

MICRO-MECHANICS (HOLDINGS) LTD

Condensed Interim Financial Statements
For Third Quarter and 9 Months Ended
31 March 2022

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND 9 MONTHS ENDED 31 MARCH 2022

	Note	Group					
		Q3			Year-to-date (9 months)		
		Jan to Mar 2022 S\$	Jan to Mar 2021 S\$	Change	Jul to Mar 2022 S\$	Jul to Mar 2021 S\$	Change
Revenue	E4	19,662,338	17,689,537	11.2%	60,495,119	54,584,720	10.8%
Cost of sales		(9,154,580)	(8,049,853)	13.7%	(27,781,189)	(24,899,146)	11.6%
Gross profit		10,507,758	9,639,684	9.0%	32,713,930	29,685,574	10.2%
Other income	E5	164,531	170,686	(3.6%)	394,641	840,962	(53.1%)
Distribution costs		(766,566)	(748,778)	2.4%	(2,374,707)	(2,389,962)	(0.6%)
Administrative expenses		(2,795,778)	(2,607,503)	7.2%	(8,491,073)	(7,947,622)	6.8%
Other operating expenses		(1,146,911)	(1,075,149)	6.7%	(3,508,330)	(3,164,269)	10.9%
Profit from operations		5,963,034	5,378,940	10.9%	18,734,461	17,024,683	10.0%
Finance costs		-	-		-	-	
Profit before income tax	E5	5,963,034	5,378,940	10.9%	18,734,461	17,024,683	10.0%
Income tax expense	E6	(1,548,523)	(1,205,108)	28.5%	(4,792,595)	(3,745,429)	28.0%
Profit after tax		4,414,511	4,173,832	5.8%	13,941,866	13,279,254	5.0%
Non-controlling interests		-	-		-	-	
Profit for the period		4,414,511	4,173,832	5.8%	13,941,866	13,279,254	5.0%
Profit for the period		4,414,511	4,173,832	5.8%	13,941,866	13,279,254	5.0%
Other comprehensive income:							
Item that is or may be reclassified subsequently to profit or loss:							
Foreign currency translation differences for foreign operations, net of tax		33,578	139,131	(75.9%)	229,833	(243,357)	(194.4%)
Total comprehensive income for the period		4,448,089	4,312,963	3.1%	14,171,699	13,035,897	8.7%
Earnings per share:	E7						
Basic (SGD in cent)		3.18	3.00		10.03	9.55	
Diluted (SGD in cent)		3.18	3.00		10.03	9.55	

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group 31 Mar 22 S\$	Group 30 Jun 21 S\$	Company 31 Mar 22 S\$	Company 30 Jun 21 S\$
Non-current assets					
Property, plant and equipment	E9	28,461,186	29,666,904	-	-
Right-of-use assets		1,838,299	2,461,711	-	-
Investment property	E10	330,738	330,653	-	-
Subsidiaries		-	-	29,095,544	29,095,544
Trade and other receivables	E11	884,141	462,102	-	-
Deferred tax asset		33,931	39,096	-	-
		31,548,295	32,960,466	29,095,544	29,095,544
Current assets					
Inventories		6,486,805	5,201,641	-	-
Trade and other receivables	E11	14,070,169	13,552,136	619,256	1,971,372
Cash and cash equivalents		15,033,239	20,611,778	955,422	10,594,061
		35,590,213	39,365,555	1,574,678	12,565,433
Total assets		67,138,508	72,326,021	30,670,222	41,660,977
Shareholders' equity					
Share capital	E12	14,782,931	14,782,931	14,782,931	14,782,931
Reserves		405,241	175,408	-	-
Accumulated profits		37,484,765	43,007,362	14,878,350	26,161,805
		52,672,937	57,965,701	29,661,281	40,944,736
Non-current liabilities					
Deferred tax liabilities		1,773,800	1,385,784	612,424	203,601
Trade and other payables	E13	859,955	867,591	-	-
Lease liabilities		816,120	1,339,999	-	-
		3,449,875	3,593,374	612,424	203,601
Current liabilities					
Trade and other payables	E13	7,967,733	7,861,437	396,517	509,055
Lease liabilities		1,080,153	1,152,578	-	-
Current tax payable		1,967,810	1,752,931	-	3,585
		11,015,696	10,766,946	396,517	512,640
Total liabilities		14,465,571	14,360,320	1,008,941	716,241
Total equity and liabilities		67,138,508	72,326,021	30,670,222	41,660,977

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	Foreign Currency Translation Reserve	Accumulated remeasure- ment on retirement benefits	Accumulated Profits	Total
	S\$	S\$	S\$	S\$	S\$
The Group					
As at 1 July 2020	14,782,931	329,672	(149,704)	43,021,070	57,983,969
Total comprehensive income for the period:					
Profit for the period	-	-	-	13,279,254	13,279,254
Other comprehensive income:					
Foreign currency translation differences, net of tax	-	(243,357)	-	-	(243,357)
Total comprehensive income for the period	-	(243,357)	-	13,279,254	13,035,897
Transactions with owners, recorded directly in equity					
Final dividend of 5.0 cents per share & special dividend of 2.0 cent per share (one tier tax-exempt) in respect of FY2020	-	-	-	(9,732,232)	(9,732,232)
Interim dividend of 6 cents per share (one-tier tax exempt) in respect of FY2021	-	-	-	(8,341,912)	(8,341,912)
Total transactions with owners, recorded directly in equity	-	-	-	(18,074,144)	(18,074,144)
As at 31 March 2021	14,782,931	86,315	(149,704)	38,226,180	52,945,722
As at 1 July 2021	14,782,931	272,054	(96,646)	43,007,362	57,965,701
Total comprehensive income for the period:					
Profit for the period	-	-	-	13,941,866	13,941,866
Other comprehensive income:					
Foreign currency translation differences, net of tax	-	229,833	-	-	229,833
Total comprehensive income for the period	-	229,833	-	13,941,866	14,171,699
Transactions with owners, recorded directly in equity					
Final dividend of 6.0 cents per share & special dividend of 2.0 cent per share (one tier tax-exempt) in respect of FY2021	-	-	-	(11,122,551)	(11,122,551)
Interim dividend of 6 cents per share (one-tier tax exempt) in respect of FY2022	-	-	-	(8,341,912)	(8,341,912)
Total transactions with owners, recorded directly in equity	-	-	-	(19,464,463)	(19,464,463)
As at 31 March 2022	14,782,931	501,887	(96,646)	37,484,765	52,672,937

