MICRO-MECHANICS®

perfect parts and tools, on time, every time

FY2017 AGM & EGM

30 October 2017

MICRO-MECHANICS®

perfect parts and tools, on time, every time

Agenda

2.00 pm – 2.15 pm	*Presentation*
2.15 pm – 2.30 pm	*Q&A*
2.30 pm – 3.30 pm	*A&M and EGM Proceedings*
4.00 pm	*End of AGM & EGM*

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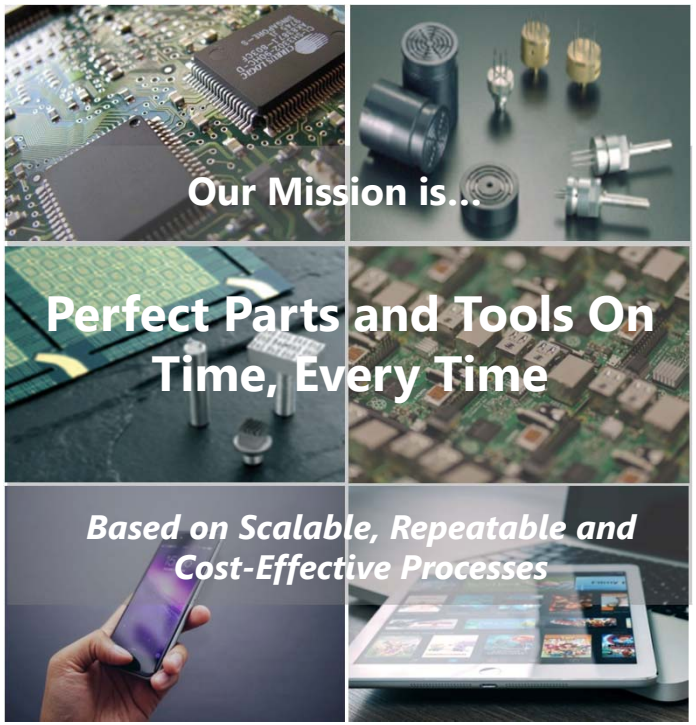
Business & Industry

Chris Borch, CEO

Low Ming Wah, COO

Corporate Overview

- Founded in 1983 in Singapore
- Design and manufacture **high precision tools and parts** used in **process-critical applications** for the wafer-fabrication and assembly processes of the **semiconductor industry**
- Serve a worldwide base of customers from five facilities in Asia (Singapore, Malaysia, China, Philippines) and the USA
- More than 600 active customers
- Listed on the Singapore Exchange (Main Board) since 2003
- Committed to generating shareholder returns



Focusing on Key Customer Outcomes

Market demands flow down through our Semiconductor Customers to Us!

Market
Consumer



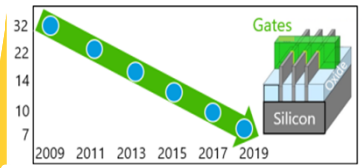
Mobility + Performance
"On-demand! Low Cost!"



Need

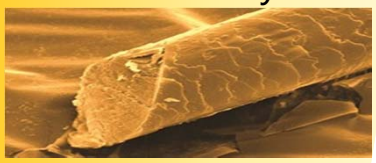
How?

Semiconductor Customers
Wafer Fab & Chip Assembly



Trend: Devices < 10 nanometers

Miniaturization + Reliability + Precision + Flawless Quality + Scalability



Requires Nano Precision! Human Hair = 100,000 nanometers

Supply

How?

Micro-Mechanics

Parts and Tools for Process-Critical Applications based on…
Key Customer Outcomes

DESIGN
Align to Customer (and Market) Needs

RELIABILITY
Flawless Quality, 0 PPM

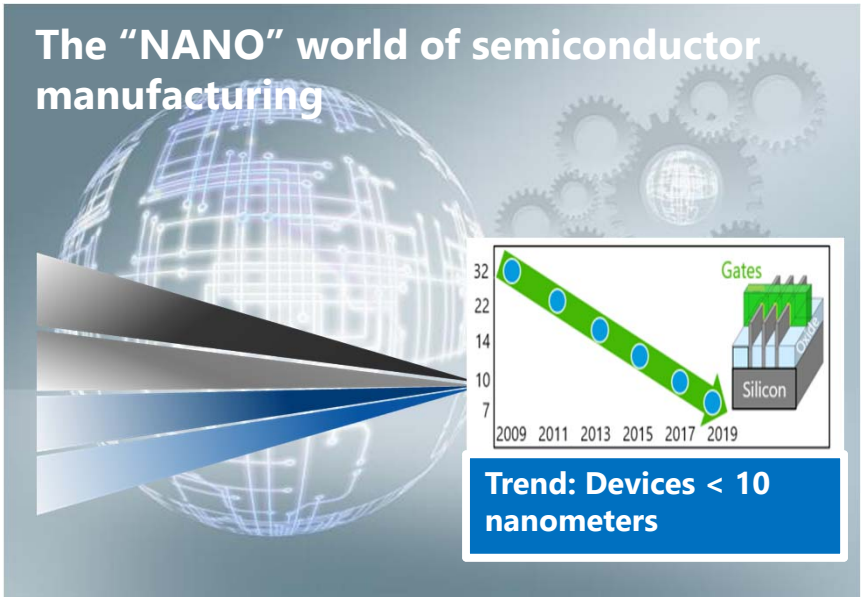
DELIVERY
On Time, Every Time in Less Time

