



## NEWS RELEASE

### **Micro-Mechanics Reports 18.7% Growth in 3Q18 Net Profit to S\$4.1 million**

- Group revenue increased 12.9% to S\$16.1 million in 3Q18
- Net profit for 9M18 grew 29.2% to S\$13.2 million
- Sound balance sheet with cash of S\$18.8 million and zero debt

**Singapore, 28 April 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, has posted a net profit of S\$4.1 million for the three months ended 31 March 2018 (“3Q18”), up 18.7% from the same quarter a year ago.

The improvement in the Group’s bottom line was achieved on higher revenue and its tight control of expenses. Revenue grew 12.9% to S\$16.1 million in 3Q18 driven mainly by higher sales to the Group’s customers in China, the Philippines and the USA.

For the nine months ended 31 March 2018 (“9M18”), the Group reported a 29.2% increase in net profit to S\$13.2 million on the back of revenue growth of 18.3% to S\$49.4 million. During this nine-month period, China was the Group’s largest market with a contribution of 27.7% to revenue, followed by Malaysia and the USA with revenue contributions of 18.7% and 18.0% respectively.

CEO of Micro-Mechanics, Mr Chris Borch said, “The global semiconductor industry started 2018 on a positive note as statistics from the Semiconductor Industry Association showed a 21.8% rise in worldwide chip sales during the first two months of the year. However, the World Semiconductor Trade Statistics is forecasting the industry’s growth to moderate to about 9.5% in 2018 following the robust performance in 2017. While we have already witnessed some moderation in manufacturing activity in Asia during 3Q18, the Group was still able to deliver double-digit increases in our revenue and net profit.

As the Group moves into the final quarter of our financial year, we will be watching carefully for further signs of tapering industry demand. In the long term however, we continue to believe that the semiconductor industry is poised for a prolonged period of solid growth as chips become increasingly embedded in nearly every aspect of modern life from today’s smart phones to tomorrow’s driverless cars.

To support our long-term growth, we plan to continue improving our efficiency and productivity by automating our operations, streamlining our processes and using technology to leverage the know-how and skills of our people. Our aim is to learn how to better harness the enormous potential of every person at Micro-Mechanics to make better decisions, be more effective and thereby enhance the value we create for our customers and other stakeholders.”

As at 31 March 2018, Micro-Mechanics had a sound financial position with total assets of S\$68.7 million, shareholders’ equity of S\$56.1 million, cash and cash equivalents of S\$18.8 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 28 April 2018.*

**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)