written off	238	5,696	15,447	8,384
Gain on disposal of property, plant and equipment	(1,610)	(8,265)	(2,213)	(9,560)
Interest income	(51,668)	(56,860)	(118,908)	(109,859)
Interest expense on lease liabilities	20,876	45,932	47,500	96,826
Retirement benefit cost	18,816	10,507	18,816	21,214
Unwind of discount on reinstatement costs	4,839	4,581	9,612	9,099
Inventories written off	12,826	33,486	111,599	54,135
Tax expense	944,035	865,351	2,018,059	1,914,970
<b>Operating profit before changes in working capital</b>	<b>5,451,098</b>	<b>3,964,140</b>	<b>11,226,510</b>	<b>9,417,046</b>
Inventories	488,799	171,025	196,674	22,534
Trade and other receivables	854,825	1,166,065	174,877	300,754
Provisions and retirement benefits	(9,544)	-	(39,982)	-
Trade and other payables	(248,329)	(815,542)	(29,748)	(1,014,587)
Cash generated from operations	6,536,849	4,485,688	11,528,331	8,725,747
Income tax paid	(1,018,400)	(1,049,759)	(1,897,844)	(1,734,887)
<b>Net cash from operating activities</b>	<b>5,518,449</b>	<b>3,435,929</b>	<b>9,630,487</b>	<b>6,990,860</b>
<b>Cash flows from investing activities</b>				
Payment for property, plant and equipment	(244,091)	(711,411)	(1,182,873)	(1,297,795)
Proceeds from disposal of property, plant and equipment	1,615	14,497	2,219	15,793
Interest received	68,508	62,335	118,768	104,734
<b>Net cash used in investing activities</b>	<b>(173,968)</b>	<b>(634,579)</b>	<b>(1,061,886)</b>	<b>(1,177,268)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(20,876)	(45,932)	(47,500)	(96,826)
Payment of lease liabilities	(374,159)	(349,821)	(737,628)	(677,904)
Dividends paid	(4,170,956)	(4,170,956)	(4,170,956)	(4,170,956)
<b>Net cash used in financing activities</b>	<b>(4,565,991)</b>	<b>(4,566,709)</b>	<b>(4,956,084)</b>	<b>(4,945,686)</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>778,490</b>	<b>(1,765,359)</b>	<b>3,612,517</b>	<b>867,906</b>
Cash and cash equivalents at beginning of period	19,082,345	16,779,181	16,409,971	14,122,013
Effect of exchange rate fluctuations on cash held	208,955	(187,994)	47,302	(164,091)
<b>Cash and cash equivalents at the end of period</b>	<b>20,069,790</b>	<b>14,825,828</b>	<b>20,069,790</b>	<b>14,825,828</b>

MICRO-MECHANICS (HOLDINGS) LTD  
 Condensed Interim Financial Statements for Second Quarter and Half Year Ended 31 December 2024

Note:

(i) Cash and cash equivalent is derived from:

	<b>Group 31 Dec 24 S\$</b>	<b>Group 31 Dec 23 S\$</b>
Cash and cash equivalent balances	20,236,591	14,969,428
Less: Pledged cash placed with bank	(166,801)	(143,600)
	<b>20,069,790</b>	<b>14,825,828</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 second quarter and half year ended 31 December 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	Group									
	2Q25		2Q24 (Restated)		% change	1H25		1H24 (Restated)		% change
	S\$	%	S\$	%		S\$	%	S\$	%	
Consumable tools	12,719,745	78.1%	11,357,222	84.1%	12.0%	25,454,226	78.2%	23,919,661	81.5%	6.4%
Wafer Fabrication	3,574,837	21.9%	2,145,164	15.9%	66.6%	7,082,255	21.8%	5,432,831	18.5%	30.4%
Equipment Parts										
<b>Total</b>	<b>16,294,582</b>	<b>100.0%</b>	<b>13,502,386</b>	<b>100%</b>	<b>20.7%</b>	<b>32,536,481</b>	<b>100%</b>	<b>29,352,492</b>	<b>100.0%</b>	<b>10.8%</b>