COST
Globally Competitive; Price ≤ Value

PRECISION
Finer features, smaller tolerances

Focusing on Key Customer Outcomes

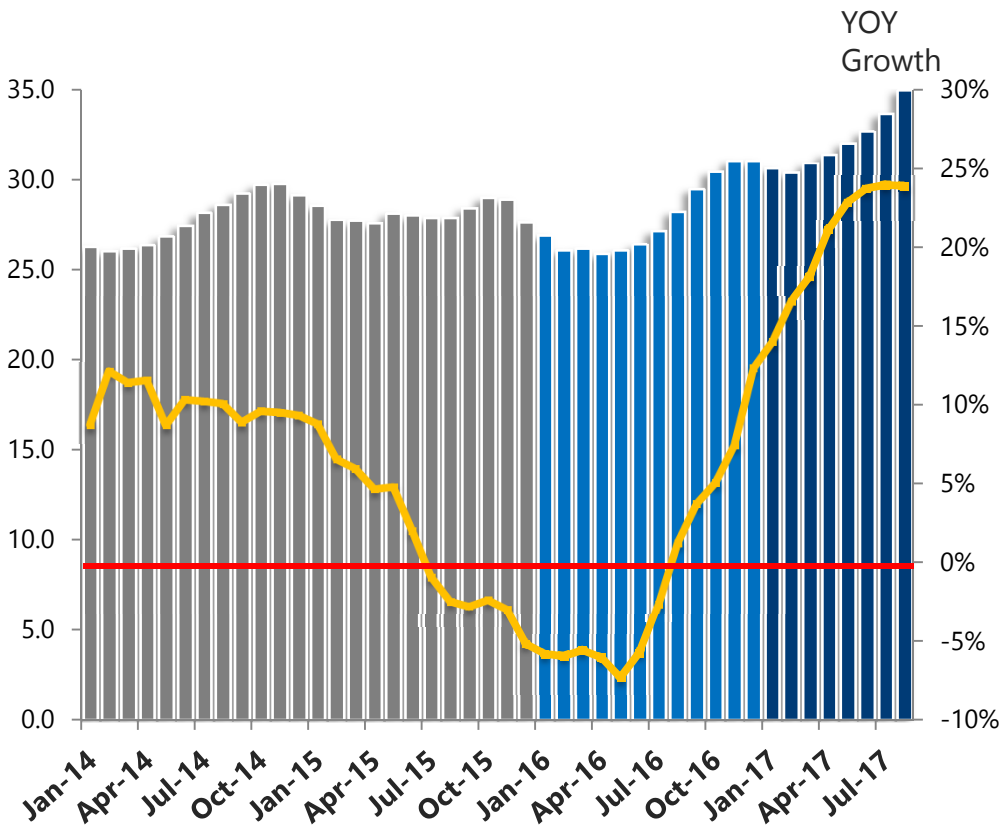
The "Nano" world of semiconductor manufacturing



Customers' Requirements for Tools & Parts	Micro-Mechanics : Prepared for "Nano" world with Capital and Engineering Resources
Smaller features with tighter tolerances	***More complex design and manufacturing***
Greater precision (Higher repeatability)	***Continuously develop advanced machining processes***
Towards zero defect	
Micro-cleanliness	***Supporting processes – new materials, testing, cleaning & packaging***

Industry Review

Global Monthly Chip Sales (US$ B)

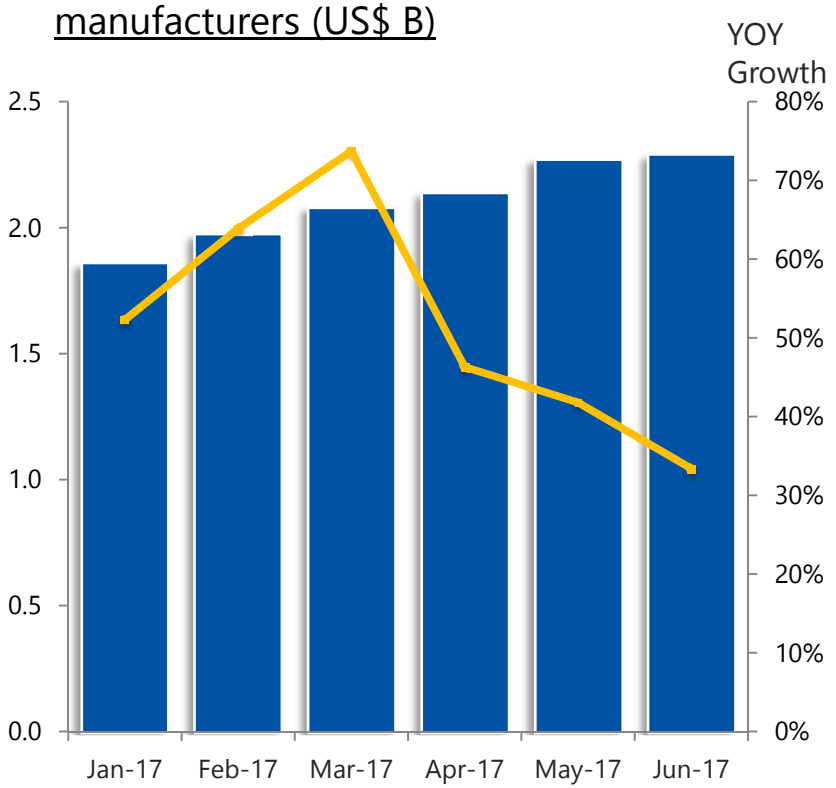


Source: Semiconductor Industry Association

- Global semiconductor industry saw robust growth during the first eight months of 2017
- Worldwide chip sales in August 2017 increased yoy for the thirteenth straight month to reach **US$35 billion** for the first time.
- Semiconductor sales for the eight month period from January to August 2017 increased **20.5%**, compared to the same period in 2016.
- World Semiconductor Trade Statistics (WSTS) raised its 2017 sales growth forecast for the third time to **17%** from 11.5% previously.

Industry Review

Three-month average of worldwide billings of North American equipment manufacturers (US$ B)



Source: SEMI

Gartner Says Worldwide Semiconductor Capital Spending Is Forecast to Grow 10.2% in 2017

- Higher growth forecast due to continued aggressive investment in memory and leading-edge logic which is driving spending in wafer-level equipment

($ Millions)

	2016	2017	2018	2019	2020
Semiconductor Capital Spending	70,568.9	77,794.5	77,443.5	71,814.8	73,239.5
Growth	9.1%	10.2%	-0.5%	-7.3%	2.0%

Source: Gartner, 2 August 2017

Corporate Milestones

- **Record** revenue and profit in FY2017
- Reported **best quarterly performance** in 1Q18
- Won **Two Gold Awards** for Best Managed Board and Best Investor Relations at the Singapore Corporate Awards 2017
- Higher SGTI score of 92 points to rank **19th out of 606** companies listed on the SGX
- Received **Special Commendation Award** at the Singapore Governance and Transparency Forum 2017
- Received **3 awards at 18th Investors' Choice Awards 2017** - Shareholder Communications Excellence Award (Small Cap), Singapore Corporate Governance Award (Small Cap) and Singapore Corporate Governance Award (Information Technology)



