



MICRO-MECHANICS (HOLDINGS) LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199604632W)

ANNOUNCEMENT

Update on Manufacturing Operations in Malaysia and the USA

Micro-Mechanics (Holdings) Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide an update on the Group’s manufacturing operations in Malaysia and the USA.

On 16 March 2020, the government of Malaysia implemented a movement control order nationwide, starting from 18 March 2020 to 31 March 2020 to address the Covid-19 outbreak. This includes a shutdown of business premises except for those in essential services. The Group has a factory in Penang, Malaysia which serves primarily local customers in Malaysia and accounted for around 16% of total revenue in the first six months ended 31 December 2019 (“1H20”).

As semiconductors are listed on the government’s “List of Products that are Part of the Supply Chain of Essential Goods Supply Chain for Exemption from the Restriction of Movement”, the Group can continue its operations in Penang at a minimal level.

In the USA, the Public health officers within six Bay Area counties in California, including Santa Clara, announced a legal order directing their respective residents to shelter at home for three weeks from 17 March 2020. This order limits activity, travel and business functions to only the most essential needs. The Group has a factory at Morgan Hill in Santa Clara which serves mainly local customers in the USA and contributed to around 20% of Group revenue in 1H20.

As the operations of the Group’s factory in Morgan Hills fall under an exemption in the order, it has been permitted to perform minimum basic operations. The Group has implemented a plan to ensure the factory continues to run with reduced personnel to maintain basic and essential operations.

The reduced level of operational activities at the factories in Penang and USA for around two and three weeks respectively, are not expected to affect its customers in other markets as they will continue to be served by the Group’s factories in Singapore, the Philippines and China which is now fully operational.

Nevertheless, as the Covid-19 situation around the world continues to evolve, the Group is closely monitoring the situation and shall keep shareholders informed of any material developments as and when they arise.

By Order of the Board of Directors

Submitted by Chow Kam Wing,
Company Secretary
19 March 2020

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

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