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	Share Capital	Foreign Currency Translation Reserve	Accumulated Profits	Total
	S\$	S\$	S\$	S\$
The Company				
As at 1 July 2020	14,782,931	-	25,602,968	40,385,899
Total comprehensive income for the period:				
Net profit for the period	-	-	11,324,782	11,324,782
Total comprehensive income for the period	-	-	11,324,782	11,324,782
Transactions with owners, recorded directly in equity				
Final dividend of 5.0 cents per share & special dividend of 2.0 cent per share (one tier tax- exempt) in respect of FY2020	-	-	(9,732,232)	(9,732,232)
Interim dividend of 6 cents per share (one-tier tax exempt) in respect of FY2021	-	-	(8,341,912)	(8,341,912)
Total transactions with owners, recorded directly in equity	-	-	(18,074,144)	(18,074,144)
As at 31 March 2021	14,782,931	-	18,853,606	33,636,537
As at 1 July 2021	14,782,931	-	26,161,805	40,944,736
Total comprehensive income for the period:				
Net profit for the period	-	-	8,181,008	8,181,008
Total comprehensive income for the period	-	-	8,181,008	8,181,008
Transactions with owners, recorded directly in equity				
Final dividend of 6.0 cents per share & special dividend of 2.0 cent per share (one tier tax- exempt) in respect of FY2021	-	-	(11,122,551)	(11,122,551)
Interim dividend of 6 cents per share (one-tier tax exempt) in respect of FY2022	-	-	(8,341,912)	(8,341,912)
Total transactions with owners, recorded directly in equity	-	-	(19,464,463)	(19,464,463)
As at 31 March 2022	14,782,931	-	14,878,350	29,661,281

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASHFLOW FOR THE 9 MONTHS ENDED 31 MARCH 2022

	GROUP			
	Q3		Year-to-date (9 months)	
	Jan to Mar 2022 S\$	Jan to Mar 2021 S\$	Jul to Mar 2022 S\$	Jul to Mar 2021 S\$
Cash flows from operating activities				
Profit for the period	4,414,511	4,173,832	13,941,866	13,279,254
Adjustments for:				
Depreciation of property, plant and equipment	1,792,682	1,723,254	5,292,804	5,123,318
Depreciation of investment property	3,678	-	10,203	-
Property, plant and equipment written off	437	9	9,668	37
(Gain)/loss on disposal of property, plant and equipment	(3,436)	5	5,917	(3,767)
Interest income	(10,690)	(13,161)	(35,029)	(42,621)
Interest expense on lease liabilities	23,910	17,701	72,304	64,368
Tax expense	1,548,523	1,205,108	4,792,595	3,745,429
Operating profit before changes in working capital	7,769,615	7,106,748	24,090,328	22,166,018
Inventories	(660,433)	(422,251)	(1,264,271)	120,733
Trade and other receivables	892,344	(402,420)	(868,444)	(116,575)
Trade and other payables	571,335	(561,095)	153,860	1,629,520
Cash generated from operations	8,572,861	5,720,982	22,111,473	23,799,696
Income tax paid	(1,475,247)	(1,351,753)	(4,193,950)	(3,652,144)
Net cash from operating activities	7,097,614	4,369,229	17,917,523	20,147,552
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,743,655)	(407,454)	(3,158,819)	(5,657,640)
Proceeds from disposal of property, plant and equipment	3,446	(34)	8,154	12,033
Interest received	9,801	13,521	32,131	39,851
Net cash used in investing activities	(1,730,408)	(393,967)	(3,118,534)	(5,605,756)
Cash flows from financing activities				
Lease paid	(322,401)	(326,420)	(963,955)	(893,290)
Dividends paid	(8,341,912)	(8,341,912)	(19,464,463)	(18,074,145)
Net cash used in financing activities	(8,664,313)	(8,668,332)	(20,428,418)	(18,967,435)
Net decrease in cash and cash equivalents	(3,297,107)	(4,693,070)	(5,629,429)	(4,425,639)
Cash and cash equivalents at beginning of period	18,164,104	20,908,958	20,449,978	20,651,935
Effect of exchange rate fluctuations	5,292	15,394	51,740	4,986
Cash and cash equivalents at the end of period	14,872,289	16,231,282	14,872,289	16,231,282

Note:

(i) Cash and cash equivalent is derived from:

	Group 31 Mar 22 S\$	Group 31 Mar 21 S\$
Cash and cash equivalent balances	15,033,239	16,393,232
Less: Pledged cash placed with bank	(160,950)	(161,950)
	14,872,289	16,231,282

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 third quarter and 9 months ended 31 March 2022 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 2021.

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 2021, 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 standards and amendments

The Group has applied the following amendments to SFRS(I) for the first time for the annual period beginning on 1 July 2021:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16)

The application of these amendments to standards does not have a material effect on the financial statements.