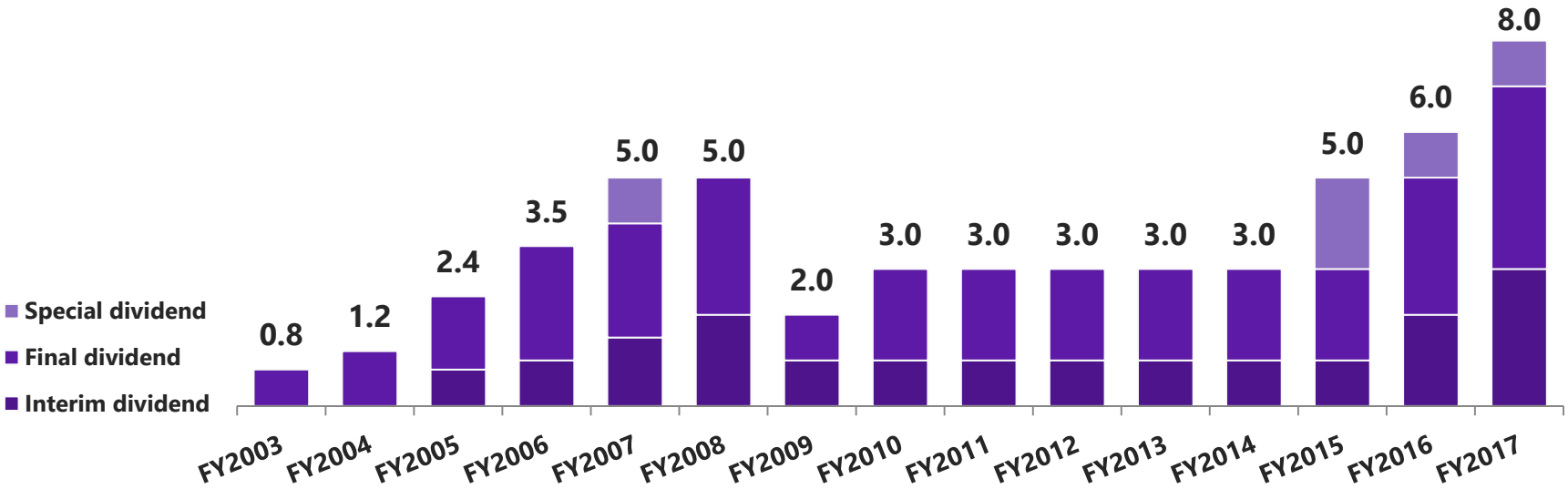
"Transparency and good governance are more than just ticking boxes. Indeed, accurate, complete and timely information is the foundation for sound decision making – not just for investors – but for everyone at Micro-Mechanics from the board room to the shop floor."

Dividend Performance

HIGHER DIVIDENDS OF 8 CENTS FOR FY2017

Total dividend payout since listing - **53.9 CENTS** per share

DIVIDEND PER SHARE (CENTS)



DIVIDEND PAYOUT RATIO

FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
29%	**35%**	**61%**	**63%**	**83%**	**78%**	**513%**	**87%**	**61%**	**99%**	**81%**	**54%**	**58%**	**70%**	**75%**

Dividend Policy of Not Less Than 40% of Earnings*

*subject to Board approval and expected capital requirements

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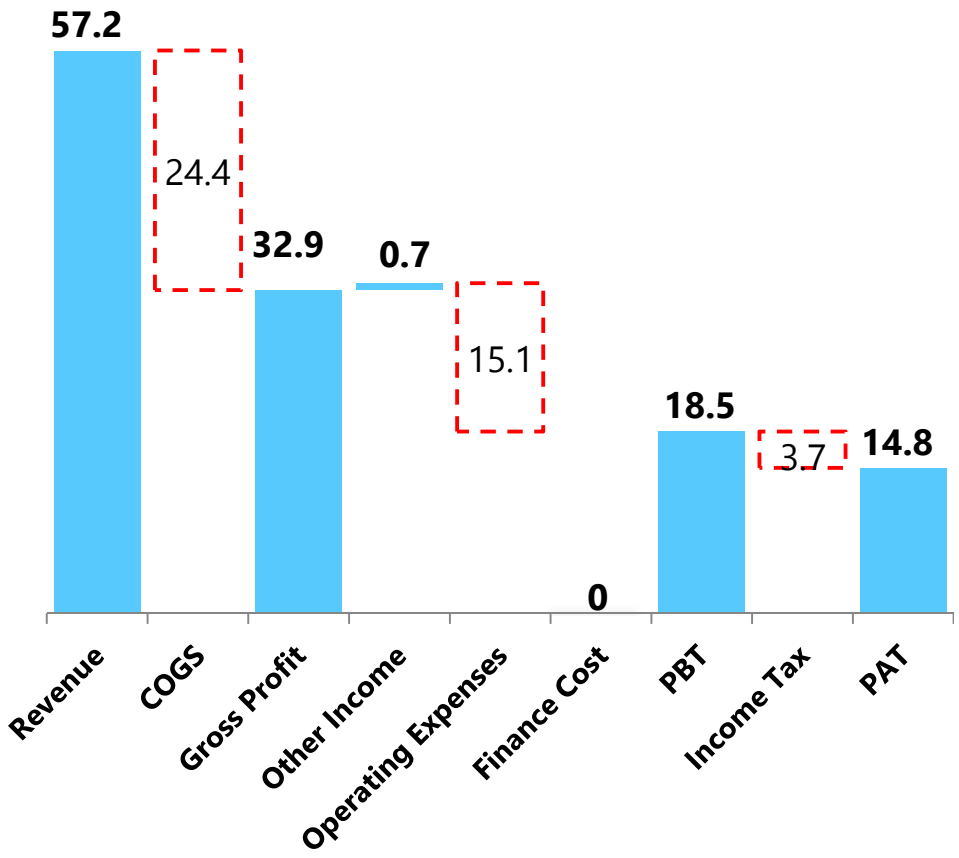
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Financial Review

Chow Kam Wing, CFO

FY2017 in Review

FY2017 P&L Overview (S$ million)



N.B. Due to rounding, some totals may not correspond with the sum/subtraction of separate figures.