**E5 Profit before tax**

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

	Q2			Half year		
	Oct to Dec 2024 S\$	Oct to Dec 2023 S\$	Change	Jul to Dec 2024 S\$	Jul to Dec 2023 S\$	Change
<b>Income:</b>						
Gain on disposal of property, plant and equipment	1,610	8,265	(80.5%)	2,213	9,560	(76.9%)
Rental income	36	31,071	(99.9%)	32,743	62,690	(47.8%)
Government grant – CPF Transition Offset, Enabling employment credit etc	3,332	3,332	0.0%	12,186	16,990	(28.3%)
Others	63,442	65,347	(2.9%)	131,353	104,905	25.2%
<b>Expenses:</b>						
Depreciation of property, plant and equipment	1,190,192	1,286,224	(7.5%)	2,379,984	2,608,494	(8.8%)
Depreciation of investment property	4	3,264	(99.9%)	3,439	6,585	(47.8%)
Depreciation of right-of-use assets	358,182	359,778	(0.4%)	711,830	703,252	1.2%
Inventories written off	12,826	33,486	(61.7%)	111,599	54,135	106.1%
Property, plant and equipment written off	238	5,696	(95.8%)	15,447	8,384	84.2%
Trade receivables written off	-	480	100.0%	-	2,093	100.0%
<b>Finance income:</b>						
Interest income from banks and others	51,668	56,860	(9.1%)	118,908	109,859	8.2%
Foreign currency exchange gain, net	64,054	-	n.m.	-	-	-
<b>Finance expense:</b>						
Bank charges	24,145	21,037	14.8%	47,826	46,650	2.5%
Unwind of discount on restoration cost provision	4,839	4,581	5.6%	9,612	9,099	5.6%
Interest expense on lease liabilities	20,876	45,932	(54.6%)	47,500	96,826	(50.9%)
Foreign currency exchange losses, net	-	81,292	(100.0%)	54,587	151,225	(63.9%)

n.m. not meaningful

**E6 Tax expense**

	Q2		Half year	
	Oct to Dec 2024 S\$	Oct to Dec 2023 S\$	Jul to Dec 2024 S\$	Jul to Dec 2023 S\$
<b>Current tax expenses</b>				
Current period	918,726	859,415	1,940,276	1,878,205
Changes in estimates related to prior years	(2,330)	-	(2,155)	-
	916,396	859,415	1,938,121	1,878,205
<b>Deferred tax expenses</b>				
Origination and reversal of temporary differences	27,639	5,936	79,938	41,232
Changes in estimates related to prior years	-	-	-	(4,467)
	27,639	5,936	79,938	36,765
Tax expense	944,035	865,351	2,018,059	1,914,970

**E7 Earnings per share**

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

	Group (Half year) 6 months ended	
	31 Dec 2024	31 Dec 2023
Profit for the period	6,031,345	4,113,506
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)	4.34	2.96

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**

	Group 31 Dec 24	Group 30 Jun 24	Company 31 Dec 24	Company 30 Jun 24
Net Asset Value per ordinary share (cents)	34.76	33.14	27.29	25.54

The net asset value per ordinary share is calculated based on net assets of S\$48.3 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 31 December 2024, the Group acquired property, plant and equipment with an aggregate cost of S\$777,732 (31 December 2023: S\$1,052,923). The amount of assets disposed for financial period ended 31 December 2024 was S\$15,453 (31 December 2023: S\$14,616).

**E10 Investment Property**

The property was an industrial building located in Malaysia. In October 2024, the Group transferred a property previously classified as an investment property to property, plant and equipment. This transfer was made as the property ceased to be held to earn rental income and is now owner-occupied. The reclassification did not result in any changes to the total value of the assets reported in the financial statements.

**E11 Trade and other receivables**

	<b>Group 31 Dec 24 S\$</b>	<b>Group 30 Jun 24 S\$</b>	<b>Company 31 Dec 24 S\$</b>	<b>Company 30 Jun 24 S\$</b>
Trade receivables	10,948,413	10,848,092	–	–
Other receivables	14,867	16,145	2,697	2,934
Deposits	394,016	416,488	–	–
Amount due from a subsidiary	–	–	806,726	1,134,410
Financial assets at amortised cost	11,357,296	11,280,725	809,423	1,137,344
Advances to suppliers	47,433	133,288	–	–
Prepayments	610,640	675,659	4,157	17,766
GST receivables	63,867	39,597	–	–
Forward exchange contracts	3,612	753	–	–
<b>Trade and other receivables</b>	<b>12,082,848</b>	<b>12,130,022</b>	<b>813,580</b>	<b>1,155,110</b>
Comprise of:				
Non-current	398,512	519,079	–	–
Current	11,684,336	11,610,943	813,580	1,155,110
	<b>12,082,848</b>	<b>12,130,022</b>	<b>813,580</b>	<b>1,155,110</b>

