

MICRO-MECHANICS (HOLDINGS) LTD

**Condensed Interim Financial Statements
For Second Quarter and Half Year Ended
31 December 2025**

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 2025

		Group					
		Q2			Half year		
	Note	Oct to Dec 2025 S\$	Oct to Dec 2024 S\$	Change	Jul to Dec 2025 S\$	Jul to Dec 2024 S\$	Change
Revenue	E4	18,658,793	16,294,582	14.5%	35,374,139	32,536,481	8.7%
Cost of sales		(9,127,026)	(8,559,493)	6.6%	(17,239,297)	(16,569,550)	4.0%
Gross profit		9,531,767	7,735,089	23.2%	18,134,842	15,966,931	13.6%
Other income	E5	77,401	68,420	13.1%	148,802	178,495	(16.6%)
Distribution expenses		(848,248)	(791,195)	7.2%	(1,623,711)	(1,573,913)	3.2%
Administrative expenses		(2,662,360)	(2,378,363)	11.9%	(5,227,864)	(4,790,651)	9.1%
Other operating expenses		(918,176)	(801,410)	14.6%	(1,796,908)	(1,690,841)	6.3%
Results from operating activities		5,180,384	3,832,541	35.2%	9,635,161	8,090,021	19.1%
Finance income	E5	46,661	115,722	(59.7%)	109,197	118,908	(8.2%)
Finance expense	E5	(133,727)	(49,860)	168.2%	(238,711)	(159,525)	49.6%
Net finance (expense)/income		(87,066)	65,862	(232.2%)	(129,514)	(40,617)	218.9%
Profit before tax	E5	5,093,318	3,898,403	30.7%	9,505,647	8,049,404	18.1%
Tax expense	E6	(1,395,733)	(944,035)	47.8%	(2,648,474)	(2,018,059)	31.2%
Profit after tax		3,697,585	2,954,368	25.2%	6,857,173	6,031,345	13.7%
Non-controlling interests		-	-	-	-	-	-
Profit for the period		3,697,585	2,954,368	25.2%	6,857,173	6,031,345	13.7%
Statement of Comprehensive Income							
Profit for the period		3,697,585	2,954,368	25.2%	6,857,173	6,031,345	13.7%
Other comprehensive income: <i>Item that is or may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation differences from foreign operations		315,485	678,363	(53.5%)	679,255	399,116	70.2%
Total comprehensive income for the period		4,013,070	3,632,731	10.5%	7,536,428	6,430,461	17.2%
Earnings per share:	E7						
Basic (SGD in cent)		2.66	2.12	25.5%	4.93	4.34	13.6%
Diluted (SGD in cent)		2.66	2.12	25.5%	4.93	4.34	13.6%

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group 31 Dec 25 S\$	Group 30 Jun 25 S\$	Company 31 Dec 25 S\$	Company 30 Jun 25 S\$
Non-current assets					
Property, plant and equipment	E9	17,554,059	18,723,133	-	-
Right-of-use assets		2,202,959	2,023,633	-	-
Subsidiaries		-	-	29,095,544	29,095,544
Trade and other receivables	E10	425,357	390,038	-	-
Deferred tax asset		14,123	13,636	-	-
		20,196,498	21,150,440	29,095,544	29,095,544
Current assets					
Inventories		3,728,382	3,135,468	-	-
Trade and other receivables	E10	14,040,718	13,275,453	13,021	503,347
Cash and bank balances		27,239,795	23,283,594	10,530,982	9,354,448
		45,008,895	39,694,515	10,544,003	9,857,795
Total assets		65,205,393	60,844,955	39,639,547	38,953,339
Shareholders' equity					
Share capital	E11	14,782,931	14,782,931	14,782,931	14,782,931
Reserves		37,795,732	34,430,260	24,134,069	23,276,494
		52,578,663	49,213,191	38,917,000	38,059,425
Non-current liabilities					
Deferred tax liabilities		1,436,674	1,434,528	436,531	357,938
Provisions	E13	837,655	865,399	-	-
Lease liabilities		1,054,448	923,763	-	-
		3,328,777	3,223,690	436,531	357,938
Current liabilities					
Trade and other payables	E12	6,279,229	5,791,767	278,612	527,525
Lease liabilities		1,204,795	1,139,053	-	-
Current tax payable		1,813,929	1,477,254	7,404	8,451
		9,297,953	8,408,074	286,016	535,976
Total liabilities		12,626,730	11,631,764	722,547	893,914
Total equity and liabilities		65,205,393	60,844,955	39,639,547	38,953,339