E3 Seasonal operations

The Group's businesses were 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 breakdown by Geographical Market

Country	Group									
	3Q22		3Q21		% change	9M22		9M21		% change
	S\$	%	S\$	%		S\$	%	S\$	%	
Singapore	1,875,255	9.5%	1,638,355	9.3%	14.5%	5,105,693	8.4%	5,257,090	9.6%	(2.9%)
Malaysia	3,349,984	17.0%	2,681,175	15.2%	24.9%	9,627,366	15.9%	8,481,707	15.5%	13.5%
Philippines	1,348,947	6.9%	1,398,193	7.9%	(3.5%)	4,130,439	6.8%	4,509,323	8.3%	(8.4%)
Thailand	345,592	1.8%	334,766	1.9%	3.2%	1,011,736	1.7%	1,170,880	2.1%	(13.6%)
China	6,554,977	33.3%	5,871,535	33.1%	11.6%	21,130,395	34.9%	17,164,308	31.5%	23.1%
USA	3,907,353	19.9%	3,464,730	19.6%	12.8%	12,055,942	19.9%	10,961,769	20.1%	10.0%
Europe	776,043	3.9%	601,348	3.4%	29.1%	2,129,878	3.5%	1,778,371	3.3%	19.8%
Japan	240,640	1.2%	219,838	1.2%	9.5%	884,857	1.5%	813,569	1.5%	8.8%
Taiwan	1,055,404	5.4%	1,108,444	6.3%	(4.8%)	3,481,026	5.8%	3,561,421	6.5%	(2.3%)
Rest of world	208,143	1.1%	371,153	2.1%	(43.9%)	937,787	1.6%	886,282	1.6%	5.8%
Total	19,662,338	100%	17,689,537	100%	11.2%	60,495,119	100%	54,584,720	100%	10.8%

E5 Profit before income tax

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

Income:

	Q3			Year-to-date (9 months)		
	Jan to Mar 2022 S\$	Jan to Mar 2021 S\$	Change	Jul to Mar 2022 S\$	Jul to Mar 2021 S\$	Change
Gain/(loss) on disposal of property, plant and equipment	3,436	(5)	N.A.	(5,917)	3,767	(257.1%)
Interest income from banks and others	10,690	13,161	(18.8%)	35,029	42,621	(17.8%)
Rental income	30,530	30,876	(1.1%)	91,646	92,783	(1.2%)
Government grant – Skill Redevelopment, Wage Credit and Capability Development Scheme	42,153	37,903	11.2%	72,718	623,451	(88.3%)
Exchange (loss)/ gain	(4,754)	28,063	(116.9%)	(20,709)	(29,056)	(28.7%)
Others	82,476	60,688	35.9%	221,874	107,396	106.6%

Expenses:

	Q3			Year-to-date (9 months)		
	Jan to Mar 2022 S\$	Jan to Mar 2021 S\$	Change	Jul to Mar 2022 S\$	Jul to Mar 2021 S\$	Change
Depreciation of property, plant and equipment	1,486,294	1,432,994	3.7%	4,374,402	4,250,397	2.9%
Depreciation of investment property	3,678	-	n.m.	10,203	-	n.m.
Depreciation of right-of-use assets	306,388	290,260	5.6%	918,402	872,921	5.2%
Inventories written off	28,548	30,401	(6.1%)	114,440	99,154	15.4%
Interest expense on lease liabilities	23,910	17,701	35.1%	72,304	64,368	12.3%
Property, plant and equipment written off	437	9	4,755.6%	9,668	37	26,029%

n.m. – not meaningful

E6 Income tax expense

	Q3		Year-to-date (9 months)	
	Jan to Mar 2022 S\$	Jan to Mar 2021 S\$	Jul to Mar 2022 S\$	Jul to Mar 2021 S\$
Tax charge				
Current period	1,309,906	1,113,761	4,249,109	3,372,685
Over provision in prior years	(21,560)	(45,516)	(9,100)	(51,685)
	1,288,346	1,068,245	4,240,009	3,321,000
Deferred tax				
Origination and reversal of temporary differences	235,609	164,682	527,520	452,248
Under/(over) provision in prior years	24,568	(27,819)	25,066	(27,819)
	260,177	136,863	552,586	424,429
Total tax expense	1,548,523	1,205,108	4,792,595	3,745,429

E7 Earnings per share

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

	Group (Year-to-date) 9 months ended	
	31 Mar 2022	31 Mar 2021
Profit for the period	13,941,866	13,279,254
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)	10.03	9.55

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 31 Mar 22	Group 30 Jun 21	Company 31 Mar 22	Company 30 Jun 21
Net Asset Value per ordinary share (cents)	37.89	41.69	21.33	29.45

The net asset value per ordinary share is calculated based on net assets of S\$52.7 million (30 June 2021: S\$58.0 million) and 139,031,881 (30 June 2021: 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 31 March 2022, the Group acquired property, plant and equipment with an aggregate cost of S\$3,158,819 (31 March 2021: S\$5,657,640). The amount of assets disposed for financial period ended 31 March 2022 was S\$23,740 (31 March 2021: S\$8,303).

E10 Investment Property

The property is an industrial building located in Malaysia. The fair value of the investment property as at 31 March 2022 was S\$2,060,160 (30 June 2021: \$2,071,040). No independent valuer was engaged to perform the valuation. Management estimated the fair value of the Group's investment property by using the latest available market information for similar properties and recent experience and knowledge in the location and category of property being valued.