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 31 December 2024. The amount of S\$398,512 (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 amount due from a subsidiary as at 31 December 2024 and 30 June 2024 were as follows:

	<b>Group 31 Dec 24 S\$</b>	<b>Group 30 Jun 24 S\$</b>	<b>Company 31 Dec 24 S\$</b>	<b>Company 30 Jun 24 S\$</b>
Current	8,546,719	8,646,126	–	–
Past due 1-30 days	1,956,244	1,796,958	–	–
Past due 31-60 days	380,931	362,561	–	–
Past due 61-90 days	64,519	42,447	806,726	1,134,410
	<b>10,948,413</b>	<b>10,848,092</b>	<b>806,726</b>	<b>1,134,410</b>

During the financial period ended 31 December 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 31 December 2024.

**E12 Share Capital**

Group and Company	31 December 2024		30 June 2024	
	Number of shares	S\$	Number of shares	S\$
Fully paid ordinary shares with no par value At 1 July and 31 December	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 31 December 2024 (30 June 2024: Nil).

The Company did not hold any treasury shares as at 31 December 2024 (30 June 2024: Nil). There was no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 31 December 2024.

**E13 Trade and other payables**

	Group 31 Dec 24 S\$	Group 30 Jun 24 S\$	Company 31 Dec 24 S\$	Company 30 Jun 24 S\$
<b>Current</b>				
Trade payables	785,894	924,392	–	–
Other payables	531,977	837,131	56,465	32,544
Accrued expenses	3,713,624	3,703,769	282,050	492,100
Amount due to a subsidiary	–	–	1,403	–
Advances from customers	84,316	68,469	–	–
Forward exchange contracts	46,916	21,190	–	–
	5,162,727	5,554,951	339,918	524,644

**E14 Provisions**

	Group 31 Dec 24 S\$	Group 30 Jun 24 S\$
<b>Non-current</b>		
Reinstatement costs	355,153	345,541
Retirement benefits	473,710	489,111
	828,863	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 six months ended 31 December 2024 and 30 June 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.

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2024</b>	<b>30 June 2024</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$	\$	\$
<b>Financial assets measured at amortised cost</b>				
Trade and other receivables **	11,357,296	11,280,725	809,423	1,137,344
Cash and bank balances	20,236,591	16,567,727	8,606,228	6,026,177
	<u>31,593,887</u>	<u>27,848,452</u>	<u>9,415,651</u>	<u>7,163,521</u>
<b>Financial assets measured at fair value</b>				
Forward exchange contracts – asset	3,612	753	–	–
<b>Financial liabilities measured at amortised cost</b>				
Trade and other payables *	(2,160,069)	(2,822,081)	(338,515)	(524,644)
<b>Financial liabilities measured at fair value</b>				
Forward exchange contracts – liability	(46,916)	(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

	<b>Financial period ended 31 December 2024</b>			
	<b>Consumable tools</b>	<b>WFE parts</b>	<b>Corporate &amp; Others</b>	<b>Consolidated</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Revenue from external parties	25,454,226	7,082,255	-	32,536,481
Inter-segment revenue	1,715	121	(1,836)	-
Total revenue	<u>25,455,941</u>	<u>7,082,376</u>	<u>(1,836)</u>	<u>32,536,481</u>
Inter-segment commission (expense)/ income	(140,625)	140,625	-	-
Results from operating activities	8,098,211	520,144	(528,334)	8,090,021
Finance income	28,770	38,149	51,989	118,908
Finance expense	(135,141)	(26,190)	1,806	(159,525)
Tax expense	(1,857,265)	(1,986)	(158,808)	(2,018,059)
Profit for the period	<u>6,134,575</u>	<u>530,117</u>	<u>(633,347)</u>	<u>6,031,345</u>
Segment assets	<u>38,197,462</u>	<u>11,367,156</u>	<u>8,613,083</u>	<u>58,177,701</u>
Segment liabilities	5,514,719	1,223,478	338,515	7,076,712
Income tax	2,541,931	-	228,006	2,769,937
Total liabilities	<u>8,056,650</u>	<u>1,223,478</u>	<u>566,521</u>	<u>9,846,649</u>
Other segment information:				
Capital expenditure	727,206	50,526	-	777,732
Depreciation	2,110,114	985,139	-	3,095,253
Non-current assets	<u>17,184,411</u>	<u>5,411,413</u>	<u>-</u>	<u>22,595,824</u>

