MICRO-MECHANICS (HOLDINGS) LTD

Condensed Interim Financial Statements For First Quarter and Three Months Ended 30 September 2025

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2025

		Group (First Quarter) 3 months ended		
	Note	**30 Sep 25 S$**	**30 Sep 24 S$**	**Change**
Revenue	E4	16,715,346	16,241,899	2.9%
Cost of sales		(8,112,271)	(8,010,057)	1.3%
Gross profit		**8,603,075**	**8,231,842**	4.5%
Other income	E5	71,401	110,075	(35.1%)
Distribution expenses		(775,463)	(782,718)	(0.9%)
Administrative expenses		(2,565,504)	(2,412,288)	6.4%
Other operating expenses		(878,732)	(889,431)	(1.2%)
Results from operating activities		**4,454,777**	**4,257,480**	4.6%
Finance income	E5	62,536	67,240	(7.0%)
Finance expense	E5	(104,984)	(173,719)	(39.6%)
Net finance expense		(42,448)	(106,479)	(60.1%)
Profit before tax	E5	**4,412,329**	**4,151,001**	6.3%
Tax expense	E6	(1,252,741)	(1,074,024)	16.6%
Profit after tax		**3,159,588**	**3,076,977**	2.7%
Non-controlling interests		-	-	-
Profit for the period		**3,159,588**	**3,076,977**	2.7%
Statement of Comprehensive Income				
Profit for the period		**3,159,588**	**3,076,977**	2.7%
Other comprehensive income:				
Item that is or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences from foreign operations		363,770	(279,247)	(230.3%)
Total comprehensive income for the period		**3,523,358**	**2,797,730**	**25.9%**
Earnings per share:	E7			
Basic (in cents)		2.27	2.21	2.7%
Diluted (in cents)		2.27	2.21	2.7%

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group 30 Sep 25 S$	Group 30 Jun 25 S$	Company 30 Sep 25 S$	Company 30 Jun 25 S$
Non-current assets					
Property, plant and equipment	E9	18,078,400	18,723,133	-	-
Right-of-use assets		1,663,598	2,023,633	-	-
Subsidiaries		-	-	29,095,544	29,095,544
Trade and other receivables	E10	471,970	390,038	-	-
Deferred tax asset		13,532	13,636	-	-
		20,227,500	21,150,440	29,095,544	29,095,544
Current assets					
Inventories		3,640,753	3,135,468	-	-
Trade and other receivables	E10	13,357,990	13,275,453	303,157	503,347
Cash and bank balances		27,215,539	23,283,594	13,504,467	9,354,448
		44,214,282	39,694,515	13,807,624	9,857,795
Total assets		64,441,782	60,844,955	42,903,168	38,953,339
Shareholders' equity					
Share capital	E11	14,782,931	14,782,931	14,782,931	14,782,931
Reserves		37,953,618	34,430,260	27,149,542	23,276,494
		52,736,549	49,213,191	41,932,473	38,059,425
Non-current liabilities					
Deferred tax liabilities		1,399,482	1,434,528	393,693	357,938
Provisions	E13	871,593	865,399	-	-
Lease liabilities		719,662	923,763	-	-
		2,990,737	3,223,690	393,693	357,938
Current liabilities					
Trade and other payables	E12	5,777,715	5,791,767	566,644	527,525
Lease liabilities		990,576	1,139,053	-	-
Current tax payable		1,946,205	1,477,254	10,358	8,451
		8,714,496	8,408,074	577,002	535,976
Total liabilities		11,705,233	11,631,764	970,695	893,914
Total equity and liabilities		64,441,782	60,844,955	42,903,168	38,953,339

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	**Foreign Currency Translation Reserve**	**Accumulated remeasure-ment on retirement benefits**	**Statutory reserve**	**Accumulated Profits**	**Total**
	S$	S$	S$	S$	S$	S$
The Group						
As at 1 July 2024	14,782,931	(2,096,610)	33,553	1,263,008	32,088,665	46,071,547
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	3,076,977	3,076,977
Other comprehensive income:						
Foreign currency translation differences	-	(279,247)	-	-	-	(279,247)
Total comprehensive income for the period	-	(279,247)	-	-	3,076,977	2,797,730
As at 30 September 2024	**14,782,931**	**(2,375,857)**	33,553	**1,263,008**	**35,165,642**	**48,869,277**
As at 1 July 2025	**14,782,931**	**(3,007,355)**	**32,384**	**1,263,008**	**36,142,223**	**49,213,191**
Total comprehensive income for the period:						
Profit for the period	-	-	-	-	3,159,588	3,159,588
Other comprehensive income:						
Foreign currency translation differences	-	364,292	(522)	-	-	363,770
Total comprehensive income for the period	-	364,292	(522)	-	3,159,588	3,523,358
As at 30 September 2025	**14,782,931**	**(2,643,063)**	**31,862**	**1,263,008**	**39,301,811**	**52,736,549**