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\$
The Group						
As at 1 July 2024	14,782,931	(2,096,610)	33,553	1,263,008	32,088,665	46,071,547
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	6,031,345	6,031,345
Other comprehensive income:						
Foreign currency translation differences	-	398,690	426	-	-	399,116
Total comprehensive income for the period	-	398,690	426	-	6,031,345	6,430,461
Transactions with owners, recognised directly in equity						
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)
As at 31 December 2024	14,782,931	(1,697,920)	33,979	1,263,008	33,949,054	48,331,052
As at 1 July 2025	14,782,931	(3,007,355)	32,384	1,263,008	36,142,223	49,213,191
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	6,857,173	6,857,173
Other comprehensive income:						
Foreign currency translation differences	-	680,214	(959)	-	-	679,255
Total comprehensive income for the period	-	680,214	(959)	-	6,857,173	7,536,428
Transactions with owners, recognised directly in equity						
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)
As at 31 December 2025	14,782,931	(2,327,141)	31,425	1,263,008	38,828,440	52,578,663

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	Share Capital S\$	Accumulated Profits S\$	Total S\$
The Company			
As at 1 July 2024	14,782,931	20,728,191	35,511,122
Total comprehensive income for the period:			
Net profit for the period	-	6,607,261	6,607,261
Total comprehensive income for the period	-	6,607,261	6,607,261
Transactions with owners, recognised directly in equity			
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)
As at 31 December 2024	14,782,931	23,164,496	37,947,427
As at 1 July 2025	14,782,931	23,276,494	38,059,425
Total comprehensive income for the period:			
Net profit for the period	-	5,028,531	5,028,531
Total comprehensive income for the period	-	5,028,531	5,028,531
Transactions with owners, recognised directly in equity			
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)
As at 31 December 2025	14,782,931	24,134,069	38,917,000

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASHFLOW FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	GROUP			
	Q2		Half year	
	Oct to Dec 2025 S\$	Oct to Dec 2024 S\$	Jul to Dec 2025 S\$	Jul to Dec 2024 S\$
Cash flows from operating activities				
Profit for the period	3,697,585	2,954,368	6,857,173	6,031,345
Adjustments for:				
Depreciation of property, plant and equipment	1,462,835	1,548,374	2,949,694	3,091,814
Depreciation of investment property	-	4	-	3,439
Property, plant and equipment written off	10,571	238	10,973	15,447
Gain on disposal of property, plant and equipment	(3,999)	(1,610)	(3,999)	(2,213)
Interest income	(46,661)	(51,668)	(109,197)	(118,908)
Interest expense on lease liabilities	40,665	20,876	79,356	47,500
Service cost from retirement benefits	8,865	18,816	18,123	18,816
Unwind of discount on reinstatement costs	5,112	4,839	10,154	9,612
Inventories written off	19,459	12,826	43,375	111,599
Tax expense	1,395,733	944,035	2,648,474	2,018,059
Operating profit before changes in working capital	6,590,165	5,451,098	12,504,126	11,226,510
Inventories	(74,347)	488,799	(569,809)	196,674
Trade and other receivables	(517,028)	854,825	(510,030)	174,877
Trade and other payables	464,454	(248,329)	395,593	(29,748)
Cash generated from operations	6,463,244	6,546,393	11,819,880	11,568,313
Retirement benefits paid	(41,500)	(9,544)	(41,500)	(39,982)
Tax paid	(1,512,968)	(1,018,400)	(2,345,245)	(1,897,844)
Net cash from operating activities	4,908,776	5,518,449	9,433,135	9,630,487
Cash flows from investing activities				
Interest received	67,030	68,508	107,618	118,768
Purchase of property, plant and equipment	(453,194)	(244,091)	(799,166)	(1,182,873)
Proceeds from disposal of property, plant and equipment	4,000	1,615	4,000	2,219
Net cash used in investing activities	(382,164)	(173,968)	(687,548)	(1,061,886)
Cash flows from financing activities				
Dividends paid	(4,170,956)	(4,170,956)	(4,170,956)	(4,170,956)
Interest paid	(40,665)	(20,876)	(79,356)	(47,500)
Payment of lease liabilities	(370,187)	(374,159)	(738,547)	(737,628)
Net cash used in financing activities	(4,581,808)	(4,565,991)	(4,988,859)	(4,956,084)
Net (decrease)/ increase in cash and cash equivalents	(55,196)	778,490	3,756,728	3,612,517
Cash and cash equivalents at beginning of period	27,062,389	19,082,345	23,132,344	16,409,971
Effect of exchange rate fluctuations on cash held	74,352	208,955	192,473	47,302
Cash and cash equivalents at the end of period	27,081,545	20,069,790	27,081,545	20,069,790

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Note:

(i) Cash and cash equivalent is derived from:

	Group 31 Dec 25 S\$	Group 31 Dec 24 S\$
Cash and cash equivalent balances	27,239,795	20,236,591
Less: Pledged cash placed with bank	(158,250)	(166,801)
	27,081,545	20,069,790

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 2025 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 2025.

