



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

## NEWS RELEASE

### **Micro-Mechanics' Net Profit Rises 48.1% to S\$3.9M in 3Q20**

- Group revenue grew 12.9% to S\$16.2m in 3Q20
- Sound financial position with cash of S\$16.1 million and zero borrowings
- Group continues reporting its quarterly financial results on a voluntary basis

**Singapore, 24 April 2020** – 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 that its net profit rose 48.1% to S\$3.9 million on revenue growth of 12.9% to S\$16.2 million for the three months ended 31 March 2020 (“3Q20”).

The Group’s robust top line growth was attained on the back of a broad-based sales increase across almost all its geographical markets. Sales in its largest market of China increased 14% to S\$4.6 million in 3Q20 despite the temporary closure of the Group’s factory in Suzhou between 3 February to 12 February 2020 in compliance with Chinese government’s directives to limit the spread of Covid-19.

Companies in Malaysia and the area where the Group’s factory in California is located were also directed to suspend operations from the latter half of March 2020. As semiconductor manufacturing is deemed an essential industry, the Group’s factories in Penang and Morgan Hill continued operations, albeit with reduced staffing levels. In 3Q20, sales in the USA rose 7% to S\$3.6 million to remain as the Group’s second largest market while sales at its third largest market of Malaysia held steady at S\$2.6 million.

CEO of Micro-Mechanics, Mr Chris Borch said, “Amid the unprecedented market and operating conditions caused by the Covid-19 outbreak, the Group still performed admirably well in 3Q20.

Dealing with the repercussions of a global pandemic is something new for the Group. But we have always been mindful of the need to build an organization that is strong, flexible and resilient. This can be achieved by having goals, structures and processes that enable us to quickly adjust to changing circumstances and ensure business continuity. To this end, we will continue focusing on a handful of key initiatives which includes the maintenance of a healthy gross profit margin, control of overhead expenses, automation of our operations, excellence in corporate transparency & governance, delivering steady profitable growth without debt, and building a track record for consistently rewarding shareholders.

Heading into the final quarter of our financial year, it is difficult to accurately assess the impact of the Covid-19 pandemic on our business. With the world economy in turmoil and near shutdowns of whole industries, business in the short term will be challenging. Nonetheless, we continue to believe the semiconductor industry is poised for a prolonged period of solid growth.

When the pandemic is over, our goal is not to hope for life and business to just go *back to normal*. Instead, we want to absorb what we have learned, implement more fully some of the changes we made to adapt to changing circumstances, and better anticipate the challenges that lie ahead. In short, we see an incredible opportunity to go *back to better*.”

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As at 31 March 2020, Micro-Mechanics had a balance sheet with total assets of S\$66.5 million, shareholders' equity of S\$54.8 million, cash and cash equivalents of S\$16.1 million and no bank borrowings.

*This news release should be read in conjunction with the Group's financial statements posted on the SGX website on 24 April 2020.*

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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 30 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)