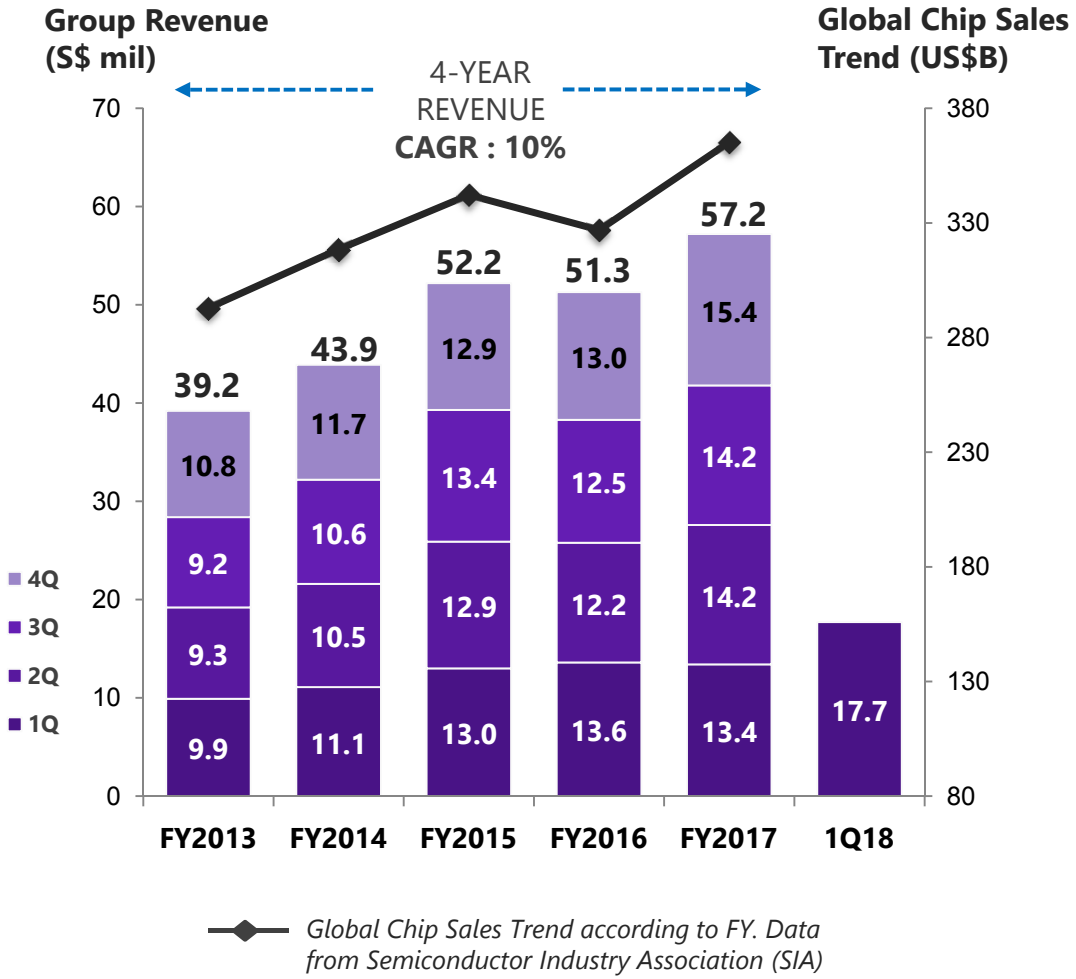
KEY RATIOS & STATISTICS

REVENUE GROWTH	11.7%
GROSS PROFIT GROWTH	12.8%
PBT GROWTH	17.9%
NET PROFIT GROWTH	24.2%
GROSS PROFIT MARGIN	57.4%
NET PROFIT MARGIN	25.8%
EARNINGS PER SHARE	10.62 cents
RETURN ON EQUITY	27.0%
CASH	S$23.4M
DEBT	Zero

FY: Financial year ending 30 June

Group Revenue

HIGHEST EVER REVENUE IN FY2017 & 1Q18



N.B. Due to rounding, some totals may not correspond with the sum of separate figures.

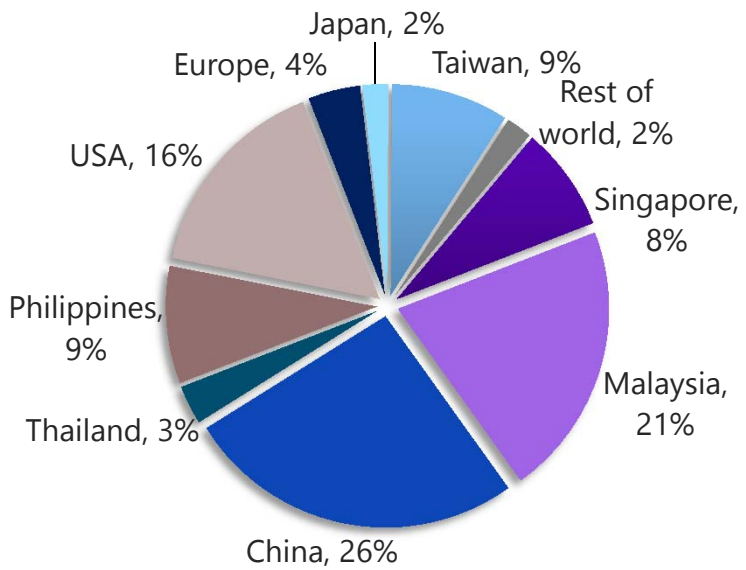
FY2017 revenue	**+11.7%**
1Q18 revenue	**+32.5%**

- Reflects the strong growth of the global semiconductor industry since the start of 2017

