



MICRO-MECHANICS®
perfect parts and tools, on time, every time

NEWS RELEASE

Micro-Mechanics Delivers its Best Quarterly Results in 1Q18

- Record revenue of S\$17.7 million, up 32.5% year-on-year
- Highest net profit of S\$5.2 million, up 53.0% year-on-year
- Expands gross profit margin to 60.9% and net profit margin to 29.2%
- Sound balance sheet with cash of S\$25.4 million and zero debt

Singapore, 30 October 2017 – Micro-Mechanics (Holdings) Ltd. (“Micro-Mechanics” or the “Group”), a manufacturer of high precision tools and parts used in process-critical applications for the semiconductor industry, today reported a record set of results for the three months ended 30 September 2017 (“1Q18”).

The Group’s net profit soared 53.0% to S\$5.2 million in 1Q18, achieved on the back of revenue growth of 32.5% to S\$17.7 million, higher gross profit margin of 60.9% and a tight rein on expenses. The Group’s results in 1Q18 also grew sequentially, with both revenue and net profit increasing by 14.5% and 13.5% respectively compared to 4Q17.

Micro-Mechanics saw broad-based sales increases in its key geographical markets during 1Q18, led by its largest market in China where sales jumped 48.1% to S\$5.2 million and contributed 29.5% to Group revenue. Sales in Malaysia, its second largest market, increased 14.3% to S\$3.5 million to account for 19.5% of Group revenue. Sales in the USA rose 58.5% to S\$2.8 million to rank as its third largest market.

CEO of Micro-Mechanics, Mr Chris Borch said, “The Group delivered its best quarterly performance to-date in 1Q18. We continued to benefit from robust demand from customers in our major markets, reflecting the strong underlying growth of the global semiconductor industry since the beginning of 2017.

We also saw an expansion in our gross profit and net profit margins to 60.9% and 29.2% respectively in 1Q18, thanks to revenue growth combined with the continuous cost and operational improvements across our worldwide manufacturing operations and a tight rein on our expense structure.”

According to statistics compiled by the Semiconductor Industry Association, world-wide chip sales increased about 20.5% during the eight-month period from January to August 2017. Based on the industry’s strong growth, the World Semiconductor Trade Statistics recently raised its forecast for world-wide semiconductor sales growth in 2017 to 17% from its previous prediction of 11.5%.

“We believe the semiconductor industry’s robust growth this year may herald a prolonged period of strong growth as chips are being increasingly used in nearly every aspect of our daily life. To sustain the Group’s growth over the long term, we will continue to focus on our customers and the value we bring to their businesses,” said Mr Borch.

As at 30 September 2017, Micro-Mechanics had a sound financial position with total assets of S\$73.7 million, shareholders’ equity of S\$60.0 million, cash and cash equivalents of S\$25.4 million and zero debt.

This news release should be read in conjunction with the Group’s financial statements posted on the SGX website on 30 October 2017.

Page 1 of 2

MEDIA AND INVESTOR RELATIONS CONTACT

OCTANT CONSULTING

phone (65) 62963583

Herman Phua | mobile 9664 7582 | email herman@octant.com.sg

Lisa Heng | mobile 9090 9887 | email lisa@octant.com.sg

About Micro-Mechanics

Micro-Mechanics designs, manufactures and markets high precision tools and parts used in process-critical applications for the wafer-fabrication and assembly processes of the semiconductor industry.

The Group serves a worldwide base of customers from five manufacturing facilities located in Singapore, Malaysia, China, the Philippines and the USA, and a direct sales presence in Taiwan and Europe. Micro-Mechanics' strategy is to relentlessly pursue product and operational improvements while providing fast, effective and local support to its customers worldwide.

In addition to designing and manufacturing a market-leading range of consumable tools and parts used in the assembly and testing of semiconductors, the Group also engages in the contract manufacturing of precision parts and tools used in process-critical applications for the semiconductor wafer-fabrication industry.

Since listing on the Singapore Exchange in June 2003, Micro-Mechanics has won over 25 awards in recognition of its high standards of corporate governance, quality of disclosure, transparency and investor relations.

For more information, please visit the Group's website at www.micro-mechanics.com