	Share Capital	**Accumulated Profits**	**Total**
	S$	S$	S$
The Company			
As at 1 July 2024	14,782,931	20,728,191	35,511,122
Total comprehensive income for the period:			
Net profit for the period	-	3,280,824	3,280,824
Total comprehensive income for the period	-	3,280,824	3,280,824
As at 30 September 2024	**14,782,931**	**24,009,015**	**38,791,946**
As at 1 July 2025	14,782,931	23,276,494	38,059,425
Total comprehensive income for the period:			
Net profit for the period	-	3,873,048	3,873,048
Total comprehensive income for the period	-	3,873,048	3,873,048
As at 30 September 2025	**14,782,931**	**27,149,542**	**41,932,473**

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THREE MONTHS ENDED 30 SPETEMBER 2025

	Group (First Quarter) 3 months ended	
	30 Sep 2025 S$	**30 Sep 2024** S$
Cash flows from operating activities		
Profit for the period	3,159,588	3,076,977
Adjustments for:		
Depreciation of property, plant and equipment	1,486,859	1,543,440
Depreciation of investment property	-	3,435
Property, plant and equipment written off	402	15,209
Gain on disposal of property, plant and equipment	-	(603)
Interest income	(62,536)	(67,240)
Interest expense on lease liabilities	38,691	26,624
Service cost from retirement benefits	9,258	8,427
Unwind of discount on reinstatement costs	5,042	4,773
Inventories written off	23,916	98,773
Tax expense	1,252,741	1,074,024
Operating profit before changes in working capital	5,913,961	5,783,839
Inventories	(495,462)	(292,125)
Trade and other receivables	6,998	(679,948)
Trade and other payables	(68,861)	218,581
Cash generated from operations	5,356,636	5,030,347
Retirement benefits paid	-	(38,865)
Tax paid	(832,277)	(879,444)
Net cash from operating activities	4,524,359	4,112,038
Cash flows from investing activities		
Interest received	40,588	50,260
Payment of property, plant and equipment	(345,972)	(938,782)
Proceeds from disposal of property, plant and equipment	-	604
Net cash used in investing activities	(305,384)	(887,918)
Cash flows from financing activities		
Interest paid	(38,691)	(26,624)
Payment of lease liabilities	(368,360)	(363,469)
Net cash used in financing activities	(407,051)	(390,093)
Net increase in cash and cash equivalents	3,811,924	2,834,027
Cash and cash equivalents at beginning of period	23,132,344	16,409,971
Effect of exchange rate fluctuations on cash held	118,121	(161,653)
Cash and cash equivalents at the end of period	27,062,389	19,082,345

Note:
(i) Cash and cash equivalent is derived from:

	Group 30 Sep 25 S$	**Group 30 Sep 24** S$
Cash and bank balances	27,215,539	19,253,257
Less: Pledged cash placed with bank	(153,150)	(170,912)
	27,062,389	19,082,345

E. SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

E1 Corporate information

Micro-Mechanics (Holdings) Ltd. (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the first quarter and three months ended 30 September 2025 comprise the Company and its subsidiaries (collectively, the Group).

The Group is primarily involved in the manufacturing of precision tools and components.

E2 Basis of preparation

The condensed interim financial statements have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2025.

Other than adoption of the amended standards as set out in E2.2, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 June 2025, which were in accordance with SFRS(I)s.

The condensed financial statements are prepared on the historical cost basis, except for certain financial instruments which are stated at fair value.

The condensed financial statements are presented in Singapore dollars which is the Company's functional currency.

E2.1 Use of estimates and judgements

The preparation of condensed financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

E2.2 Changes in accounting policies

New accounting standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 July 2025:

- Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to SFRS(I)s – Volume 11
- Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity

The application of the above SFRS(I)s and amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial year ending 30 June 2026.

E3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

E4 Revenue

Revenue of the Group represents the value of goods invoiced to third parties. Revenue comprises sale of precision tools and components.

Revenue by segment

Segment	4QFY2025		1QFY2026		1QFY2025		% change
	S$	%	S$	%	S$	%	
Consumable tools	13,057,879	78.1%	13,743,176	82.2%	12,734,481	78.4%	7.9%
Wafer Fabrication Equipment Parts	3,657,604	21.9%	2,972,170	17.8%	3,507,418	21.6%	(15.3%)
	16,715,483	**100%**	**16,715,346**	**100%**	**16,241,899**	**100%**	2.9%

E5 Profit before tax

The following items have been included in arriving at the profit before tax:

