

NEWS RELEASE

## Micro-Mechanics 2Q14 Net Profit Rises 39% to S\$1.4 Million

- Net profit in 1H14 jumps 63% to S\$3.5 million
- Bottom line result driven by higher revenue, improved GP margin and tight rein on expenses
- Group to pay interim dividend of 1.0 cent per share (one-tier tax exempt) on 18 February 2014
- Sound financial position - cash & cash equivalents of S\$10.0 million and zero bank borrowings

**Singapore, 25 January 2014** – Micro-Mechanics (Holdings) Ltd. (“Micro-Mechanics” or the “Group”) a manufacturer of high precision tools, parts and assemblies for high technology industries, today reported a 38.5% gain in its net profit to S\$1.4 million for the three months ended 31 December 2013 (“2Q14”).

Besides benefiting from 12.9% growth in its revenue to S\$10.5 million, the Group’s bottom line result in 2Q14 was also boosted by an expansion in gross profit margin and a tight rein on its expense structure.

Together with its strong performance in 1Q14, the Group recorded a 63.2% jump in net profit to S\$3.5 million for the six months ended 31 December 2013 (“1H14”).

In line with its philosophy of rewarding shareholders fairly, Micro-Mechanics intends to distribute an interim dividend of 1.0 cent per share (one-tier tax exempt) on 18 February 2014. The Group has paid interim and final dividends totaling 3.0 cents per share for each of its last four financial years.

CEO of Micro-Mechanics, Mr Chris Borch said, “Despite sluggish conditions in the high technology sector over the past few years, the Group continued to invest steadily on new equipment and machinery to improve the capabilities and capacity of our worldwide manufacturing operations. Coupled with our continuous efforts and initiatives to enhance operational efficiency, these investments yielded encouraging results in 1H14.”

The Group’s semiconductor tooling segment, which serves customers involved in the assembly and testing of semiconductors, performed well with higher sales in China, Malaysia and the Philippines. The Custom Machining & Assembly (“CMA”), which mainly serves high technology capital equipment manufacturers, also showed an improved performance, thanks to increased sales and rising operational efficiency. The semiconductor tooling segment contributed 84% to Group revenue in 1H14 while the remaining 16% was derived from the CMA division.

The Semiconductor Industry Association believes the global semiconductor industry is well-positioned for a strong start to the new year due to solid momentum seen across all regions and most product categories. Industry watchers are also optimistic the industry will continue to show steady growth with the World Semiconductor Trade Statistics organization predicting global chip sales to increase 4.1% to US\$316.6 billion in 2014.

*This news release should be read in conjunction with the Group’s financial statements posted on the SGX website on 25 January 2014.*

### **About Micro-Mechanics**

Micro-Mechanics designs, manufactures and markets high precision tools, parts and assemblies for the semiconductor, medical, aerospace and other high technology industries.

The Group serves a worldwide base of customers from six manufacturing facilities located in Singapore, Malaysia, China, Thailand, the Philippines and the USA. Together with its direct sales presence in Taiwan, Indonesia, and Europe, the Group's strategy is to relentlessly pursue product and operational improvement while providing its global customers with fast, effective and local support.

In addition to a market-leading range of precision tools, parts and consumable products used in the assembly and testing of semiconductors, the Group also manufactures precision parts and assemblies on a contract basis for tier-one equipment, aerospace, medical and other industries.

Micro-Mechanics has won wide recognition for its high standard of corporate governance and quality of disclosure, corporate transparency and communications with investors. It is a four time recipient of the Best Investor Relations Award (small cap category) at the Singapore Corporate Awards 2013, 2012, 2011 and 2010. The Group also won the Gold award for Best Managed Board (small cap category) at the Singapore Corporate Awards 2012. In addition, it has received six awards from the Securities Investors Association Singapore for its corporate transparency and governance practices, and was twice voted 'Best for Shareholders Rights and Equitable Treatment in Singapore' in the Asiamoney Corporate Governance Polls in 2009 and 2010.

For more information, please visit the Group's website at [www.micro-mechanics.com](http://www.micro-mechanics.com)