**E17 Segment reporting (continued)**

**Operating Segments**

	<b>Financial period ended 31 December 2023 (restated)</b>			
	<b>Consumable tools</b>	<b>WFE parts</b>	<b>Corporate &amp; Others</b>	<b>Consolidated</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Revenue from external parties	23,919,661	5,432,831	-	29,352,492
Inter-segment revenue	6,762	1,360	(8,122)	-
<b>Total revenue</b>	<b>23,926,423</b>	<b>5,434,191</b>	<b>(8,122)</b>	<b>29,352,492</b>
Inter-segment commission (expense)/ income	(183,136)	183,136	-	-
Results from operating activities	7,728,925	(1,145,226)	(361,282)	6,222,417
Finance income	36,501	54,006	19,352	109,859
Finance expense	(190,823)	(55,292)	(57,685)	(303,800)
Tax expense	(1,748,634)	(4,069)	(162,267)	(1,914,970)
<b>Profit/(loss) for the period</b>	<b>5,825,969</b>	<b>(1,150,581)</b>	<b>(561,882)</b>	<b>4,113,506</b>
Segment assets	42,600,061	11,931,932	2,192,547	56,724,540
Segment liabilities	6,084,108	1,643,084	333,183	8,060,375
Income tax	2,557,340	-	215,825	2,773,165
<b>Total liabilities</b>	<b>8,641,448</b>	<b>1,643,084</b>	<b>549,008</b>	<b>10,833,540</b>
Other segment information:				
Capital expenditure	984,814	68,109	-	1,052,923
Depreciation	2,142,373	1,175,958	-	3,318,331
Non-current assets	19,871,933	7,030,258	-	26,902,191

**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.

**Financial period ended 31 December 2024**

	<b>Singapore</b>	<b>Malaysia</b>	<b>The Philippines</b>	<b>USA</b>	<b>China</b>	<b>Taiwan</b>	<b>Other countries</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Total revenue from external customers	2,670,947	5,463,180	1,613,070	7,295,477	10,392,278	2,252,324	2,849,205	32,536,481
Non-current assets	8,643,084	3,926,827	1,348,095	5,411,413	3,266,405	-	-	22,595,824

**Financial period ended 31 December 2023 (restated)**

	<b>Singapore</b>	<b>Malaysia</b>	<b>The Philippines</b>	<b>USA</b>	<b>China</b>	<b>Taiwan</b>	<b>Other countries</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Total revenue from external customers	2,197,949	4,871,301	1,686,368	6,212,809	10,261,587	1,569,335	2,553,143	29,352,492
Non-current assets	10,444,673	4,230,953	1,624,436	7,030,258	3,571,871	-	-	26,902,191

**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 LISTING RULE APPENDIX 7.2

### F1 Review

The condensed interim consolidated statement of financial position of Micro-Mechanics (Holdings) Ltd and its subsidiaries as at 31 December 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

REVENUE		1Q	2Q	3Q	4Q	Full Year
	FY2025	S\$16,241,899	S\$16,294,582	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%	20.7%	NA	NA	NA	

For the three months ended 31 December 2024 (“2QFY2025”), the Group’s revenue increased by 20.7% year-on-year (“yoy”) to S\$16.3 million from S\$13.5 million in 2QFY2024. On a quarter-on-quarter (“qoq”) basis, Group revenue in 2QFY2025 was 0.3% higher than S\$16.2 million in 1QFY2025.

For the six months ended 31 December 2024 (“1HFY2025”), the Group’s revenue grew 10.8% yoy to S\$32.5 million from S\$29.4 million in 1HFY2024.

##### Revenue by segment

Segment	Group									
	2QFY2025		2QFY2024 (Restated)		% change	1HFY2025		1HFY2024 (Restated)		% change
	S\$	%	S\$	%		S\$	%	S\$	%	
Consumable tools	12,719,745	78.1%	11,357,222	84.1%	12.0%	25,454,226	78.2%	23,919,661	81.5%	6.4%
Wafer Fabrication	3,574,837	21.9%	2,145,164	15.9%	66.6%	7,082,255	21.8%	5,432,831	18.5%	30.4%
Equipment Parts										
	<b>16,294,582</b>	<b>100.0%</b>	13,502,386	100%	20.7%	<b>32,536,481</b>	<b>100%</b>	29,352,492	100.0%	10.8%

In 2QFY2025, sales from the consumable tools segment increased by 12.0% yoy to S\$12.7 million from S\$11.4 million in 2QFY2024. On a qoq basis, sales declined by 0.1% from S\$12.7 million. Consumable tools remained the Group's core business segment, accounting for 78.1% of the Group's revenue in 2QFY2025.