	Group (First Quarter) 3 months ended		
	30 Sep 25 S$	**30 Sep 24 S$**	**Change**
Other Income:			
Gain on disposal of property, plant and equipment	-	603	(100.0%)
Rental income	-	32,707	(100.0%)
Government grant – CPF Transition Offset, Senior employment credit etc	5,009	8,854	(43.4%)
Others – scrap sales, freight charges, express delivery etc.	66,392	67,911	(2.2%)
Expenses:			
Depreciation of property, plant and equipment	1,111,015	1,189,792	(6.6%)
Depreciation of investment property	-	3,435	(100.0%)
Depreciation of right-of-use assets	375,844	353,648	6.3%
Inventories written off	23,916	98,773	(75.8%)
Property, plant and equipment written off	402	15,209	(97.4%)
Finance income:			
Interest income from banks and others	62,536	67,240	(7.0%)
Finance expense:			
Bank charges	25,669	23,681	8.4%
Unwind of discount on restoration cost provision	5,042	4,773	5.6%
Interest expense on lease liabilities	38,691	26,624	45.3%
Foreign currency exchange losses, net	35,582	118,641	(70.0%)

E6 Tax expense

	Group (First Quarter) 3 months ended	
	30 Sep 25 S$	**30 Sep 24 S$**
Tax charges		
Current period	1,208,260	1,021,550
Changes in estimates related to prior years	(3,909)	175
	1,204,351	1,021,725
Deferred tax expenses		
Origination and reversal of temporary differences	48,390	52,299
Changes in estimates related to prior years	-	-
	48,390	52,299
Tax expense	1,252,741	1,074,024

E7 Earnings per share

The calculation of the basic earnings per share is based on:

	Group (First Quarter) 3 months ended	
	30 Sep 2025	**30 Sep 2024**
Profit for the period	3,159,588	3,076,977
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	139,031,881	139,031,881
Basic earnings per share (cents)	2.27	2.21

There is no difference between the basic earnings per ordinary share and the diluted earnings per ordinary share as there are no potentially dilutive ordinary shares at the end of either period.

E8 Net Asset Value

	Group 30 Sep 25	**Group 30 Jun 25**	**Company 30 Sep 25**	**Company 30 Jun 25**
Net Asset Value per ordinary share (cents)	37.93	35.40	30.16	27.37

The net asset value per ordinary share is calculated based on net assets of S$52.7 million (30 June 2025: S$49.2 million) and 139,031,881 (30 June 2025: 139,031,881) shares in issue at the end of the current financial period reported on/immediately preceding financial year.

E9 Property, plant and equipment

During the financial period ended 30 September 2025, the Group acquired property, plant and equipment with an aggregate cost of S$345,972 (30 September 2024: S$609,773). The amount of assets disposed for financial period ended 30 September 2025 was S$402 (30 September 2024: S$15,210).

E10 Trade and other receivables

	Group 30 Sep 25 S$	Group 30 Jun 25 S$	Company 30 Sep 25 S$	Company 30 Jun 25 S$
Trade receivables	12,274,636	12,454,636	–	–
Other receivables	36,487	29,057	28,408	23,477
Deposits	396,886	390,038	–	–
Amount due from a subsidiary (non-trade)	–	–	231,422	460,311
Financial assets at amortised cost	12,708,009	12,873,731	259,830	483,788
Advances to suppliers	145,354	32,974	–	–
Prepayments	887,095	681,414	43,327	19,559
GST receivables	88,727	72,937	–	–
Forward exchange contracts	775	4,435	–	–
Trade and other receivables	13,829,960	13,665,491	303,157	503,347
Comprise of:				
Non-current	471,970	390,038	–	–
Current	13,357,990	13,275,453	303,157	503,347
	13,829,960	13,665,491	303,157	503,347

Trade receivables declined slightly. The Company provides customers with credit terms that range from between 30 days to 90 days. There was no change in the Group's business activities or its credit terms during the financial period.

There were no trade receivables classified under non-current assets as at 30 September 2025. The amount of S$471,970 (30 June 2025: S$390,038) classified as non-current comprised of mainly deposits for factory rental, utilities and advances to suppliers for the purchase of equipment.

The aging profile of the Group's trade receivables and the Company's non-trade amount due from a subsidiary as at 30 September 2025 and 30 June 2025 were as follows:

	Group 30 Sep 25 S$	Group 30 Jun 25 S$	Company 30 Sep 25 S$	Company 30 Jun 25 S$
Current	9,386,853	9,729,689	–	–
Past due 1-30 days	2,399,988	2,283,355	–	–
Past due 31-60 days	428,564	406,081	–	–
Past due more than 60 days	59,231	35,511	231,422	460,311
	12,274,636	12,454,636	231,422	460,311

During the financial period ended 30 September 2025, the Group has no bad debts written off (30 June 2025: Nil). The outstanding amounts over 60 days increased due to late buy-off by customers. Historically, the outstanding amount over 90 days have been minimal. The Group's finance team has been conscientiously engaging customers to ensure timely collection of payment.

The Board has no immediate concern on the recoverability of the trade and other receivables balances as at 30 September 2025.

E11 Share Capital

	30 September 2025		30 June 2025	
Group and Company	**Number of shares**	**S$**	**Number of shares**	**S$**
Fully paid ordinary shares with no par value At 1 July and 30 September	139,031,881	14,782,931	139,031,881	14,782,931

There was no movement in the issued and paid-up capital of the Company since 30 June 2025.