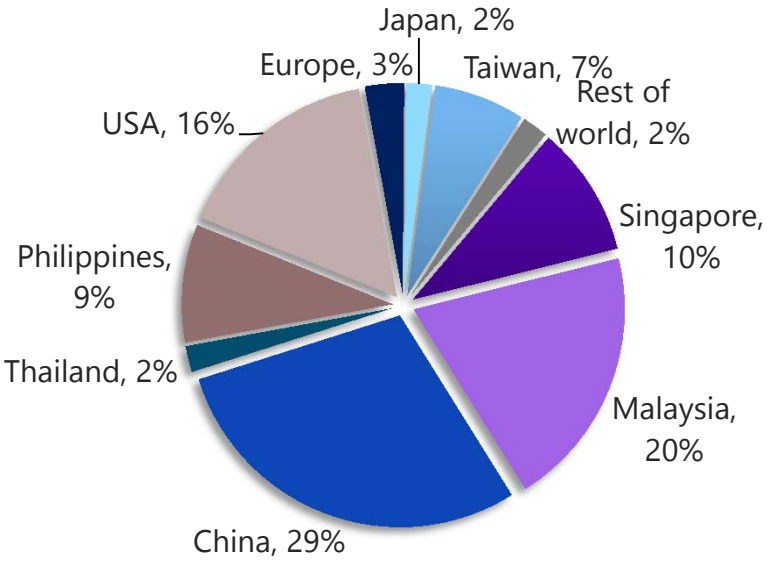
Group Revenue

DIVERSIFIED REVENUE STREAMS

Sales Breakdown for FY2017



Sales Breakdown for 1Q18



TOP 3 MARKETS

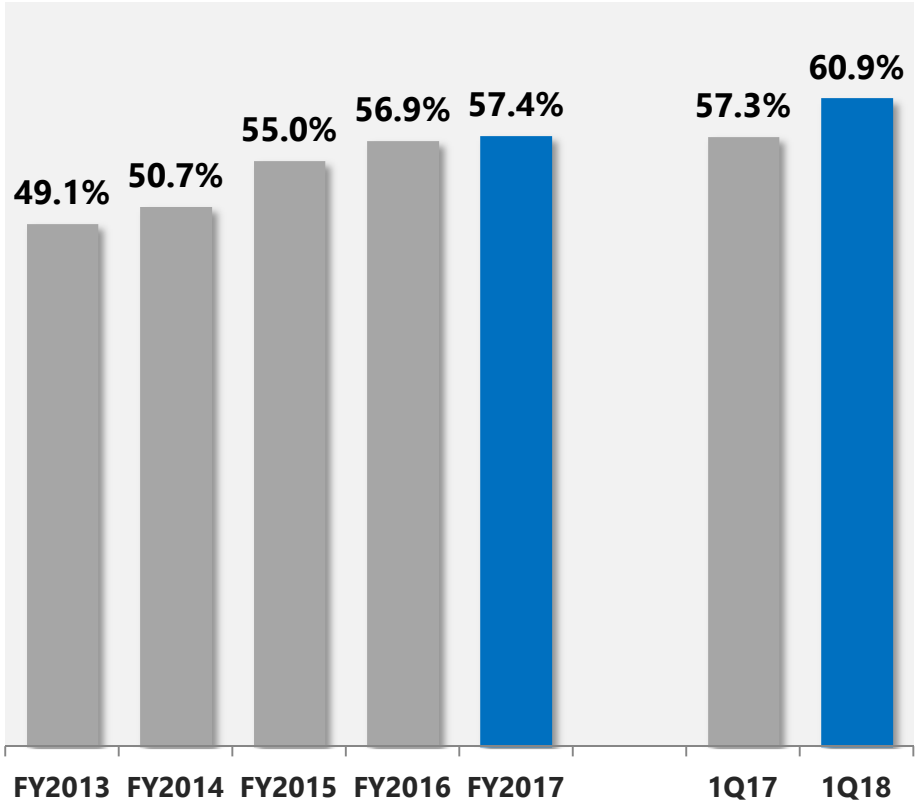
Country	FY2017 S$ mil	FY2016 S$ mil	% change
China	**14.8***	14.3	**4%**
Malaysia	**11.9**	10.6	**12%**
USA	**9.1**	7.9	**16%**

Country	1Q18 S$ mil	1Q17 S$ mil	% change
China	**5.2**	3.5	**48%**
Malaysia	**3.5**	3.0	**14%**
USA	**2.8**	1.7	**59%**

*translational impact of 5% depreciation of the RMB against the SGD.

Gross Profit Margin

STEADY GROSS PROFIT MARGIN

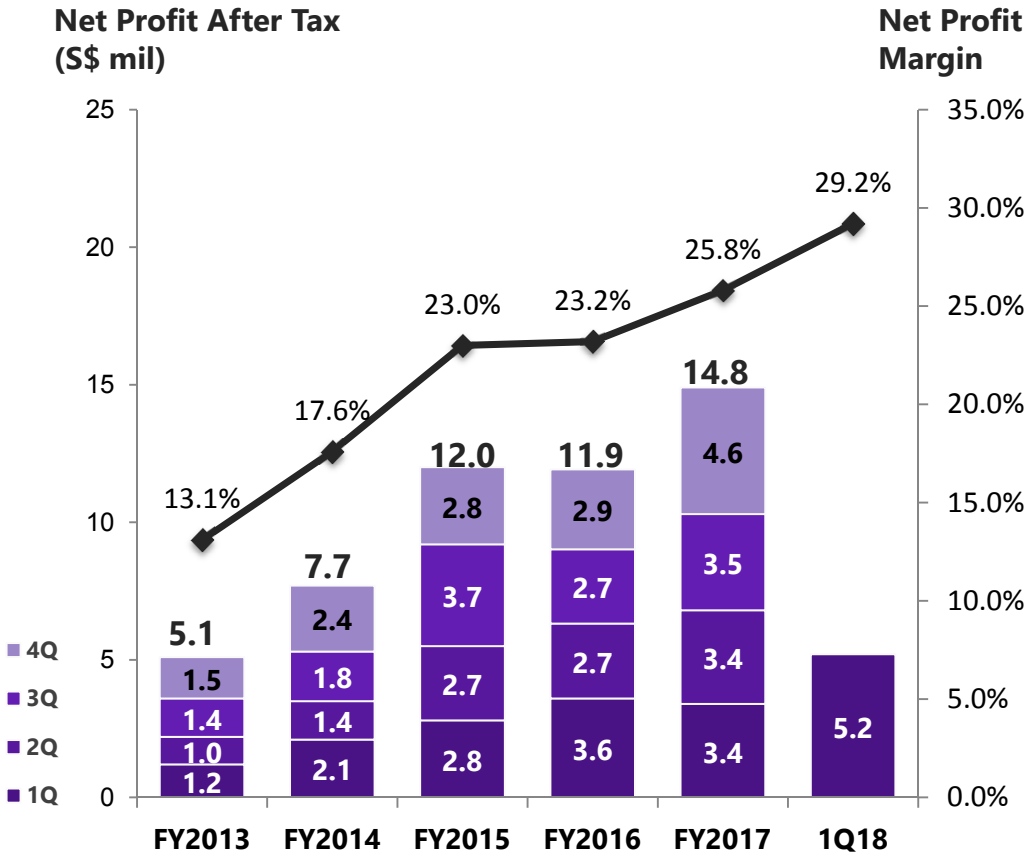


- Higher gross profit margins attributed to higher capacity utilisation, as well as cost, productivity and cycle time improvements