E11 Trade and other receivables

	Group 31 Mar 22 S\$	Group 30 Jun 21 S\$	Company 31 Mar 22 S\$	Company 30 Jun 21 S\$
Trade receivables	13,328,623	12,867,220	–	–
Other receivables	79,509	71,240	–	–
Deposits	404,680	344,918	–	–
Amount owing by a subsidiary (non-trade)	–	–	589,172	1,959,622
Financial assets at amortised cost	13,812,812	13,283,378	589,172	1,959,622
Advances to suppliers	500,062	137,382	–	–
Prepayments	639,424	593,203	30,084	11,750
Forward exchange contracts	2,012	275	–	–
Trade and other receivables	14,954,310	14,014,238	619,256	1,971,372
Non-current	884,141	462,102	–	–
Current	14,070,169	13,552,136	619,256	1,971,372
	14,954,310	14,014,238	619,256	1,971,372

Trade receivables increased was in line with the higher sales of the Group's products to customers. Product sales transactions were the result of purchase orders from customers to the Group. 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 granted.

There were no trade receivables under non-current assets as at 31 March 2022. The amount of S\$884,141 comprised of mainly deposits for factory rental, utilities and advances to suppliers for the purchase of equipment. No payment was made to material suppliers for our USA plant.

The aging profile of the Group's trade and other receivables as at 31 March 2022 were as follows:

	Group 31 Mar 22 S\$	Group 30 Jun 21 S\$	Company 31 Mar 22 S\$	Company 30 Jun 21 S\$
Current	9,780,952	10,143,253	–	–
Past due 1-30 days	3,043,548	2,407,103	–	–
Past due 31-60 days	391,221	338,560	–	–
Past due 61-90 days	91,530	49,544	–	–
More than 90 days	100,881	–	589,172	1,959,622
	13,408,132	12,938,460	589,172	1,959,622

There has not been any bad debt registered by the Company since FY2017. In addition, outstanding amounts over 90 days in past years have been generally 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 31 March 2022.

E12 Share Capital

Group and Company	31 March 2022		30 June 2021	
	Number of shares	S\$	Number of shares	S\$
Fully paid ordinary shares with no par value At 1 July and 31 March	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 2021.

There were no outstanding convertibles as at 31 March 2022 (30 June 2021: Nil).

The Company did not hold any treasury shares as at 31 March 2022 (30 June 2021: Nil). There was no sale, transfer, disposal, cancellation and use of treasury shares during the nine months ended 31 March 2022.

E13 Trade and other payables

	Group 31 Mar 22 S\$	Group 30 Jun 21 S\$	Company 31 Mar 22 S\$	Company 30 Jun 21 S\$
Trade payables	1,378,221	1,170,787	–	–
Other payables	1,374,015	1,063,516	29,871	29,244
Accrued expenses	5,462,391	5,834,585	366,646	479,811
Advances from customers	67,605	102,963	–	–
Forward exchange contracts	16,509	32,992	–	–
Provision for retirement benefits	528,947	524,185	–	–
	8,827,688	8,729,028	396,517	509,055
Non-current	859,955	867,591	–	–
Current	7,967,733	7,861,437	396,517	509,055
	8,827,688	8,729,028	396,517	509,055

E14 Borrowings

The Group does not have any bank borrowings for nine months ended 31 March 2022 and 30 June 2021.

E15 Financial assets and financial liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	Financial assets at amortised cost S\$	Designated at fair value S\$	Other financial liabilities S\$	Total carrying amount S\$	Fair value S\$
31 March 2022					
Trade and other receivables*	13,812,812	–	–	13,812,812	
Forward exchange contracts - assets	–	2,012	–	2,012	2,012
Cash and cash equivalents	15,033,239	–	–	15,033,239	
	<u>28,846,051</u>	<u>2,012</u>	<u>–</u>	<u>28,848,063</u>	
Trade and other payables**	–	–	(7,995,634)	(7,995,634)	
Forward exchange contracts - liability	–	(16,509)	–	(16,509)	(16,509)
	<u>–</u>	<u>(16,509)</u>	<u>(7,995,634)</u>	<u>(8,012,143)</u>	

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	Financial assets at amortised cost S\$	Designated at fair value S\$	Other financial liabilities S\$	Total carrying amount S\$	Fair value S\$
Group					
30 June 2021					
Trade and other receivables*	13,283,378	–	–	13,283,378	
Forward exchange contracts - assets	–	275	–	275	275
Cash and cash equivalents	20,611,778	–	–	20,611,778	
	<u>33,895,156</u>	<u>275</u>	<u>–</u>	<u>33,895,431</u>	
Trade and other payables**	–	–	(7,858,725)	(7,858,725)	
Forward exchange contracts - liability	–	(32,992)	–	(32,992)	(32,992)
	<u>–</u>	<u>(32,992)</u>	<u>(7,858,725)</u>	<u>(7,891,717)</u>	
Company					
31 March 2022					
Trade and other receivables*	589,172	–	–	589,172	
Cash and cash equivalents	955,422	–	–	955,422	
	<u>1,544,594</u>	<u>–</u>	<u>–</u>	<u>1,544,594</u>	
Trade and other payables**	–	–	(396,517)	(396,517)	
30 June 2021					
Trade and other receivables*	1,959,622	–	–	1,959,622	
Cash and cash equivalents	10,594,061	–	–	10,594,061	
	<u>12,553,683</u>	<u>–</u>	<u>–</u>	<u>12,553,683</u>	
Trade and other payables**	–	–	(509,055)	(509,055)	

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

** Excluding advances from customers, forward exchange contracts, provision for reinstatement costs and provision for retirement benefits.

Fair value hierarchy

The table below analyses fair value measurements for financial assets and financial liabilities, the levels of fair value hierarchy based on the inputs to valuation techniques. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within 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).