There were no outstanding convertibles as at 30 September 2025 (30 June 2025: Nil).

The Company did not hold any treasury shares as at 30 September 2025 (30 June 2025: Nil). There was no sale, transfer, disposal, cancellation and use of treasury shares during the three months ended 30 September 2025.

E12 Trade and other payables

	Group 30 Sep 25 S$	**Group 30 Jun 25** S$	**Company 30 Sep 25** S$	**Company 30 Jun 25** S$
Current				
Trade payables	1,104,083	797,405	–	–
Other payables	526,548	623,992	62,044	55,572
Amount owing to a subsidiary	–	–	–	878
Accrued expenses	3,958,778	4,252,881	504,600	471,075
Advances from customers	159,904	116,996	–	–
Forward exchange contracts	28,402	493	–	–
	5,777,715	5,791,767	566,644	527,525

E13 Provisions

	Group 30 Sep 25 S$	**Group 30 Jun 25** S$
Non-current		
Reinstatement costs	370,075	365,032
Retirement benefits	501,518	500,367
	871,593	865,399

Reinstatement costs relate to cost of dismantling and removing assets and restoring the premises to its original condition as stipulated in the operating lease agreements. The Group expects to incur the liability upon termination of the leases.

E14 Borrowings

The Group does not have any bank borrowings for three months ended 30 September 2025.

E15 Financial assets and financial liabilities

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Group		Company	
	30 September 2025	30 June 2025	30 September 2025	30 June 2025
	$	$	$	$
Financial assets measured at amortised cost				
Trade and other receivables **	12,708,009	12,873,731	259,830	483,788
Cash and bank balances	27,215,539	23,283,594	13,504,467	9,354,448
	39,923,548	36,157,325	13,764,297	9,838,236
Financial assets measured at fair value				
Forward exchange contracts – asset	775	4,435	–	–
Financial liabilities measured at amortised cost				
Trade and other payables *	(2,547,441)	(2,440,200)	(566,644)	(527,525)
Financial liabilities measured at fair value				
Forward exchange contracts – liability	(28,402)	(493)	–	–

* Excluding advances from customers, payroll related accruals, withholding tax payables and forward exchange contracts

** Excluding advances to suppliers, prepayments, GST receivables and forward exchange contracts.

E16 Segment reporting

The Group has the following three (30 June 2025: three) reportable segments, which are the Group's strategic business units. The strategic business units are managed separately due to the requirement of different marketing strategies. For each of the strategic business units, the Group's Executive Directors review internal management reports regularly.

The following describes the operations in each of the Group's reportable segments:

- Consumable tools – focus on the design and manufacturing of miniature consumable tools used in the assembly and testing of semiconductors; and
- Wafer fabrication equipment ("WFE") parts – focus primarily on making parts for semiconductor wafer fabrication equipment.
- Corporate and others – pertaining to corporate functions and others.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments.

Operating Segments
1QFY2026

	Consumable tools S$	WFE parts S$	Corporate & Others S$	Total S$
External revenue	13,743,176	2,972,170	-	16,715,346
Inter-segment revenue	4,345	633	(4,978)	-
Total revenue	13,747,521	2,972,803	(4,978)	16,715,346
Segment profit/(loss) before tax	5,052,752	(368,125)	(229,850)	4,454,777
Finance income	11,402	23,699	27,435	62,536
Finance expense	(63,653)	(29,307)	(12,024)	(104,984)
Tax expense	(1,122,903)	(2,967)	(126,871)	(1,252,741)
Profit/(loss) for the period	3,877,598	(376,700)	(341,310)	3,159,588
Segment assets	38,754,652	12,110,928	13,576,202	64,441,782
Segment liabilities	8,479,608	2,254,930	970,695	11,705,233
Other segment information:				
Capital expenditure	216,672	129,300	-	345,972
Depreciation	1,008,392	478,467	-	1,486,859
Non-current assets	14,897,543	5,329,957	-	20,227,500

Operating Segments
1QFY2025

	Consumable tools S$	WFE parts S$	Corporate & Others S$	Consolidated S$
Revenue from external parties	12,734,481	3,507,418	-	16,241,899
Inter-segment revenue	-	66	(66)	-
Total revenue	12,734,481	3,507,484	(66)	16,241,899
Results from operating activities	4,300,061	209,493	(252,074)	4,257,480
Finance income	12,824	20,601	33,815	67,240
Finance expense	(135,048)	(14,774)	(23,897)	(173,719)
Tax expense	(982,754)	(1,961)	(89,309)	(1,074,024)
Profit for the period	3,195,083	213,359	(331,465)	3,076,977
Segment assets	38,993,354	10,542,694	9,679,778	59,215,826
Segment liabilities	8,121,608	1,296,711	928,230	10,346,549

Operating Segments (Continued)
1QFY2025

	Consumable tools	WFE parts	Corporate & Others	Consolidated
	S$	S$	S$	S$
Other segment information:				
Capital expenditure	575,857	33,916	-	609,773
Depreciation	1,053,586	493,289	-	1,546,875
Non-current assets	17,996,340	5,546,122	-	23,542,462

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment non-current assets are based on the geographical location of the assets.