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 2025, 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 2025:

- 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
- Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity

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 2026.

E3 Seasonal operations

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

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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									
	2Q26		2Q25		%	1H26		1H25		%
	S\$	%	S\$	%	change	S\$	%	S\$	%	change
Consumable tools	14,877,966	79.7%	12,719,745	78.1%	17.0%	28,621,142	80.9%	25,454,226	78.2%	12.4%
Wafer Fabrication	3,780,827	20.3%	3,574,837	21.9%	5.8%	6,752,997	19.1%	7,082,255	21.8%	(4.6%)
Equipment Parts										
Total	18,658,793	100%	16,294,582	100%	14.5%	35,374,139	100%	32,536,481	100%	8.7%

E5 Profit before tax

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

	Q2			Half year		
	Oct to Dec 2025 S\$	Oct to Dec 2024 S\$	Change	Jul to Dec 2025 S\$	Jul to Dec 2024 S\$	Change
Income:						
Gain on disposal of property, plant and equipment	3,999	1,610	148.4%	3,999	2,213	80.7%
Rental income	-	36	(100.0%)	-	32,743	(100.0%)
Government grant – CPF Transition Offset, Senior employment credit etc	588	3,332	(82.4%)	5,597	12,186	(54.1%)
Others	72,814	63,442	14.8%	139,206	131,353	6.0%
Expenses:						
Depreciation of property, plant and equipment	1,082,756	1,190,192	(9.0%)	2,193,771	2,379,984	(7.8%)
Depreciation of investment property	-	4	(100.0%)	-	3,439	(100.0%)
Depreciation of right-of-use assets	380,079	358,182	6.1%	755,923	711,830	6.2%
Inventories written off	19,459	12,826	51.7%	43,375	111,599	(61.1%)
Property, plant and equipment written off	10,571	238	4341.6%	10,973	15,447	(29.0%)
Trade receivables written off	2,698	-	n.m.	2,698	-	n.m.
Finance income:						
Interest income from banks and others	46,661	51,668	(9.7%)	109,197	118,908	(8.2%)
Foreign currency exchange gain, net	-	64,054	(100.0%)	-	-	-
Finance expense:						
Bank charges	20,937	24,145	(13.3%)	46,606	47,826	(2.6%)
Unwind of discount on restoration cost provision	5,112	4,839	5.6%	10,154	9,612	5.6%
Interest expense on lease liabilities	40,665	20,876	94.8%	79,356	47,500	67.1%
Foreign currency exchange losses, net	67,013	-	n.m.	102,595	54,587	87.9%

n.m. not meaningful

E6 Tax expense

	Q2		Half year	
	Oct to Dec 2025	Oct to Dec 2024	Jul to Dec 2025	Jul to Dec 2024
	S\$	S\$	S\$	S\$
Current tax expenses				
Current period	1,269,775	918,726	2,478,035	1,940,276
Changes in estimates related to prior years	25,611	(2,330)	21,702	(2,155)
	1,295,386	916,396	2,499,737	1,938,121
Deferred tax expenses				
Origination and reversal of temporary differences	92,135	27,639	140,525	79,938
Changes in estimates related to prior years	8,212	-	8,212	-
	100,347	27,639	148,737	79,938
Tax expense	1,395,733	944,035	2,648,474	2,018,059

E7 Earnings per share

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

	Group (Half year)	
	6 months ended	
	31 Dec 2025	31 Dec 2024
Profit for the period	6,857,173	6,031,345
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)	4.93	4.34

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	Group	Company	Company
	31 Dec 25	30 Jun 25	31 Dec 25	30 Jun 25
Net Asset Value per ordinary share (cents)	37.82	35.40	27.99	27.37

The net asset value per ordinary share is calculated based on net assets of S\$52.6 million (30 June 2025: S\$49.2 million) and 139,031,881 (30 June 2025: 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 2025, the Group acquired property, plant and equipment with an aggregate cost of S\$799,166 (31 December 2024: S\$777,732). The amount of assets disposed for financial period ended 31 December 2025 was S\$10,974 (31 December 2024: S\$15,453).