	Level 2 S\$	Total S\$
Group		
31 March 2022		
Forward exchange contracts – asset	2,012	2,012
Forward exchange contracts – liability	(16,509)	(16,509)
	<u>–</u>	<u>–</u>
30 June 2021		
Forward exchange contracts – asset	275	275
Forward exchange contracts – liability	(32,992)	(32,992)
	<u>–</u>	<u>–</u>

E16 Segment reporting

Operating Segments 9M22

	Singapore	Malaysia	The Philippines	USA	China	Elimination	Consolidated
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Total revenue from external customers	13,441,848	10,351,621	4,318,999	12,090,354	20,292,297	-	60,495,119
Inter-segment revenue	5,458,044	1,096,697	540,848	154	-	(7,095,743)	-
Total revenue	<u>18,899,892</u>	<u>11,448,318</u>	<u>4,859,847</u>	<u>12,090,508</u>	<u>20,292,297</u>	<u>(7,095,743)</u>	<u>60,495,119</u>
Segment result	4,279,971	5,056,618	1,672,407	(320,060)	8,699,480	(34,403)	19,354,013
Unallocated expenses							(619,552)
Profit from operations							18,734,461
Income tax expense	(796,260)	(1,197,239)	(117,064)	(18,648)	(2,232,406)	(430,978)	(4,792,595)
Net profit for the period							<u>13,941,866</u>
Segment assets	17,948,142	11,672,099	3,611,085	15,221,930	18,192,764	(493,017)	66,153,003
Unallocated assets							-
Others							985,505
Total assets							<u>67,138,508</u>
Segment liabilities	(2,202,405)	(818,518)	(1,083,969)	(2,309,184)	(2,475,962)	(1,437,407)	(10,327,445)
Unallocated liabilities							
Income tax	(1,562,584)	(768,053)	(44,572)	-	(753,976)	(612,425)	(3,741,610)
Others							(396,516)
Total liabilities							<u>(14,465,571)</u>
Other segment information:							
Capital expenditure	574,354	618,456	503,270	417,297	1,045,442	-	3,158,819
Depreciation	1,677,678	585,338	385,364	1,879,530	788,572	(13,475)	5,303,007
Non-current assets	<u>10,943,870</u>	<u>4,701,828</u>	<u>2,095,279</u>	<u>9,469,051</u>	<u>4,362,288</u>	<u>(24,021)</u>	<u>31,548,295</u>

Major customers

Revenues of major customers of the reportable segments are as follows:

	Singapore	Malaysia	The Philippines	USA	China	Total
	S\$	S\$	S\$	S\$	S\$	S\$
9M22						
Revenue	1,438,342	2,301,697	3,321,225	9,520,338	2,928,179	19,509,781
Number of customers	1	2	4	4	1	12

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Operating Segments 9M21

	Singapore	Malaysia	The Philippines	USA	China	Elimination	Consolidated
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Total revenue from external customers	12,303,115	9,053,941	4,727,973	12,141,689	16,358,002	-	54,584,720
Inter-segment revenue	5,170,915	1,376,386	207,643	188	-	(6,755,132)	-
Total revenue	<u>17,474,030</u>	<u>10,430,327</u>	<u>4,935,616</u>	<u>12,141,877</u>	<u>16,358,002</u>	<u>(6,755,132)</u>	<u>54,584,720</u>
Segment result	4,539,220	4,287,061	1,710,486	994,123	6,487,743	87,901	17,569,063
Unallocated expenses							(544,380)
Profit from operations							17,024,683
Income tax expense	(709,570)	(912,564)	(124,722)	(4,426)	(1,642,046)	(352,101)	(3,745,429)
Net profit for the period							<u>13,279,254</u>
Segment assets	18,491,281	11,216,066	3,529,646	15,925,298	14,445,809	(511,145)	63,096,955
Unallocated assets							-
Others							3,931,410
Total assets							<u>67,028,365</u>
Segment liabilities	(2,843,328)	(564,949)	(1,061,370)	(2,985,134)	(1,627,242)	(1,296,437)	(10,378,460)
Unallocated liabilities							
Income tax	(1,600,421)	(673,603)	(43,449)	-	(618,483)	(366,777)	(3,302,733)
Others							(401,450)
Total liabilities							<u>(14,082,643)</u>
Other segment information:							
Capital expenditure	2,571,116	421,314	181,364	2,300,578	183,268	-	5,657,640
Depreciation	1,680,503	643,768	434,244	1,662,396	744,181	(41,774)	5,123,318
Non-current assets	12,024,276	4,733,183	1,849,429	9,560,598	3,746,087	(55,301)	31,858,272

Major customers

Revenues of major customers of the reportable segments are as follows:

	Singapore	Malaysia	The Philippines	USA	China	Total
	S\$	S\$	S\$	S\$	S\$	S\$
9M21						
Revenue	-	953,538	3,645,159	10,042,322	2,594,431	17,235,450
Number of customers	-	1	4	4	1	10

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 31 March 2022 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 2021 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

Semiconductor Industry Review

Based on data from the World Semiconductor Trade Statistics (WSTS), worldwide semiconductor sales for the months of January and February 2022 totaled US\$103.2 billion, an increase of about 30% from the same two month period in 2021.

The Semiconductor Industry Association (SIA) said that global semiconductor sales remained strong at the beginning of 2022 after increasing 26.2% in 2021 to reach a record US\$556 billion. In February 2022, global semiconductor sales rose by over 20% for the eleventh consecutive month on a year-on-year basis.

The WSTS is projecting the worldwide semiconductor market to increase a further 10.4% to US\$613.5 billion in 2022, driven by the sensors logic and analog segments.

Group Revenue

		1Q	2Q	3Q	4Q	Full Year
REVENUE	FY2022	S\$20,459,903	S\$20,372,878	S\$19,662,338	NA	NA
	FY2021	S\$18,146,411	S\$18,748,772	S\$17,689,537	S\$19,143,982	S\$73,728,702
	% growth	12.7%	8.7%	11.2%	NA	NA

For the three months ended 31 March 2022 (3Q22), the Group's revenue increased by 11.2% year-on-year (yoy) to S\$19.7 million from S\$17.7 million in 3Q21. This was driven mainly by double-digit sales growth of our three largest markets - China, Malaysia and the USA - on the back of the continuing uptrend in the global semiconductor market.