	Group	
	1QFY2026	1QFY2025
	S$	S$
Revenue		
Singapore	1,476,486	1,349,366
Malaysia	2,986,721	2,828,001[1]
Philippines	905,958	890,140
People's Republic of China	6,052,249	5,071,103
Taiwan	918,875	903,360[1]
United States of America	3,091,393	3,803,297
Others	1,283,664	1,396,632
	16,715,346	16,241,899

[1] *The misattribution between Malaysia and Taiwan has now been corrected.*

Non-current assets		
Singapore	7,468,910	9,063,277
Malaysia	3,629,846	4,160,426
Philippines	1,294,106	1,412,413
People's Republic of China	2,504,681	3,360,224
United States of America	5,329,957	5,546,122
	20,227,500	23,542,462

Major customers

There are no customers contributing more than 10% to the revenue of the Group.

E17 Subsequent events

There were no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

F. OTHER INFORMATION REQUIRE BY APPENDIX LISTING RULE 7.2

F1 Review

The condensed interim consolidated statement of financial position of Micro-Mechanics (Holdings) Ltd and its subsidiaries as at 30 September 2025 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

F1.1 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

F1.2 **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**
(a) Updates on the efforts taken to resolve each outstanding audit issue.

The audited financial statements for the year ended 30 June 2025 was not subjected to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

F2 Review of Group Performance

REVIEW OF PROFIT AND LOSS

Group Revenue

		1Q	2Q	3Q	4Q	Full Year
REVENUE	**FY2026**	**S$16,715,346**	**NA**	**NA**	**NA**	**NA**
	FY2025	**S$16,241,899**	**S$16,294,582**	**S$15,958,711**	**S$16,715,483**	**S$65,210,675**
	% growth	**2.9%**	**NA**	**NA**	**NA**	**NA**

For the three months ended 30 September 2025 ("1QFY2026"), the Group reported revenue of S$16.7 million, marking a 2.9% year-on-year ("yoy") increase from S$16.2 million for 1QFY2025. The growth was led by continued momentum in the consumable tools segment. On a quarter-on-quarter ("qoq") basis, revenue remained stable at S$16.7 million, compared to 4QFY2025.

Revenue breakdown by segment

Segment	**4QFY2025**		**1QFY2026**		**1QFY2025**		**%**
	S$	%	S$	%	S$	%	**change**
Consumable tools	13,057,879	78.1%	13,743,176	82.2%	12,734,481	78.4%	7.9%
Wafer Fabrication Equipment Parts	3,657,604	21.9%	2,972,170	17.8%	3,507,418	21.6%	(15.3%)
	16,715,483	**100%**	**16,715,346**	**100%**	**16,241,899**	**100%**	2.9%

For 1QFY2026, the Group's consumable tools segment delivered a 7.9% yoy increase in sales to S$13.7 million, marking a 13-quarter high. This growth was primarily driven by a favourable product mix. On a qoq basis, segment sales rose 5.2% to S$13.7 million (4QFY2025: S$13.1 million).

Consumable tools remained the Group's core business segment, contributing 82.2% of the Group's revenue for 1QFY2026.

Sales from the Group's Wafer Fabrication Equipment ("WFE") segment decreased by 15.3% yoy to S$3.0 million for 1QFY2026 (1QFY2025: S$3.5 million), impacted by material delays and shortages. While new orders rose 20.1% qoq to S$4.0 million, fulfilment challenges persisted for 1QFY2026. Consequently, WFE contributed 17.8% to the Group's revenue for 1QFY2026.

The WFE segment primarily serves customers based in USA, Singapore, and Malaysia.

By geographical segments, the Group recorded a 19.3% yoy increase in sales from China to S$6.1 million for 1QFY2026. China remained the Group's largest market, contributing 36.2% of the Group's revenue. The sustained growth reflects the continued success of the *Five-Star Factory* initiative, which leverages the Group's decentralised structure and close customer engagements.

Sales in Malaysia rose 5.6% yoy to S$3.0 million, accounting for 17.9% of the Group's revenue. Singapore posted a 9.4% yoy increase to S$1.5 million, representing 8.8% of the Group's revenue for 1QFY2026.

Sales in the Philippines and Taiwan grew modestly, rising 1.8% and 1.7% yoy to S$906k and S$919k respectively for 1QFY2026.

Gross Profit (GP) Margin

Group GP Margin		1Q	2Q	3Q	4Q	Full Year
	FY2026	**51.5%**	**NA**	**NA**	**NA**	**NA**
	FY2025	**50.7%**	**47.5%**	**50.5%**	**49.0%**	**49.4%**

The Group's gross profit grew 4.5% yoy to S$8.6 million for 1QFY2026, with gross profit margin improving to 51.5% from 50.7% for 1QFY2025. The improvement was supported by scale efficiencies, as sales from the consumable tools segment reached a 13-quarter high.