Sales from the Group's Wafer Fabrication Equipment ("WFE") segment increased by 66.6% yoy to S\$3.6 million in 2QFY2025 from S\$2.1 million in 2QFY2024, contributing 21.9% to the Group's revenue. On a qoq basis, WFE sales increased by 1.9% from S\$3.5 million in 1QFY2025. The geographical markets for the WFE segment are mainly USA and Singapore.

By geographical segments, sales from China increased by 1.3% yoy to S\$10.4 million and remained as the Group's largest geographical market, contributing 31.9% to the Group's revenue in 1HFY2025. Sales from the USA also grew 17.4% yoy to S\$7.3 million. This reflects sustained momentum from the sharpened engineering focus on several main product areas for the WFE sector to develop a more compelling and competitive differentiation and improved margin.

#### Capacity Utilisation

Capacity Utilisation		1Q	2Q	3Q	4Q	Full Year
	FY2025	49%	47%	NA	NA	NA
	FY2024	50%	41%	40%	43%	44%

The Group's average capacity utilisation rate improved substantially from 41% in 2QFY2024 to 47% in 2QFY2025 driven by improved efficiencies from the Group's 'Five-Star Factory' initiative. 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%	47.5%	NA	NA	NA
	FY2024	48.8%	45.9%	46.4%	46.5%	47.0%

The Group's gross profit grew 24.7% yoy to reach S\$7.7 million in 2QFY2025, with gross profit margin improving to 47.5% compared to the same period last year. Compared to 1QFY2025, gross profit margin for 2QFY2025 was slightly lower as cost of sales was higher at S\$8.6 million (1QFY2025: S\$8.0 million) due to product mix in consumable tools segment.

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

Other income, Distribution Expenses, Administrative Expenses, Other Operating Expenses and Net Finance Expense		1Q	2Q	3Q	4Q	Full Year
	FY2025 % of sales	S\$4,080,841 25.1%	S\$3,836,686 23.5%	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 2QFY2025, the Group's other income decreased 36.7% yoy to S\$68k (2QFY2024: S\$108k) due mainly to the cessation of rental income during the quarter. Distribution costs was 19% (or S\$0.1 million) higher compared to the same period last year due to higher commission costs in line with higher sales achieved. Administrative and other operating expenses remained stable at S\$2.4 million and S\$0.8 million respectively.

The Group recorded a net finance income of S\$66k, reversing a net finance expense position of S\$96k in 2QFY2024. This was mainly due to foreign exchange gains during the period, as the US dollar strengthened against the Singapore dollar.

***Profit before Tax and Net Profit***

Net Profit after tax		1Q	2Q	3Q	4Q	Full Year
	FY2025	S\$3,076,977	S\$2,954,368	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%	108.9%	NA	NA	NA	

As a result of the above, the Group's profit before tax increased by 71.0% yoy to S\$3.9 million in 2QFY2025 from S\$2.3 million in 2QFY2024.

Income tax expenses remained steady at S\$0.9 million for both 2QFY2025 and 2QFY2024. For 2QFY2025, the Group's effective tax rate decreased to 24.2% from 38.0% in 2QFY2024 primarily due to USA subsidiary generating a profit this quarter compared to a loss in 2QFY2024. The tax expenses included a provision of S\$70k for withholding tax on dividends to be remitted to Singapore from various overseas subsidiaries.

After deducting income tax expenses, the Group's net profit grew 108.9% yoy to S\$3.0 million in 2QFY2025 and net profit margin improved yoy to 18.1% (2QFY2024: 10.5%). Correspondingly, the Group's earnings per share increased 107.8% yoy to 2.12 cents in 2QFY2025 from 1.02 cents in 2QFY2024.

***Dividend Payment***

The Group has a formal dividend policy to distribute 40% or more of its after-tax annual earnings, after taking into consideration financial performance, projected cash flow and capital requirements for business growth and general economic conditions among other relevant factors.