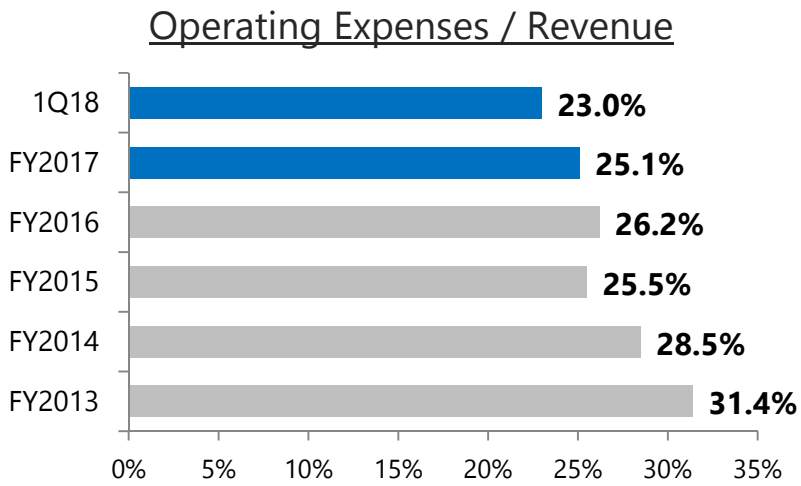
Gross profit margin is one of the results that matters most – It reflects the **value we help to create for our customers**, and our ability to develop and deliver a **cost-effective outcome**

Profitability

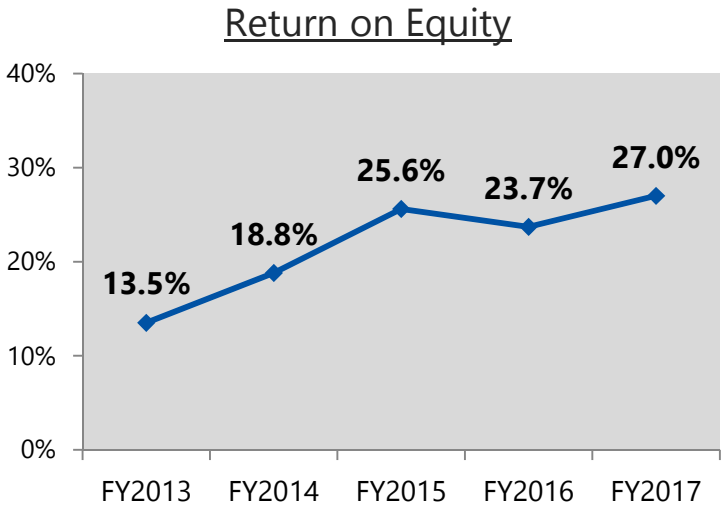
RECORD NET PROFIT FOR FY2017 & 1Q18



FY2017 net profit	**+24.2%**
1Q18 net profit	**+53.0%**



Operating Expenses - Administrative, distribution and other operating expenses (inclusive of other income)