On a qoq basis, gross profit grew 5.0% yoy to S$8.6 million (4QFY2025: S$8.2 million), with margin expanding to 51.5% from 49.0% for 4QFY2025.

Other income, Distribution Expenses, Administrative Expenses, Other Operating Expenses and Net Finance Expense

Other income, Distribution Expenses, Administrative Expenses, Other Operating Expenses and Net Finance Expense		1Q	2Q	3Q	4Q	Full Year
	FY2026 % of sales	**S$4,190,746 25.1%**	**NA**	**NA**	**NA**	**NA**
	FY2025 % of sales	**S$4,080,841 25.1%**	**S$3,836,686 23.5%**	**S$3,928,044 24.6%**	**S$4,020,162 24.1%**	**S$15,865,733 24.3%**

For 1QFY2026, the Group's other income decreased by 35.1% yoy to S$71.4k (1QFY2025: S$110.1k), following the cessation of rental income from October 2024.

Distribution expenses decreased by 0.9% yoy to S$775.5k (1QFY2025: S$782.7k) mainly due to lower commission payouts.

Administrative expenses rose by 6.4% yoy to S$2.6 million for 1QFY2026 (1QFY2025: S$2.4 million), primarily due to subscription cost and investments in IT security services and compliance reporting. Other operating expenses decreased by 1.2% yoy to S$878.7k for 1QFY2026 (1QFY2025: S$889.4k), attributable to a reduction in headcount at MMUS.

Finance expense fell 39.6% yoy to S$105.0k for 1QFY2026 (1QFY2025: S$173.7k), mainly due to lower US Dollar exchange loss.

In aggregate, the Group's administrative, distribution and other operating expenses (net of other income) was 25.1% of revenue, or S$4.2 million, consistent with 1QFY2025. Amid dynamic business conditions, the Group continues to exercise prudent cost management with active oversight of its cost structure.

Profit before Tax and Net Profit

		1Q	2Q	3Q	4Q	Full Year
Net Profit after tax	FY2026	S$3,159,588	NA	NA	NA	NA
	FY2025	S$3,076,977	S$2,954,368	S$3,183,572	S$3,180,551	S$12,395,468
	% growth	2.7%	NA	NA	NA	NA

As a result of the above, the Group's profit before tax increased by 6.3% yoy to S$4.4 million for 1QFY2026 (1QFY2025: S$4.2 million).

Income tax expenses increased by 16.6% yoy to S$1.3 million for 1QFY2026 (1QFY2025: S$1.1 million), reflecting higher profit contributions from jurisdiction with elevated tax rates, such as China. The Group's effective tax rate increased to 28.4% for 1QFY2026, up from 25.9% for 1QFY2025, and included a provision of S$125k for withholding tax on dividends to be remitted to Singapore from various overseas subsidiaries.

After deducting income tax expenses, the Group's net profit grew 2.7% yoy to S$3.2 million (1QFY2025: S$3.1 million), with net profit margin maintained at 18.9%. On a qoq basis, net profit remained stable at S$3.2 million, with margin comparable to 19.0% for 4QFY2025.

Correspondingly, the Group's earnings per share increased by 2.7% yoy to 2.27 cents for 1QFY2026 (1QFY2025: 2.21 cents).

Other comprehensive income

Foreign currency translation differences from foreign operations resulted in a gain of S$363.8k in 1QFY2026 (1QFY2025: loss of S$279.2k). The variance was principally attributable to the appreciation of the Chinese yuan, US dollar and Malaysian ringgit against Singapore dollar by 1.9%, 1.2% and 1.3% respectively.

Balance Sheet

The Group continues to maintain a resilient financial position. As at 30 September 2025, total assets stood at S$64.4 million, with shareholders' equity of S$52.7 million. Cash and bank balances amounted to S$27.2 million and the Group remained debt-free with no bank borrowings.

Long Term Assets

As at 30 September 2025, non-current assets decreased to S$20.2 million compared to S$21.2 million as at 30 June 2025.

Trade Receivables

		As at end of 1Q	As at end of 1H	As at end of 3Q	As at end of 2H
Trade Receivables	FY2026	S$12,274,636	NA	NA	NA
	≥ 90 days	0.2%			
	Write-off	-			
	FY2025	S$11,308,062	S$10,948,413	S$11,313,828	S$12,454,636
	≥ 90 days	0.1%	0.04%	0.1%	0.01%
	Write-off	-	-	-	-

Trade receivables as at 30 September 2025 decreased to S$12.3 million from S$12.5 million as at 30 June 2025. Of this, S$22k was outstanding for 90 days or more (30 June 2025: S$2k). There were no bad debts written off during the period.