The Board of Directors is declaring an interim dividend of 3 cents per share (one tier tax-exempt) in respect of 1HFY2025 (1HFY2024: 3 cents per share), which will be paid on 18 February 2025. The payout of S\$4.2 million for 1HFY2025 represents a dividend payout ratio of 69.2%.

***Balance Sheet***

The Group remains in a resilient financial position. As at 31 December 2024, it had a balance sheet with total assets of S\$58.2 million (FY2024: S\$56.9 million), shareholders' equity of S\$48.3 million (FY2024: S\$46.1 million), cash and bank balances of S\$20.2 million (FY2024: S\$16.6 million), and no bank borrowings.

***Long Term Assets***

As at 31 December 2024, non-current assets decreased to S\$22.6 million as compared to S\$24.8 million as at 30 June 2024.

***Trade Receivables***

Trade Receivables		As at end of 1Q	As at end of 1H	As at end of 3Q	As at end of 2H
	FY2025	S\$11,308,062	S\$10,948,413	NA	NA
	≥ 90 days Write-off	0.1%	0.04%		
		-	-		
FY2024	S\$11,126,896	S\$10,009,584	S\$10,203,778	S\$10,848,092	
≥ 90 days Write-off	0.1%	0.03%	0.6%	0.03%	
	S\$1,613	S\$480	S\$1,798	-	

Total trade receivables as at 31 December 2024 increased slightly to S\$10.9 million from S\$10.8 million as at 30 June 2024. Of this, S\$3.9k was outstanding for 90 days or more (30 June 2024: S\$3.7k). There were no bad debts written off during the period.

***Trade & Other Payables***

As at 31 December 2024, our trade payables totaled S\$786k (30 June 2024: S\$924k) with minimal amount outstanding for 30 days or more.

Non-trade payables and accrued expenses totaled remained at approximately S\$0.5 million and S\$3.7 million as at 31 December 2024 (30 June 2024: S\$0.8million and S\$3.7 million).

***Long term liabilities***

As at 31 December 2024, the deferred tax liabilities remained stable at S\$1.4 million.

***Inventory***

The Group continuously manages its inventory to avoid over-stocking and minimise write-offs. Our inventory of S\$3.7 million as at 31 December 2024 (30 June 2024: S\$3.9 million) was 5.6% of annualised sales (30 June 2024: 6.7%). Inventory written off in 2QFY2025 totaled S\$13k, as compared to S\$33k in 2QFY2024.

***Capital Expenditure***

Capital Expenditure		1Q	2Q	3Q	4Q	Full Year
	FY2025 % of sales	S\$609,773	S\$167,959	NA	NA	NA
FY2024 % of sales	S\$443,959	S\$608,964	S\$559,784	S\$412,388	S\$2,025,095 3.5%	

The Group's capital expenditure in 2QFY2025 amounted to S\$168k. This comprised approximately S\$95k for the acquisition of new machines and accessories for our factories, with the balance used for upgrading of office premises and equipment.

For FY2025, the Group expects to incur capital expenditure of approximately S\$2.0 million on machinery and equipment to upgrade the production capabilities of the Group's five factories.

***Cash Flow Analysis***

The Group generated net cash from operations of S\$5.5 million in 2QFY2025 (S\$3.4 million in 2QFY2024). After deducting net cash used in investing activities of S\$0.2 million and net cash used in financing activities of S\$4.6 million, the Group ended 2QFY2025 with cash and bank balances of S\$20.2 million, which included S\$0.2 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 our 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**

The global semiconductor industry showed strong signs of recovery in 1HFY2025, affirming the Group's view that the industry is in the advanced stages of rebalancing production and inventory. In its updated Fall 2024 forecast, the World Semiconductor Trade Statistics ("WSTS") revised its projections for the global semiconductor market in 2024, anticipating sales to grow 19.0% yoy to US\$627 billion. In line with this trend\* of sustained growth, Group revenue increased for the fourth consecutive quarter to S\$16.3 million for the three months ended 31 December 2024.

Looking ahead, the WSTS expects global semiconductor sales to grow 11.2% to US\$697 billion in 2025. Despite the encouraging prospects, the Group remains cautiously optimistic about the continued growth of the semiconductor industry amid ongoing macroeconomic and geopolitical uncertainties, such as tighter trade restrictions on chip exports.