E10 Trade and other receivables

	Group 31 Dec 25 S\$	Group 30 Jun 25 S\$	Company 31 Dec 25 S\$	Company 30 Jun 25 S\$
Trade receivables	13,187,736	12,454,636	–	–
Other receivables	16,698	29,057	2,423	23,477
Deposits	407,659	390,038	–	–
Amount due from a subsidiary	–	–	–	460,311
Financial assets at amortised cost	13,612,093	12,873,731	2,423	483,788
Advances to suppliers	62,827	32,974	–	–
Prepayments	692,093	681,414	10,598	19,559
GST receivables	94,460	72,937	–	–
Forward exchange contracts	4,602	4,435	–	–
Trade and other receivables	14,466,075	13,665,491	13,021	503,347
Comprise of:				
Non-current	425,357	390,038	–	–
Current	14,040,718	13,275,453	13,021	503,347
	14,466,075	13,665,491	13,021	503,347

The Company provides customers with credit terms that range 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 2025. The amount of S\$425,357 (30 June 2025: S\$390,038) 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 2025 and 30 June 2025 were as follows:

	Group 31 Dec 25 S\$	Group 30 Jun 25 S\$	Company 31 Dec 25 S\$	Company 30 Jun 25 S\$
Current	10,265,505	9,729,689	–	–
Past due 1-30 days	2,534,341	2,283,355	–	–
Past due 31-60 days	340,007	406,081	–	–
Past due 61-90 days	47,883	35,511	–	460,311
	13,187,736	12,454,636	–	460,311

During the financial period ended 31 December 2025, the Group had bad debts written off amounting to S\$2.7k (30 June 2025: Nil). The outstanding amounts over 60 days increased due to late buy-off by customers. Historically, the outstanding amount over 90 days has been minimal. The Group has been conscientiously engaging customers to ensure timely collection of payments.

The Board has no immediate concern on the recoverability of the trade and other receivables balances as at 31 December 2025.

E11 Share Capital

	31 December 2025		30 June 2025	
Group and Company	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 2025.

There were no outstanding convertibles as at 31 December 2025 (30 June 2025: Nil).

The Company did not hold any treasury shares as at 31 December 2025 (30 June 2025: Nil). There were no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 31 December 2025.

E12 Trade and other payables

	Group 31 Dec 25 S\$	Group 30 Jun 25 S\$	Company 31 Dec 25 S\$	Company 30 Jun 25 S\$
Current				
Trade payables	1,088,208	797,405	—	—
Other payables	645,678	623,992	57,394	55,572
Amount owing to a subsidiary	—	—	1,518	878
Accrued expenses	4,360,621	4,252,881	219,700	471,075
Advances from customers	181,738	116,996	—	—
Forward exchange contracts	2,984	493	—	—
	6,279,229	5,791,767	278,612	527,525

E13 Provisions

	Group 31 Dec 25 S\$	Group 30 Jun 25 S\$
Non-current		
Reinstatement costs	375,187	365,032
Retirement benefits	462,468	500,367
	837,655	865,399

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 3 years (30 June 2025: 1 to 2 years) and is classified as non-current liabilities.

E14 Borrowings

The Group does not have any bank borrowings for six months ended 31 December 2025 and 30 June 2025.

E15 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	
	31 December 2025	30 June 2025	31 December 2025	30 June 2025
	\$	\$	\$	\$
Financial assets measured at				
amortised cost				
Trade and other receivables **	13,612,093	12,873,731	2,423	483,788
Cash and bank balances	27,239,795	23,283,594	10,530,982	9,354,448
	<u>40,851,888</u>	<u>36,157,325</u>	<u>10,533,405</u>	<u>9,838,236</u>
Financial assets measured at				
fair value				
Forward exchange contracts – asset	4,602	4,435	–	–
Financial liabilities measured at				
amortised cost				
Trade and other payables *	<u>(2,521,971)</u>	<u>(2,440,200)</u>	<u>(278,612)</u>	<u>(527,525)</u>
Financial liabilities measured at				
fair value				
Forward exchange contracts – liability	<u>(2,984)</u>	<u>(493)</u>	<u>–</u>	<u>–</u>

* 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.

E16 Segment reporting

The Group has the following three reportable segments (30 June 2025: three), which are the Group's strategic business units. The strategic business units are managed separately due to the requirement of different marketing strategies. For each of the strategic business units, the Group's Executive Directors review internal management reports regularly.

The following describes the operations in each of the Group's reportable segments:

- Consumable tools – focus on the design and manufacturing of miniature consumable tools used in the assembly and testing of semiconductors; and
- Wafer fabrication equipment (“WFE”) parts – focus primarily on making parts for semiconductor wafer fabrication equipment.
- Corporate and others – pertaining to corporate functions and others.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments.