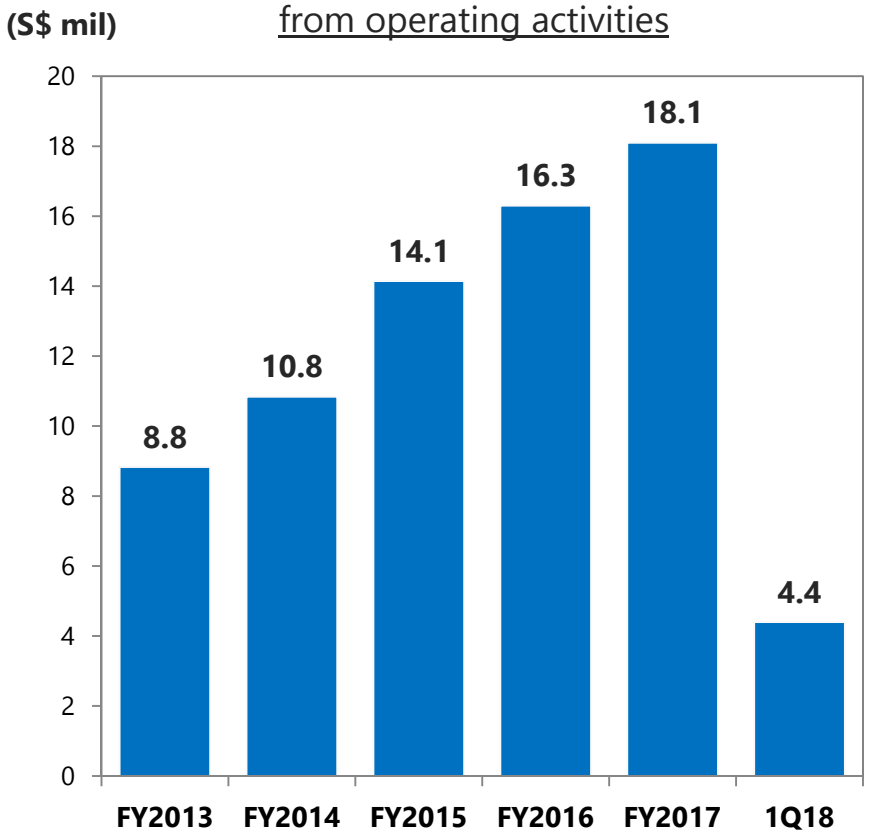


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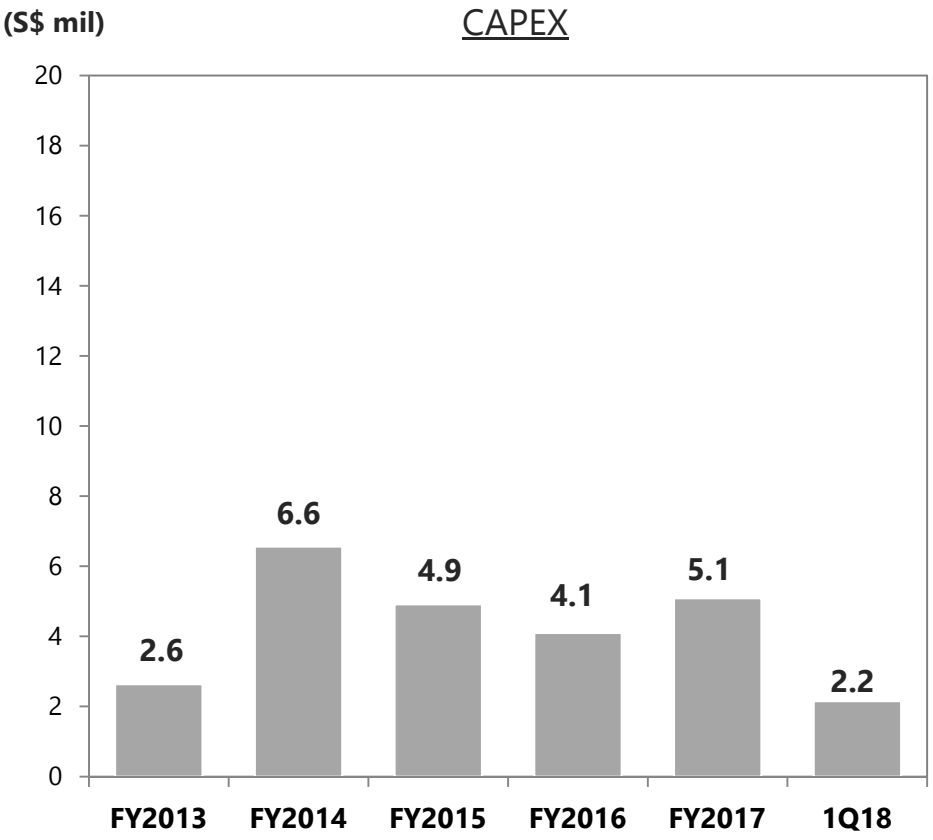
Cash Flow

CASH-FLOW GENERATIVE OPERATIONS

Track record of healthy net cash from operating activities



CAPEX



Balance Sheet

		30 Sep 2017	30 June 2017
Cash	Cash and cash equivalents[#]	S$25.4M	S$23.4M
Gearing	Total borrowings	Nil	Nil
Trade Receivables	Trade Receivables (Outstanding > 90days) / (Total trade receivables) Bad debt expense	S$13.6M 2.2% Nil (1Q18)	S$11.0M 0.1% Nil (FY17)
Inventory	Inventory Inventory / Sales Inventory write-off	S$3.9M 5.5% S$48k (1Q18)	S$3.7M 6.4% S$102k (FY17)
Equity	Shareholders' equity[#] NAV per share	S$60.0M 43.16 cents	S$54.8M 39.39 cents

[#] Paid final dividends of S$5.6M for FY2016 and interim dividends of S$4.2M for 1H17

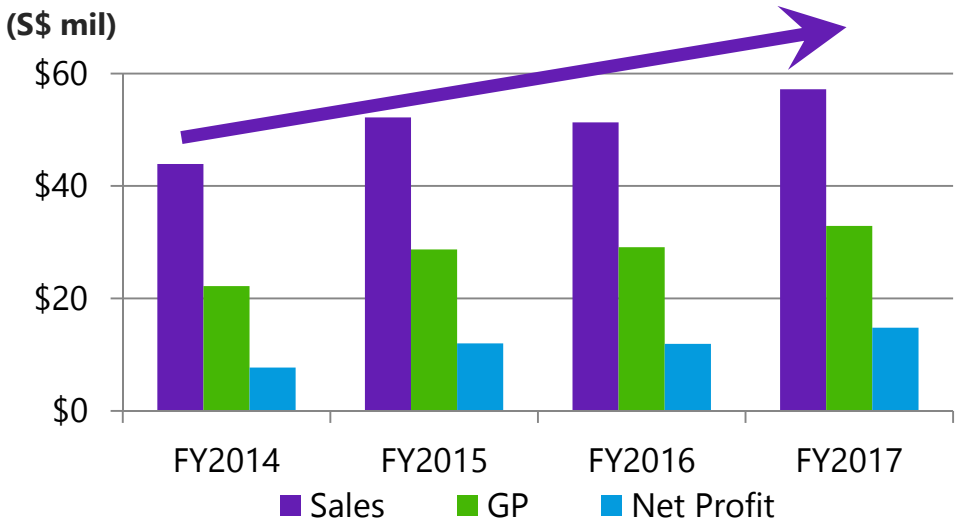
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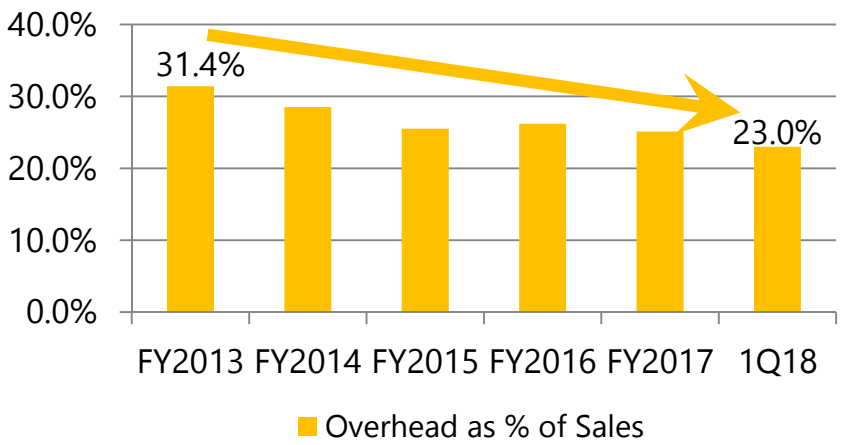
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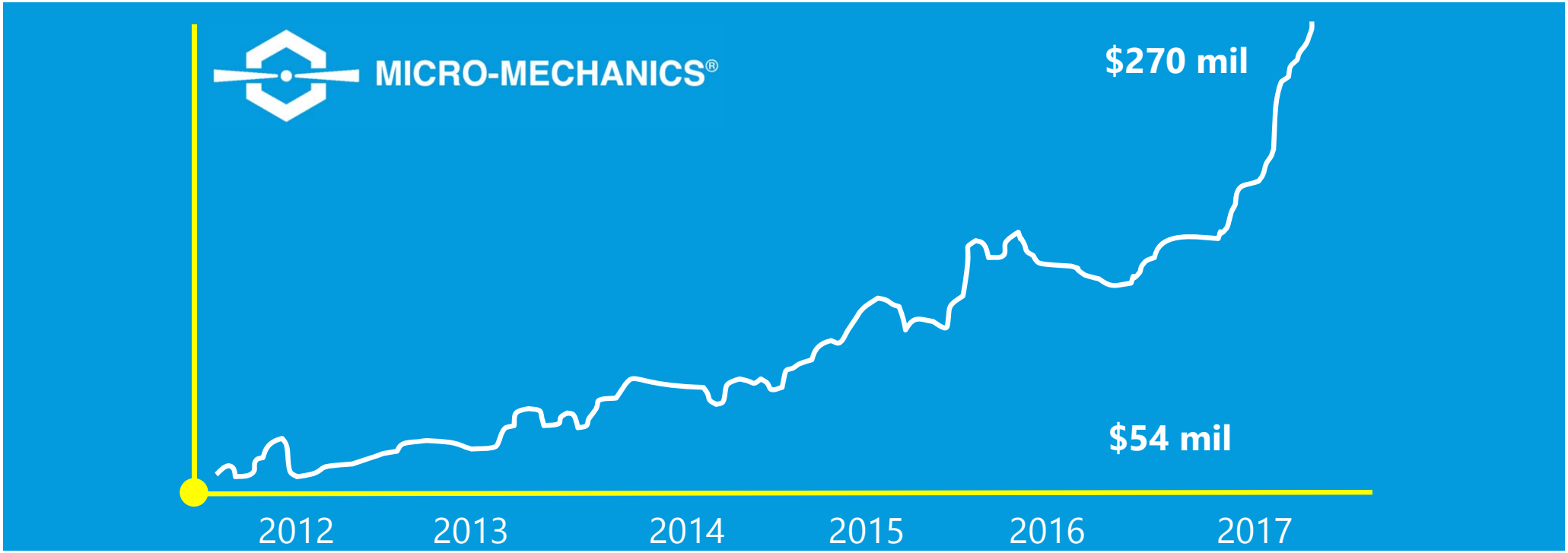
Key Takeaway

