



NEWS RELEASE

Micro-Mechanics Net Profit Leaps 55% to S\$12.0 million for FY2015

- Marks the Group's fourth straight year of double-digit revenue and profit growth
- Stronger bottom line driven by higher sales, expansion in GP margin and tight cost controls
- Recommending dividends of 3 cents per share; brings total dividends for FY2015 to 5 cents per share

Singapore, 29 August 2015 – 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 net profit of S\$12.0 million for the 12 months ended 30 June 2015 (“FY2015”), a jump of 55.3% from its previous financial year.

The Group's stronger bottom line performance was achieved on the back of revenue growth of 19.0% to S\$52.2 million, an expansion in gross profit (GP) margin to 55.0% and its stringent control of overhead expenses. Earnings per share in FY2015 increased to 8.65 cents, up 55.3% from 5.57 cents in FY2014.

In the fourth quarter ended 30 June 2015 (“4Q15”), Micro-Mechanics' net profit grew 16.8% to S\$2.8 million, which marked its 11th consecutive quarter of double-digit, year-on-year net profit gains since 2Q13.

The Board of Directors has recommended a final dividend of 2.0 cents per share and a special dividend of 1.0 cent per share (1-tier tax exempt) payable on 18 November 2015. This will bring total dividends for FY2015 to 5.0 cents per share, compared to 3.0 cents for FY2014. Including this final dividend for FY2015, the Group would have distributed a total of 39.9 cents per share to shareholders since its public listing in 2003.

CEO of Micro-Mechanics, Mr Chris Borch said, “The Group has delivered four straight years of top and bottom line growth since FY2011 to achieve our highest ever revenue and net profit in FY2015. This steady improvement can be attributed to the investments, time and energy that we have put into improving operational efficiency and productivity at all levels of the Group. Our tight rein on spending also contributed positively to the Group's performance despite escalating cost pressures in many of the markets where we operate.

Micro-Mechanics' semiconductor tooling business performed commendably in FY2015 with sales growth of 21.9% to S\$44.7 million. We achieved strong performances in the Northeast Asia markets, thanks to the progress we have been making to broaden our customer base and increase sales penetration in China and Taiwan.”

In FY2015, sales in China grew 37.8% to S\$13.6 million to remain as the Group's largest geographical market while sales to customers in Taiwan increased 33.4% to S\$5.3 million. Together, these two markets contributed 36% to Group revenue in FY2015.

“As we begin a new financial year, Micro-Mechanics' financial position remains strong. With no bank borrowings to service and our careful watch over inventory and receivables, the Group generated net cash from operating activities of S\$14.1 million in FY2015, a significant increase from S\$10.8 million in FY2014. After deducting capital expenditure and dividend payments to shareholders, the Group's cash position at the end of FY2015 increased 37% to S\$15.2 million, from S\$11.1 million at the end of FY2014,” said Mr Borch.

MEDIA AND INVESTOR RELATIONS CONTACT

Octant Consulting | phone (65) 6296 3583

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

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

This news release should be read in conjunction with the Group's financial statements posted on the SGX website on 29 August 2015.

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 five manufacturing facilities located in Singapore, Malaysia, China, 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 six time recipient of the Best Investor Relations Award (small cap category) at the Singapore Corporate Awards 2015, 2014, 2013, 2012, 2011 and 2010. The Group was also a winner of the Best Managed Board (small cap category) at the Singapore Corporate Awards 2015 and 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