Trade & Other Payables

As at 30 September 2025, the Group's trade payables totalled S$1.1 million (30 June 2025: S$797k), with a minimal amount outstanding for 30 days or more (30 June 2025: S$1.1k).

Non-trade payables and accrued expenses remained stable at approximately S$0.5 million and S$4.0 million respectively (30 June 2025: S$0.6 million and S$4.3 million).

Long term liabilities

The Group maintained its deferred tax liabilities at S$1.4 million as at both 30 September 2025 and 30 June 2025, reflecting a consistent tax position across the reporting period.

Inventory

The Group continued to uphold disciplined inventory management practices to optimise stock levels and minimise obsolescence risks, in line with its ongoing commitment to *Operational Excellence* under the *Five-Star Factory* initiative. As at 30 September 2025, inventory stood at S$3.6 million, representing 5.4% of sales (30 June 2025: S$3.1 million, or 4.8% of sales). Inventory written off totalled S$24k for 1QFY2026, compared to S$99k for 1QFY2025.

Capital Expenditure

		1Q	2Q	3Q	4Q	Full Year
Capital Expenditure	**FY2026** **% of sales**	**S$345,972**	**NA**	**NA**	**NA**	**NA**
	FY2025 **% of sales**	**S$609,773**	**S$167,959**	**S$212,065**	**S$232,912**	**S$1,222,709** **1.9%**

In line with its disciplined approach to capital management, the Group continues to invest selectively in growth-related capital expenditure, guided by prevailing market conditions and evolving business needs.

The Group's capital expenditure for 1QFY2026 amounted to S$346k. This mainly comprised purchases of computers and software in Philippines, Malaysia, Singapore and USA, as well as renovation works in USA.

Looking ahead, the Group expects to invest approximately S$4.0 million in growth and replacement capital expenditure. These investments will focus on upgrading plant, machinery and equipment across the Group's five factories to enhance production capacity and support localised capabilities, in line with the industry trend towards supply chain localisation. To maintain strategic flexibility and responsiveness to market dynamics, the Group will review its capital expenditure plans on a half-yearly basis. This approach enables timely recalibration of resources towards emerging capabilities and operational priorities, ensuring the Group remains well-positioned to anticipate and respond to industry shifts.

Cash Flow Analysis

The Group continues to demonstrate financial resilience, underpinned by a stable working capital cycle and disciplined cash flow management. For 1QFY2026, the Group generated net cash from operations of S$4.5 million (1QFY2025: S$4.1 million). After deducting net cash used for investing activities of S$305k and net cash used for financing activities of S$407k, the Group delivered S$3.8 million in free cash flow (1QFY2025: S$2.8 million). As at the end of 1QFY2026, the Group's cash and bank balances stood at S$27.2 million, providing a strong foundation to support strategic investments and operational agility.

F3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been issued for the current financial reporting period. There is no material variance from the Group's previous financial period commentary under Section F4.

F4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Sector performance and outlook

The global semiconductor industry saw robust sales growth in 1QFY2026 despite macroeconomic and trade volatilities brought by tariff negotiations during the period. According to the Semiconductor Industry Association ("SIA"), global semiconductor sales grew by 20.6% yoy to US$62.1 billion in July 2025 and 21.7% yoy to US$64.9 billion in August 2025, driven by strong memory and logic demand.

Against this backdrop, the Group delivered a resilient performance in 1QFY2026, led by sales from its consumable tools segment, which grew 7.9% yoy to a 13-quarter high of S$13.7 million.

Looking ahead, the World Semiconductor Trade Statistics* ("WSTS") expects the global semiconductor market to grow by 9.9% yoy to US$800 billion in 2026. While the Group remains encouraged by this outlook, it remains vigilant in light of ongoing uncertainties resulting from sector-specific tariff threats. The Group has also observed that these developments have had indirect impacts of tariffs on its customers, most notably through rising material costs. The Group continues to monitor the evolving landscape closely and remains focused on enabling its customers' success amid a dynamic and uncertain environment.

**Note: WSTS forecasts global semiconductor sales, and while the Group's manufacturing of high precision tools and parts is part of the semiconductor industry's supply chain, the Group's performance in specific business segments during any particular time period may not always correlate with the general sales trend of the semiconductor industry.*

Update on key initiatives for FY2026

The Group has several initiatives in place to enhance its proposition and resilience across the value chain and deliver sustainable long-term value for its shareholders. These include:

1. Advancing the *Five-Star Factory* initiative

- Fast, Effective and Local Support to Global Customers: Strengthening the Group's decentralised structure and customer interactions to enable their success and the advancement of the semiconductor industry.
  - The Group is closely engaging with its customers to deepen its understanding of critical pain points and identify higher-value opportunities across the value chain.
  - The Group is also cross-pollinating best practices and in-market domain knowledge across its five facilities for greater collaboration and response to customer needs.