Chris Borch, CEO

Just One Takeaway ...

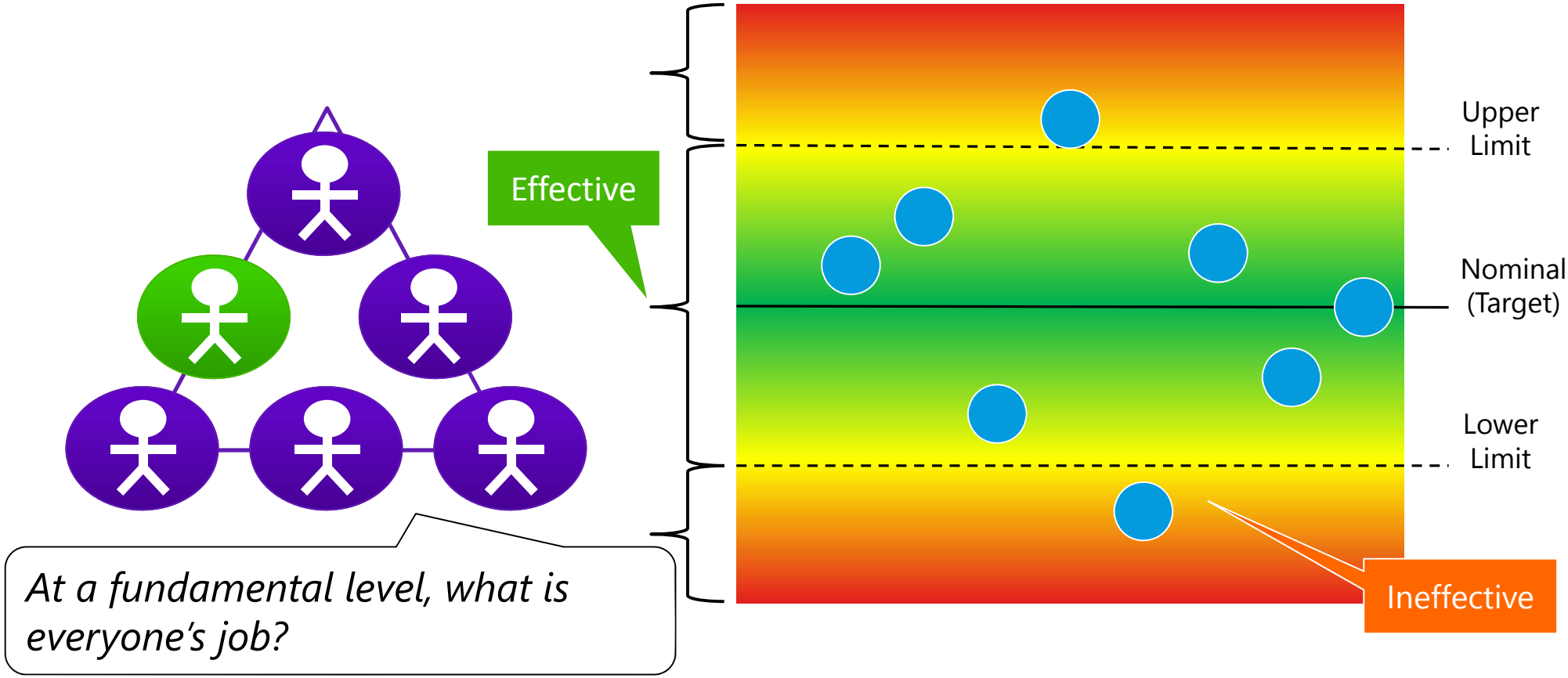






We Are Learning How To Make Better Decisions!

It is to make decisions and then take actions!*



We are working to build a methodology that helps our people – at all levels – make and implement effective decisions.

*It is estimated that the average person makes about 50,000 decisions every day!

24/7 Decision Making™

MMUniversity®

Effective Decisions and Actions: Everyone, Everywhere, Every Time



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People Make Everything Happen!

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This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Micro-Mechanics (Holdings) Ltd. believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Micro-Mechanics (Holdings) Ltd. and its business operations.

Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in and new developments in technologies and trends;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in the semiconductor industry and our ability to compete under these conditions;
- changes in pricing for our products; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements.

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