On a quarter-on-quarter (qoq) basis, Group revenue in 3Q22 eased slightly from S\$20.4 million in 2Q22. This was due mainly lower qoq sales of the China market which was adversely affected by the government's movement control measures implemented following an outbreak of COVID-19 cases in the country.

For the nine months ended 31 March 2022 (9M22), the Group's revenue increased by 10.8% to S\$60.5 million as compared to S\$54.6 million in 9M21, driven by higher sales in the China, Malaysia and USA markets.

Revenue breakdown by Geographical Market

Country	Group										
	2Q22 S\$ m	3Q22 S\$ m	3Q22 %	3Q21 S\$ m	3Q21 %	% change	9M22 S\$ m	9M22 %	9M21 S\$ m	9M21 %	% change
Singapore	1.5	1.9	9.5%	1.6	9%	14.5%	5.1	8.4%	5.2	10%	(2.9%)
Malaysia	3.4	3.3	17.0%	2.7	15%	24.9%	9.6	15.9%	8.5	16%	13.5%
Philippines	1.4	1.4	6.9%	1.4	8%	(3.5%)	4.1	6.8%	4.5	8%	(8.4%)
Thailand	0.3	0.3	1.8%	0.3	2%	3.2%	1.0	1.7%	1.2	2%	(13.6%)
China	7.3	6.6	33.3%	5.9	33%	11.6%	21.1	34.9%	17.2	31%	23.4%
USA	4.2	3.9	19.9%	3.5	20%	12.8%	12.1	19.9%	11.0	20%	10.0%
Europe	0.6	0.8	3.9%	0.6	4%	29.1%	2.1	3.5%	1.8	3%	19.8%
Japan	0.3	0.2	1.2%	0.2	1%	9.5%	0.9	1.5%	0.8	1%	8.8%
Taiwan	1.1	1.1	5.4%	1.1	6%	(4.8%)	3.5	5.8%	3.5	7%	(2.3%)
Rest of world	0.3	0.2	1.1%	0.4	2%	(43.9%)	0.9	1.6%	0.9	2%	(5.8%)
Total	20.4	19.7	100%	17.7	100%	11.2%	60.5	100%	54.6	100%	10.8%

Sales in China grew by 11.6% yoy to S\$6.6 million in 3Q22 despite the impact of the movement control measures. It remained our largest geographical market with a contribution of 33.3% of Group revenue in 3Q22.

Sales from our second largest market in the USA increased by 12.8% to S\$3.9 million in 3Q22 and accounted for 19.9% of Group revenue. The Malaysia market registered a sales increase of 24.9% to S\$3.3 million in 3Q22 and contributed 17% of the Group's revenue. The Singapore market also saw double-digit sales growth of 14.5% to S\$1.9 million in 3Q22.

Capacity Utilisation

Capacity Utilisation		1Q	2Q	3Q	4Q	Full Year
	FY2022	61%	62%	62%	NA	NA
FY2021	59%	57%	56%	58%	57%	

Our average capacity utilisation rate increased to 62% in 3Q22 from 56% in 3Q21, in tandem with the increase in the Group's sales.

Gross Profit (GP) Margin

Group GP Margin		1Q	2Q	3Q	4Q	Full Year
	FY2022	55.5%	53.3%	53.4%	NA	NA
FY2021	54.8%	53.9%	54.5%	54.0%	54.3%	

The Group's gross profit increased 9.0% yoy to S\$10.5 million in 3Q22. The Group's GP margin in 3Q22 eased slightly to 53.4% as compared with 54.5% in 3Q21. For 9M22, the Group's GP margin held steady at 54.1% versus 54.4% in 9M21.

Other income, Distribution Cost, Administrative Expenses and Other Operating Expenses

Admin, Distribution and Other Operating Expenses (net of other income)		1Q	2Q	3Q	4Q	Full Year
	FY2022	S\$4,686,078	S\$4,748,667	S\$4,544,724	NA	NA
% of sales	22.9%	23.3%	23.1%			
FY2021	S\$3,979,876	S\$4,420,271	S\$4,260,744	S\$4,132,375	S\$16,793,266	
% of sales	21.9%	23.6%	24.1%	21.6%	22.8%	

The Group's other income decreased marginally by 3.6% to S\$165k in 3Q22 from S\$171k in 3Q21 mainly due to exchange loss incurred in 3Q22 as compared to exchange gain reported in 3Q21.

We continue to keep a close watch on our expense structure. Our distribution cost remained relatively stable at S\$767k in 3Q22 as compared to S\$749k in 3Q21. Administrative expenses in 3Q22 increased by 7.2% to S\$2.8 million from S\$2.6 million mainly due to job promotions and salary increments in Singapore, Malaysia and the USA. Other operating expenses in 3Q22 remained stable at S\$1.1 million versus 3Q21.

In aggregate, the Group's administrative, distribution and other operating expenses (net of other income) increased to S\$4.5 million in 3Q22 from S\$4.3 million in 3Q21. As a percentage of sales, overhead expenses reduced to 23.1% in 3Q22 as compared to 24.1% in the same period a year ago.

Profit before Tax and Net Profit

		1Q	2Q	3Q	4Q	Full Year
Net Profit after tax	FY2022	S\$4,969,916	S\$4,557,439	S\$4,414,511	NA	NA
	FY2021	S\$4,651,085	S\$4,454,337	S\$4,173,832	S\$4,781,182	S\$18,060,436
	% growth	6.9%	2.3%	5.8%	NA	NA

As a result of the above, the Group's profit before tax increased by 10.9% to S\$6.0 million in 3Q22 from S\$5.4 million in 3Q21.