**Operating Segments
1HFY2026**

	Consumable tools S\$	WFE parts S\$	Corporate & Others S\$	Total S\$
External revenue	28,621,142	6,752,997	-	35,374,139
Inter-segment revenue	5,335	820	(6,155)	-
Total revenue	28,626,477	6,753,817	(6,155)	35,374,139
Segment profit/(loss) before tax	10,032,848	137,093	(534,780)	9,635,161
Finance income	24,343	46,648	38,206	109,197
Finance expense	(163,621)	(54,935)	(20,155)	(238,711)
Tax expense	(2,395,847)	(2,973)	(249,654)	(2,648,474)
Profit/(loss) for the period	7,497,723	125,833	(766,383)	6,857,173
Segment assets	42,387,824	12,273,565	10,544,004	65,205,393
Segment liabilities	9,655,236	2,250,462	721,032	12,626,730
Other segment information:				
Capital expenditure	592,048	207,118	-	799,166
Depreciation	1,991,983	957,711	-	2,949,694
Non-current assets	15,289,350	4,907,148	-	20,196,498

**Operating Segments
1HFY2025**

	Consumable tools S\$	WFE parts S\$	Corporate & Others S\$	Consolidated S\$
Revenue from external parties	25,454,226	7,082,255	-	32,536,481
Inter-segment revenue	1,715	121	(1,836)	-
Total revenue	25,455,941	7,082,376	(1,836)	32,536,481
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	6,134,575	530,117	(633,347)	6,031,345
Segment assets	38,197,462	11,367,156	8,613,083	58,177,701
Segment liabilities	8,056,650	1,223,478	566,521	9,846,649

MICRO-MECHANICS (HOLDINGS) LTD

Condensed Interim Financial Statements for Second Quarter and Half Year Ended 31 December 2025

Operating Segments (Continued)

1HFY2025

	Consumable tools S\$	WFE parts S\$	Corporate & Others S\$	Consolidated S\$
Other segment information:				
Capital expenditure	727,206	50,526	-	777,732
Depreciation	2,110,114	985,139	-	3,095,253
Non-current assets	17,184,411	5,411,413	-	22,595,824

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.

	Group 1HFY2026 S\$	1HFY2025 S\$
Revenue		
Singapore	2,840,410	2,670,947
Malaysia	6,239,580	5,942,623 ¹
Philippines	1,848,769	1,613,070
People's Republic of China	12,859,799	10,392,278
Taiwan	1,842,231	1,772,881 ¹
United States of America	7,130,355	7,295,477
Others	2,612,995	2,849,205
	35,374,139	32,536,481

¹ The misattribution between Malaysia and Taiwan has now been corrected.

Non-current assets

Singapore	8,171,060	8,643,084
Malaysia	3,606,754	3,926,827
Philippines	1,172,019	1,348,095
People's Republic of China	2,339,517	3,266,405
United States of America	4,907,148	5,411,413
	20,196,498	22,595,824

Major customers

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

E17 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 2025 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 2025 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	FY2026	S\$16,715,346	S\$18,658,793	NA	NA	NA
	FY2025	S\$16,241,899	S\$16,294,582	S\$15,958,711	S\$16,715,483	S\$65,210,675
	% growth	2.9%	14.5%	NA	NA	NA

Group revenue for the three months ended 31 December 2025 ("2QFY2026") increased 14.5% year-on-year ("yoy") to S\$18.7 million from S\$16.3 million for 2QFY2025. On a quarter-on-quarter ("qoq") basis, Group revenue rose 11.6% from S\$16.7 million in 1QFY2026.

For the six months ended 31 December 2025 ("1HFY2026"), Group revenue grew 8.7% yoy to S\$35.4 million (1HFY2025: S\$32.5 million).

Revenue by segment

Segment	Group									
	2QFY2026		2QFY2025		% change	1HFY2026		1HFY2025		% change
	S\$	%	S\$	%		S\$	%	S\$	%	
Consumable tools	14,877,966	79.7%	12,719,745	78.1%	17.0%	28,621,142	80.9%	25,454,226	78.2%	12.4%
Wafer Fabrication	3,780,827	20.3%	3,574,837	21.9%	5.8%	6,752,997	19.1%	7,082,255	21.8%	(4.6%)
Equipment Parts										
	18,658,793	100%	16,294,582	100%	14.5%	35,374,139	100%	32,536,481	100%	8.7%

For 2QFY2026, sales from the consumable tools segment increased 17.0% yoy to S\$14.9 million. On a qoq basis, sales rose 8.3%, reaching a 14-quarter high.

