

## NEWS RELEASE

### **Micro-Mechanics Posts Net Profit of S\$4.5 M on Revenue of S\$16.9 M in 1Q19**

- 1Q19 marked the Group's highest quarterly results since its record performance in 1Q18
- 1Q19 revenue rose 7.7% qoq while net profit increased 13.9% qoq from 4Q18
- Gross profit margin in 1Q19 steady at 59.5%
- Sound financial position with cash of S\$23.9 million and zero debt

**Singapore, 29 October 2018** – 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 net profit of S\$4.5 million for the three months ended 30 September 2018 (“1Q19”), marking the Group's highest quarterly profit since its record performance in 1Q18.

On a quarter-on-quarter (“qoq”) basis, net profit in 1Q19 increased 13.9% from S\$4.0 million in 4Q18. Similarly, Group revenue increased 7.7% qoq to S\$16.9 million in 1Q19 from S\$15.7 million in 4Q18. When compared to the Group's record results in 1Q18, sales in 1Q19 dipped 4.6% yoy while net profit softened 12.9% yoy.

CEO of Micro-Mechanics, Mr Chris Borch said, “While our 1Q19 results showed a qoq improvement, we saw revenue and profits easing from the same quarter a year ago as the semiconductor industry is showing signs of moderating growth heading into the remaining months of 2018.”

According to statistics compiled by the Semiconductor Industry Association, worldwide chip sales grew 19.7% in the first eight months of the year. In its latest Semiconductor Market Forecast on 16 August 2018, the World Semiconductor Trade Statistics expects chip sales growth of about 15.7% for the whole of 2018. This implies a slower industry growth rate of about 9% for the last four months of the year.

“In 1Q19, our gross profit margin of 59.5% was relatively steady as compared to 60.9% in 1Q18 and better than 57.0% for FY2018. We are working tirelessly to improve our gross profit margin by focusing on various strategies to raise productivity and operational efficiency. The Group is also continuously developing new materials and processes based on the long-term needs of our customers for greater precision, repeatability and reliability.

For our recent projects, we are seeing a pattern where longer and more costly development cycles are required to meet the ever-changing nature and increasingly stringent demands of the semiconductor industry. We believe this is becoming the norm as the chip industry moves below 10 nano device geometries and into increasingly difficult processing methods.

Although these requirements make the landscape more challenging, we believe they play well to Micro-Mechanics' technical, financial and managerial strengths and our focus on building stakeholder value that is sustainable,” said Mr Borch.

As at 30 September 2018, Micro-Mechanics remained in a sound financial position with total assets of S\$76.5 million, shareholders' equity of S\$64.2 million, cash and cash equivalents of S\$23.9 million and no bank borrowings.

#### **MEDIA AND INVESTOR RELATIONS CONTACT**

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### **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](http://www.micro-mechanics.com)