The Group's income tax expense increased by 28.5% to S\$1.5 million in 3Q22 from S\$1.2 million in 3Q21. The tax expense in 3Q22 included a provision of S\$566k for withholding tax on dividends to be remitted to Singapore from various overseas subsidiaries. The Group's effective tax rate increased to 26.0% in 3Q22 from 22.4% in 3Q21. This was due mainly to higher taxes incurred by our subsidiaries in China and Malaysia in tandem with increased profits in 3Q22, as well as the loss of S\$210k registered at our USA subsidiary in 3Q22 as compared to profit of S\$275k in 3Q21.

After deducting income tax expense, the Group's net profit increased by 5.8% yoy to S\$4.4 million in 3Q22 from S\$4.2 million in 3Q21.

For 9M22, the Group's net profit increased 5.0% to S\$13.9 million from S\$13.3 million in 9M21. Net profit margin decreased to 23.0% in 9M22 as compared to 24.3% in 9M21.

The Group's earnings per share increased to 10.03 cents in 9M22 from 9.55 cents in 9M21.

Balance Sheet

The Group remains in a sound financial position. As at 31 March 2022, our balance sheet had total assets of S\$67.1 million, shareholders' equity of S\$52.7 million, cash and cash equivalents of S\$15.0 million and no bank borrowings.

Long Term Assets

As at 31 March 2022, non-current assets decreased to S\$31.5 million as compared to S\$33.0 million as at 30 June 2021 mainly due to the depreciation of property, plant and equipment.

Trade Receivables

		As at end of 1Q	As at end of 1H	As at end of 3Q	As at end of 2H
Trade Receivables	FY2022	S\$13,954,251	S\$14,046,375	S\$13,328,623	NA
	≥ 90 days	0.4%	0.02%	0.76%	
	Write-off	-	-	-	
	FY2021	S\$12,102,795	S\$12,044,570	S\$12,574,162	S\$12,867,220
	≥ 90 days	0.09%	0.03%	0.12%	0.00%
	Write-off	-	-	-	-

Total trade receivables as at 31 March 2022 increased to S\$13.3 million from S\$12.9 million as at 30 June 2021. Of this, S\$101k was outstanding for 90 days or more (zero at end of 30 June 2021). There was no bad debt expense recognised during 9M22 and 9M21.

Trade & Other Payables

As at 31 March 2022, our trade payables totaled S\$1.4 million with only S\$3.4k outstanding for 30 days or more. Non-trade payables totaled S\$1.4 million. Accrued expenses reduced to S\$5.5 million from S\$5.8 million as at 30 June 2021.

Long term liabilities

As at 31 March 2022, the deferred tax liabilities was S\$1.8 million as compared to S\$1.4 million as at 30 June 2021.

Inventory

As a percentage of annualised sales, the Group's inventory of S\$6.5 million as at 31 March 2022 (S\$5.2 million at end of FY2021) was 8.0% (7.1% at end of FY2021). Inventory written off in 3Q22 totaled S\$28.5k, as compared to S\$30.4k in 3Q21.

Capital Expenditure

Capital Expenditure		1Q	2Q	3Q	4Q	Full Year
	FY2022 % of sales	S\$304,933	S\$1,110,231	S\$1,743,655	NA	NA
FY2021 % of sales	S\$2,274,736	S\$2,975,450	S\$407,454	S\$1,121,849	S\$6,779,489	9.2%

The Group's capital expenditure in 9M22 amounted to S\$3.2 million. This comprised mainly of S\$2.5 million incurred for the acquisition of new machines and accessories for our five factories worldwide, S\$0.2 million for electrical installation at the Suzhou factory, as well as S\$0.3 million for the purchase of computers and IT software for all our factories. We expect to incur approximately S\$4.0 million (which includes the S\$3.2 million incurred in 9M22) of capital expenditure in FY2022.

Cash Flow Analysis

The Group generated net cash from operations of S\$7.1 million in 3Q22 (S\$4.4 million in 3Q21). After deducting net cash used for investing activities of S\$1.7 million and net cash used for financing activities of S\$8.7 million, we ended 3Q22 with cash and cash equivalents of S\$15.0 million, including S\$0.2 million in pledged deposits.

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 our 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.

During the past two years, the COVID-19 pandemic has presented a number of significant challenges to the Group. Nevertheless, we managed to keep all our worldwide factories operating without major hiccup during 9M22, thanks largely to the diligent efforts by our people to be flexible, observe the Group's safety protocols and take into consideration the health of their colleagues.

As we move into 4Q22, we are continuing to carefully monitor the situation in China where authorities have implemented factory closures and other travel or movement restrictions. These movement control measures could potentially affect the operations of our plant in Suzhou ("MMSU") either directly or indirectly through stoppages at our customers and/or suppliers.

Towards the end of 1Q22, MMSU was unable to operate for several days due to electricity rationing by the local provider. Although MMSU did not experience any power-related stoppages during 9M22, we continue to be concerned that volatility in the energy markets could result in power cutbacks that might affect MMSU during the coming months.

During 3Q22, our factory in the USA (“MMUS”) continued to have difficulty obtaining on a timely basis some of the basic materials required for our production operations, such as aluminium and steel. We also witnessed rapidly rising prices for such materials as well as manpower shortages that affected the timely delivery from some of the suppliers that we depend on for direct processes such as cleaning and testing. In addition, the material shortages have also affected our customers in the wafer-fabrication equipment industry causing them to reschedule planned deliveries from, and new orders, to MMUS. As a result of this volatile business environment, the sales and operating results for MMUS were lower than we anticipated. For 9M22, MMUS reported a segment loss of S\$320k which included depreciation and engineering expenses of S\$1.9 million and S\$2.1 million respectively.