Wafer Fabrication Equipment (“WFE”) sales grew 5.8% yoy and 27.2% qoq to S\$3.8 million for 2QFY2026, supported by higher bookings and recovery from material delays and shortages during 1QFY2026. The WFE segment primarily serves customers in the USA and Singapore.

For 1HFY2026, sales from consumable tools grew 12.4% yoy to S\$28.6 million, while WFE segment sales decreased 4.6% yoy to S\$6.8 million.

Consumable tools remained the main business segment, accounting for 79.7% of revenue for 2QFY2026 and 80.9% for 1HFY2026.

By geographical segments, China remained the Group’s largest market, contributing 36.4% to Group revenue for 1HFY2026. Sales in China rose 23.7% yoy to S\$12.9 million for 1HFY2026.

Sales from the USA fell 2.3% yoy to S\$7.1 million for 1HFY2026, due mainly to material delays and shortages in 1QFY2026.

In Malaysia, sales grew 5.0% yoy to S\$6.2 million for 1HFY2026, representing 17.6% of Group revenue, while sales in Singapore increased 6.3% yoy to S\$2.8 million, accounting for 8.0% of Group revenue.

Sales in the Philippines rose 14.6% yoy to S\$1.8 million for 1HFY2026, while sales in Taiwan grew 3.9% yoy to S\$1.8 million.

Gross Profit (GP) Margin

		1Q	2Q	3Q	4Q	Full Year
Group GP Margin	FY2026	51.5%	51.1%	NA	NA	NA
	FY2025	50.7%	47.5%	50.5%	49.0%	49.4%

Gross profit for 2QFY2026 grew 23.2% yoy to S\$9.5 million. Gross profit margin improved to 51.1% for 2QFY2026 compared to 47.5% for 2QFY2025. Gross profit margin for 1HFY2026 rose to 51.3% from 49.1% in the prior corresponding period. The margin expansion was supported by the Group’s initiatives to strengthen customer engagement and enhance manufacturing processes.

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

		1Q	2Q	3Q	4Q	Full Year
Other income, Distribution Expenses, Administrative Expenses, Other Operating Expenses and Net Finance Expense	FY2026 % of sales	S\$4,190,746 25.1%	S\$4,438,449 23.8%	NA	NA	NA
	FY2025 % of sales	S\$4,080,841 25.1%	S\$3,836,686 23.5%	S\$3,928,044 24.6%	S\$4,020,162 24.1%	S\$15,865,733 24.3%

For 2QFY2026, distribution expenses increased 7.2% yoy to S\$848k, mainly due to higher sales-incentive payouts.

Administrative expenses increased 11.9% yoy to S\$2.7 million for 2QFY2026 primarily due to higher costs for legal and professional services, performance incentives, software subscriptions and increased spending to strengthen IT systems and cyber security.

Other expenses for 2QFY2026 increased 14.6% yoy to S\$918k, mainly due to higher personnel costs.

Net finance expense rose to S\$87k for 2QFY2026 from an income of S\$66k for 2QFY2025. Both quarters were impacted mainly by USD movements against SGD. The SGD strengthened against the USD from last year to the current period, resulting in a foreign exchange loss in the current quarter compared to a gain in the corresponding quarter last year. In aggregate, administrative, distribution, other operating expenses (net of other income) and net finance expense as a percentage of revenue remained stable at 23.8% for 2QFY2026, compared to 23.5% in 2QFY2025. The Group continues to exercise disciplined cost management, ensuring expenses are well-controlled while supporting business growth.

Profit before Tax and Net Profit

		1Q	2Q	3Q	4Q	Full Year
Net Profit after tax	FY2026	S\$3,159,588	S\$3,697,585	NA	NA	NA
	FY2025	S\$3,076,977	S\$2,954,368	S\$3,183,572	S\$3,180,551	S\$12,395,468
	% growth	2.7%	25.2%	NA	NA	NA

Group profit before tax increased 30.7% yoy to S\$5.1 million for 2QFY2026 from S\$3.9 million for 2QFY2025.

Income tax expenses rose 47.8% yoy to S\$1.4 million for 2QFY2026, from S\$0.9 million for 2QFY2025. This increase was mainly due to improved profitability, as well as withholding tax incurred on dividends remitted from subsidiaries. The effective tax rate rose to 27.4% for 2QFY2026, compared to 24.2% in the prior year.

After deducting income tax expenses, net profit increased 25.2% yoy to S\$3.7 million for 2QFY2026, from S\$3.0 million for 2QFY2025. Net profit margin stood at 19.8% for 2QFY2026 as compared to 18.1% for 2QFY2025. Group earnings per share increased 25.5% yoy to 2.66 cents for 2QFY2026.