- Operational Excellence: Leveraging lean engineering and management principles, data and automation to develop fast, flawless and cost-effective manufacturing.
  - The Group continues to maintain disciplined inventory management practices to optimise stock levels and minimise obsolescence risks, as part of its ongoing commitment to *Operational Excellence* under the *Five-Star Factory* initiative. As at 30 September 2025, inventory amounted to S$3.6 million, representing 5.4% of sales (30 June 2025: S$3.1 million, or 4.8% of sales). Inventory written off totalled S$24k for 1QFY2026, compared to S$99k for 1QFY2025.

- Innovation Excellence: Strengthening a culture that promotes fresh thinking and ingenuity that drives product and process innovations and improvements, enables new manufacturing capability, and encourages the adoption of new technologies and methodologies.
  - The Group continued to look for and onboard technical and other talent in 1QFY2026 to support the design and development of new solutions and capabilities.
  - The Group is also continuing to explore investments in next-generation machinery to enable new capabilities and support growing localisation efforts across its manufacturing facilities.

- High Performance Teams: Building a *High Performance Team* of talented people with the right skills in the right positions, upskilling the Group's workforce through training programmes, and aligning incentive systems with measurements of progress and performance.
  - The Group has proposed the adoption of the Performance Share Plan 2025 ("PSP 2025") for shareholders' approval at the Extraordinary General Meeting on 30 October 2025.

  - The PSP 2025 is designed to align remuneration of eligible participants with specified performance targets, ensuring strong alignment between individual contributions to excellence, the Group's strategic priorities, and the interests of all shareholders.

- Workplace Efficiency and Safety: Implementing "8S" practices by all personnel resulting in organised, productive, clean, safe and environmentally responsible operations.
  - As of 1QFY2026, all the Group's facilities continued to make progress toward their internal Five-Star goals.

2. Prioritising disciplined capital management anchored by highest standards of corporate governance

The Group continues to exercise disciplined capital management to deliver sustainable long-term shareholder returns. This is supported by the Group's resilient working capital cycle with the ability to consistently generate positive operating and free cash flow. This has strengthened the balance sheet to a net cash position of S$27.2 million with no bank borrowings.

To support sustained business and earnings growth, the Group is investing strategically in capital expenditure to enhance its manufacturing capabilities and productivity. Looking ahead, the Group expects to invest approximately S$4.0 million in growth and replacement capital expenditure for plant, machinery, and equipment to enhance production capacity and support localised capabilities across the Group's five factories, in line with the industry trend towards supply chain localisation. The Group will review capital expenditure on a half-yearly basis to allow for agile calibration of resources towards new capabilities, keeping the Group ahead of industry shifts.

Since listing in 2003, Micro-Mechanics has won nearly 40 awards in recognition of its high standards of corporate governance, quality of disclosure, transparency and investor relations. During 1QFY2026, the Group received the Gold Award for Best Investor Relations (among companies with market capitalisation of less than S$300 million) at the 2025 Singapore Corporate Awards ("SCA"). With this esteemed recognition, the Group remains committed to delivering long-term shareholder returns through sustaining earnings growth, maintaining dividends, and upholding exemplary standards of corporate governance.

Business outlook

Amid ongoing market volatility and macroeconomic factors beyond management's control, the Group remained focused on advancing its ongoing *Five-Star Factory* initiative through a bottom-up approach. Since its launch in FY2024, the initiative has consistently delivered positive outcomes, contributing to improved operational and financial performance across the Group. This progress has laid a strong foundation for the Group as it continues to adopt a proactive and agile approach in responding to the fast-evolving industry dynamics. With a clear growth strategy that prioritises disciplined capital management, the Group has established a proven track record of navigating through business cycles as it executes against its ambitions of becoming a leading *Next Generation Supplier* focused on enabling advanced technologies and driving sustainable long-term value for its shareholders.

F5. Dividend Information

(a) Current Financial Period Reported on
Any dividend recommended for the current financial period reported on?
Nil.

(b) Corresponding Period of the Immediate Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?
Nil.

(c) The date dividend is payable
Not applicable.

(d) Books Closure Date
Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared in the first quarter ended 30 September 2025 which is in line with the Group's usual practice to declare or recommend dividend in the second quarter and fourth quarter of each financial year since its IPO.

F6. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

For the three months ended 30 September 2025, the Group has made rental payment of US$156,825 (30 September 2024 : US$140,343) and electrical services payment of US$52,500 (30 September 2024: US$52,500) to Sarcadia LLC, a controlling shareholder of the Company and a family company set up by Mr. Christopher Reid Borch, the Executive Director of the Company.

Except for the above, there was no other interested person transaction relating to any director, controlling shareholders and their associates as defined in Chapter 9 of the Listing Manual.

F7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

F8. Disclosure of person occupying a managerial position who are related to a director, CEO or substantial shareholder

Not applicable.

F9. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

To the best of the Board of Directors' knowledge, nothing has come to their attention which may render the financial results of the Group and of the Company for the financial period ended 30 September 2025 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Wendy Tan Wei Lee
Company Secretary
30 October 2025