*\*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 progress several key initiatives to build on the improved financial performance in 1HFY2025 and sustain earnings recovery in FY2025. These include:

#### **1. Sustaining the turnaround and returning to profitability at MMUS**

In 2HFY2024, the Group completed a restructuring plan at MMUS, where it strategically recalibrated the plant'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 continued to improve significantly as orders rebounded with an improved product mix. The Group achieved its second consecutive quarter of profitability at MMUS with profit before tax of S\$316k, an increase of 47% from S\$216k made in 1QFY2025. The Group remains confident that the completed restructuring will continue to be earnings accretive and is focused on sustaining this momentum.

#### **2. Executing the 'Five-Star Factory' initiative**

The Group also continues to progress and benefit from implementing the 'Five-Star Factory' initiative, which aims to strengthen five fundamentals or "pillars" to accelerate excellence across its five factories. These include:

- **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.
  - In 1HFY2025, the Group observed increased demand for local customers within its consumable tools segment amid global supply chain uncertainties arising from US-China trade restrictions.
- **Operational Excellence:** Leveraging lean engineering and management principles, data and automation to develop fast, flawless and cost-effective manufacturing.
  - Through its efforts, the Group has minimised inventory overstocking with inventory at S\$3.7 million as of 31 December 2024 (30 June 2024: S\$3.9 million), representing 5.6% of annualised sales (30 June 2024: 6.7%). In addition, inventory written off in 2QFY2025 totaled S\$13k, as compared to S\$33k in 2QFY2024.
- **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.
  - The Group has started working on a road map for the next generation of equipment and machines to enhance productivity and add new manufacturing capability.
  - The Group's R&D team completed the development of a moldable elastomer compatible with vision-based advanced packaging equipment.
- **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.
  - All the Group's subsidiaries have completed their training programmes for 1HFY2025.
- **Workplace Efficiency, Health, and Safety:** Implementing "8S" practices by all personnel resulting in organised, productive, clean, safe and environmentally responsible operations.
  - As of 1HFY2025, all of the Group's facilities are on track to achieving their internal "8S" targets.

Looking to the rest of FY2025, the Group remains focused on strengthening the five fundamentals or “pillars” to accelerate excellence across its five factories.

### **3. 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 2QFY2025, the Group generated net cash from operating activities of S\$5.5 million. After deducting net cash used in investing activities of S\$174k and net cash used in financing activities of S\$4.6 million (including S\$4.2 million in dividends), the Group generated free cash flow of S\$0.8 million for 2QFY2025 with S\$20.2 million in cash and bank balances and no bank borrowings.

#### ***Business outlook***

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 heading into 2HFY2025. The Group remains cautiously optimistic of the continued recovery of the semiconductor industry amid ongoing macroeconomic and geopolitical uncertainty. While the Group believes that it is well-positioned to navigate these potential headwinds, it 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?

Yes. The Board of Directors are pleased to declare a tax exempt one-tier interim dividend of 3 cents per ordinary share (31 December 2023: tax exempt one-tier interim dividend of 3 cents per ordinary share) in respect of the half year ended 31 December 2024.

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

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

Yes. An interim dividend of 3 cents per ordinary share (one tier tax-exempt) was declared in respect of FY2024.

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

The dividend payment will be made on 18 February 2025.

### **(d) Record date for dividend payment**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Micro-Mechanics (Holdings) Ltd. (the “Company”) will be closed on 7 February 2025 at 5:00 p.m. (“Record Date”) for the preparation of dividend warrants and for purposes of determining the entitlement of the shareholders’ of the Company (“Shareholders”) to the interim one-tier tax exempt dividend for the financial year ending 30 June 2025.

Duly completed registrable transfers received by the Company’s Share Registrar, B.A.C.S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 up to 5:00 p.m. on 7 February 2025 will be registered to determine Shareholders’ entitlements to the said dividend.

Members whose securities accounts with the Central Depository (Pte) Limited are credited with shares as at 5:00 p.m. on 7 February 2025 will be entitled to the dividend.

The dividend payment will be on 18 February 2025.

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

Not applicable.

**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 half year ended 31 December 2024, the Group has made rental payment of US\$280,686 (31 December 2023: US\$280,686) and electrical services payment of US\$105,000 (31 December 2023: US\$105,000) 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.

**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 31 December 2024 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Wendy Tan Wei Lee**  
Company Secretary  
25 January 2025