Dividend Payment

The Group has a formal dividend policy to distribute not less than 40% of its after-tax annual earnings, after considering financial performance, projected cash flow, capital requirements for business growth, and economic or other conditions.

In line with this policy, the Board of Directors is declaring an interim dividend of 3.0 cents per share (one tier tax-exempt) for 1HFY2026 (1HFY2025: 3.0 cents per share). The dividend, amounting to S\$4.2 million, will be paid on 19 February 2026 and represents a payout ratio of 60.8%.

Other comprehensive income

Foreign currency translation differences resulted in a gain of S\$315.5k for 2QFY2026 (2QFY2025: gain of S\$678.4k). Appreciation of the Chinese yuan and Malaysian ringgit against the Singapore dollar by 3.3% and 0.8% respectively contributed to the variance.

Balance Sheet

The Group maintains a strong balance sheet. As at 31 December 2025, assets totalled S\$65.2 million (30 June 2025: S\$60.8 million); shareholders' equity stood at S\$52.6 million (30 June 2025: S\$49.2 million); and cash and bank balances grew to S\$27.2 million (30 June 2025: S\$23.3 million). The Group had no bank borrowings.

Long Term Assets

As at 31 December 2025, non-current assets decreased to S\$20.2 million compared to S\$21.2 million as at 30 June 2025.

Trade Receivables

		As at end of 1Q	As at end of 1H	As at end of 3Q	As at end of 2H
Trade Receivables	FY2026	S\$12,274,636	S\$13,187,736	NA	NA
	≥ 90 days	0.2%	0.09%		
	Write-off	-	2,698		
	FY2025	S\$11,308,062	S\$10,948,413	S\$11,313,828	S\$12,454,636
	≥ 90 days	0.1%	0.04%	0.1%	0.01%
	Write-off	-	-	-	-

Trade receivables as at 31 December 2025 increased to S\$13.2 million from S\$12.5 million as at 30 June 2025. Of this, S\$11.7k was outstanding for 90 days or more (30 June 2025: S\$2k). The Group wrote off \$2.7k in bad debts during the period. The Group closely monitors receivables to ensure timely collections.

Trade & Other Payables

As at 31 December 2025, trade payables totalled S\$1.1 million (30 June 2025: S\$797k) with minimal amount outstanding for 30 days or more.

Non-trade payables and accrued expenses remained at approximately S\$0.6 million and S\$4.4 million at 31 December 2025 (30 June 2025: S\$0.6 million and S\$4.3 million).

Long term liabilities

As at 31 December 2025, deferred tax liabilities remained stable at S\$1.4 million.

Inventory

The Group manages inventory to avoid over-stocking and minimise write-offs. As at 31 December 2025, inventory stood at S\$3.7 million (30 June 2025: S\$3.1 million), representing 5.3% of annualised sales (30 June 2025: 4.8%). Inventory write-offs in 2QFY2026 totalled S\$19k, compared to S\$13k in 2QFY2025.

Capital Expenditure

		1Q	2Q	3Q	4Q	Full Year
Capital Expenditure	FY2026	S\$345,972	S\$453,194	NA	NA	NA
	% of sales					
	FY2025	S\$609,773	S\$167,959	S\$212,065	S\$232,912	S\$1,222,709
	% of sales					1.9%

Group capital expenditure for 2QFY2026 amounted to S\$453k, comprising purchases of machines, accessories and facilities improvements. The Group expects higher investment in 2HFY2026, primarily for equipment to enhance capabilities and improve efficiency.

Cash Flow Analysis

The Group generated net cash from operations of S\$4.9 million for 2QFY2026 (2QFY2025: S\$5.5 million). After deducting net cash used for investing activities of S\$0.4 million and net cash used in financing activities of S\$4.6 million, the Group ended 2QFY2026 with cash and bank balances of S\$27.2 million. Of this, S\$0.2 million represented 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

The global semiconductor industry recorded strong sales growth for 2QFY2026, despite concerns about an Artificial Intelligence ("AI") bubble and trade policy uncertainties. According to the Semiconductor Industry Association ("SIA"), global sales increased 27.2% yoy to US\$72.7 billion in October 2025 and reached an all-time high of US\$75.3 billion in November 2025.

In line with this trend, the Group delivered its strongest performance in 13 quarters, with revenue up 14.5% yoy to S\$18.7 million for 2QFY2026. This growth contributed to the Group's strongest half-year performance since 1HFY2023, as revenue for 1HFY2026 rose 8.7% yoy to S\$35.4 million.