Together with a host of economic and political concerns that go beyond the COVID-19 pandemic, ranging from the war between Russia and Ukraine, spiking energy costs and rapidly rising expenditures for materials, shipping and labour, we expect the operating landscape to be challenging for the remainder of 2022. While there is plenty to worry about, the Group is working hard to make the necessary adjustments and maintain a steady operating and financial performance. We will keep shareholders updated if there are material developments that could affect the Group’s performance.

Indeed, despite these headwinds, the Group’s quarterly revenue increased by 11.2% to S\$19.7 million while profit before tax rose 10.9% to S\$6.0 million in 3Q22. After deducting taxes of S\$1.5 million (S\$1.2 million in 3Q21), the Group’s profit after tax increased by 5.8% to S\$4.4 million in 3Q22. Based on the Group’s net profit of S\$13.9 million and Shareholder’s Equity of S\$52.7 million at the end of the quarter, the Group achieved an annualized ROE of about 35.3% (33.4% for 9M21).

Although dealing with the repercussions of a global pandemic is something new for the Group, we have always been mindful of the need to build an organization that is flexible and resilient. In many ways, the challenges facing the Group are helping us to accelerate structural changes, make process improvements and develop innovations while strengthening our focus on a handful of key initiatives which we believe, in the long term, will make us an even more valuable supplier to our customers and a stronger competitor in the industry. These include:

- *Maintaining a Healthy Gross Profit Margin* – Having a strong focus on customers and the value we bring to their business is a key objective. This means working diligently to understand and meet the requirements of our customers by delivering *Perfect Parts and Tools, On-Time, Every Time*. As the semiconductor industry develops new equipment and processes for manufacturing chips with device geometries below 10 nanometres, our customers will increasingly require parts and tools manufactured using improved materials and processes that eliminate defects and variability. In the future, we think there may only be a handful of suppliers capable of meeting these stringent requirements and our goal is to become a leading *Next Generation Supplier*. We believe that our strong customer focus and the great work by our people should enable the Group to maintain a healthy GP margin. Although we saw double-digit price increases for many of our raw materials, production equipment and services we require, our GP margin in 3Q22 was relatively steady at 53.4% compared to 54.5% in the same quarter a year ago. We plan to continue working to improve this key measure of our focus on the customer, strength in the marketplace and the value our work creates.
- *Automating Our Operations* – Because a single defect can cause disastrous consequences in the precision manufacturing process of semiconductors, our customers need the parts and tools used in their critical processes to be flawless. At the end of 3Q22, we employed 514 great people which is about 3% lower than our headcount of 532 people at the end of 3Q21. We have also experienced increasing difficulty to hire people especially for shop-floor positions. Although informal comparisons with some of our customers and suppliers show that our annualized attrition rate of less than 10% is rather favourable, it is nonetheless challenging to keep up with a growing market and customer demands in a tight labour situation which is further exacerbated by COVID-related absenteeism. As a result, the Group intends to continue working to automate our operations around processes that are repeatable, scalable and cost-effective. This automation also extends to digitalizing our workflows for efficiency and mobility. During 3Q22, we spent S\$1.7 million primarily for new equipment (S\$0.4 million in 3Q21), which brought our total capital expenditure for 9M22 to S\$3.2 million. During FY2022, we expect to spend a total of about S\$4.0 million on new equipment.
- *Growing Without Debt and Rewarding Our Shareholders* – Building a great manufacturing business without debt helps to foster a culture of resourcefulness, discipline and careful decision making. In addition, we would like to attract shareholders who share our approach to long-term investing. Hence, one of the Group’s

key goals is to continue growing without taking on debt while building a track record for consistently rewarding shareholders.

- During 3Q22, we generated S\$7.1 million in net cash from operating activities (S\$4.4 million in 3Q21). After net investing activities of S\$1.7 million and the distribution of S\$8.3 million in dividends, the Group ended the quarter in a strong financial position with S\$15.0 million in cash (including S\$0.2 million held as security deposits) and no bank borrowings.
- Since our listing we have also maintained a consistent practice of rewarding shareholders for their continuous support of Micro-Mechanics. During 3Q22 we distributed an interim dividend of 6 cents per ordinary share which was paid to shareholders on 22 February 2022. In addition to reflecting our confidence in the Group's long-term prospects, we hope this dividend will also benefit our shareholders during a difficult and unprecedented period.
- Including the interim dividend for FY2022, we have distributed total dividends of 105.9 cents per share since 2003. Based on dividends alone, this translates into a return of about 575% for shareholders who bought Micro-Mechanics shares at our Initial Public Offer.
- *Excelling in Transparency and Governance* – Lastly, we would like to excel at the development and practice of transparency and good governance. After being ranked highly again in the Singapore Governance and Transparency Index (“SGTI”) released on 4 August 2021 at a position of 15th out of 519 companies listed on the Singapore Exchange, we were delighted to receive the *Corporate Excellence and Resilience Award* (for companies with market capitalisation of S\$300 million to less than S\$1 billion) at the Singapore Corporate Awards held on 17 November 2021.

Since our listing in 2003, the Group has received recognition more than 30 times for our efforts to practice good corporate governance, transparency and investor relations. Indeed, we believe that staying focused on building and protecting stakeholder value, working to put aside self-interest at all levels of the company from the board room to the shop floor, and providing accurate and meaningful information on a timely basis is the foundation for effective decision-making and actions that are essential for long-term sustainability and success.

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) Record date for dividend payment

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 third quarter ended 31 March 2022 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 year to date ended 31 March 2022, the Group has made rental payment of US\$315,000 (31 March 2021: US\$297,000) and electrical services payment of US\$100,552 (31 March 2021: US\$91,037) to Sarcadia LLC, a controlling shareholder of the Company and a family company set up by Mr. Christopher Reid Borch, the CEO 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 31 March 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

CHOW KAM WING
Company Secretary
29 April 2022