The World Semiconductor Trade Statistics ("WSTS") expects global sales to grow 25% to almost US\$1 trillion* in 2026. The Group expects strong performance from China to continue, supported by firms' efforts to localise chip

manufacturing. Entering 2HFY2026, the Group will closely monitor geopolitical developments in Venezuela, Iran and other regions, given their potential impact on trade relations, foreign policy, and the semiconductor industry.

**Note: Group revenue may not directly correlate with industry growth projections because the Group's products are used in the equipment and processes to manufacture semiconductors.*

Advancing the Five-Star Factory Initiative

The Group continues to focus on building excellence in areas that are fundamental to business performance. These include:

- **Customer Engagement and Support:** With five factories around the world, the Group's aim is to provide customers with fast, effective and local support. During 1HFY2026, the Group established a team to study how to better support customers in Taiwan. It has also begun to put together plans for supporting market growth in Arizona, which is attracting both WFE and Advanced Packaging investments by major chip makers.
- **High Performance Teams:** The Group recognises that attracting, developing and retaining talent is critical to business success. At the Annual General Meeting in October 2025, shareholders approved the adoption of a Performance Share Plan, designed to reward high-performing employees with shares and reinforce the Company's ownership culture. The Group remains committed to investing in people as a driver of sustainable growth.
- **Workplace Efficiency and Safety:** During 1HFY2026, the Group continued work with each factory to improve the way workplaces are organised, become more productive, and remain clean, safe and environmentally responsible. During 1HFY2026, based on a comprehensive internal audit, the Group awarded a "Five-Star 8S" rating to three of its five plants.
- **Operational Excellence:** Fast, flawless and cost-effective manufacturing comes from robust processes, data-based decision making and a focus on operational excellence. During 1HFY2026, the Group continued efforts to improve planning, streamline manufacturing and minimise inventory. As at 31 December 2025, inventory totalled S\$3.7 million (30 June 2025: S\$3.1 million) representing 5.3% of annualised sales (30 June 2025: 4.8%). Inventory written off for 2QFY2026 totalled S\$19k, compared to S\$13k for 2QFY2025.
- **Innovation Excellence:** Beyond enhancing day-to-day operations, the Group continues to promote fresh thinking, ingenuity and the adoption of new technologies to drive product and process improvements. The Group's R&D team continues to develop new elastomers for advance packaging applications. For WFE, our engineer completed a year-long project to evaluate and purchase a new machine designed to improve machining quality and efficiency, with the first installation scheduled at its US plant in 1QFY2027. In addition, the Group successfully evaluated new physics-based programming technology that can improve material removal rates by 10–30%. Implementation of this programming method on long-cycle WFE parts is planned for 2HFY2026.

Prioritising disciplined capital management, anchored by highest standards of corporate governance

The Group continues to manage capital responsibly and purposefully. As at 31 December 2025, the Group's balance sheet included cash and bank balances of S\$27.2 million and no bank borrowings. This strong net cash position allows the Group to pay consistent dividends, consider share buy-backs, and fund capital investments.

In addition, the Group seeks to allocate capital strategically to growth areas, including product development for Advanced Packaging and equipment for WFE manufacturing. For 1HFY2026, the Group invested S\$799k in new equipment and facility upgrades and expects capital expenditure of S\$2.3 million in 2HFY2026.

The Board has declared an interim dividend of 3.0 cents per share for 1HFY2026, representing a dividend payout ratio of 60.8%. Excluding share price appreciation, this figure translates into a return of over 700% based on dividends alone for shareholders who invested in the Initial Public Offering in 2003.

The Group continues to emphasise and practice good governance. In November 2025, the Group was named Joint Winner in the Small-Cap category for *Shareholder Communications Excellence* at the Securities Investors Association of Singapore ("SIAS") Investors' Choice Awards 2025.

Business outlook

Notwithstanding ongoing macroeconomic and trade uncertainties, the Group remains focused on sustaining earnings quality and reaching its goal to become a *Next Generation Supplier* for critical manufacturing applications in the semiconductor industry.

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 2024: tax exempt one-tier interim dividend of 3 cents per ordinary share) in respect of the half year ended 31 December 2025.

(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 FY2025.

(c) The date dividend is payable

The dividend payment will be made on 19 February 2026.

(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 for the preparation of dividend warrants.

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 6 February 2026 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 at 5:00 p.m. on 6 February 2026 will be entitled to the proposed dividend payable on 19 February 2026.

(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 2025, the Group has made rental payment of US\$313,650 (31 December 2024: US\$280,686) and electrical services payment of US\$105,000 (31 December 2024: US\$105,000) to Sarcadia LLC, a controlling shareholder of the Company and a family company set up by Mr. Christopher Reid Borch, the Executive Chairman 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 2025 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Wendy Tan Wei Lee
Company Secretary
29 January 2026