



## MICRO-MECHANICS (HOLDINGS) LTD.

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

### ANNOUNCEMENT

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#### Cessation of Operations at Micro-Mechanics (Thailand) Limited

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The Board of Directors of Micro-Mechanics (Holdings) Ltd. (the “**Company**”) wishes to announce that business operations of its wholly-owned subsidiary, Micro-Mechanics (Thailand) Limited (“MM Thailand”) will cease by the end of August 2014.

MM Thailand had established a factory in Pathumthani, Thailand to directly serve customers in Thailand. In the aftermath of the severe flooding in various parts of the country during the second half of 2011, MM Thailand witnessed a substantial decline in business as customers scaled back or ceased their operations in Thailand. The Group has been continuously right-sizing its Thai operations in an attempt to be align it to market conditions.

However business has never recovered. Sales of MM Thailand accounted for less than 5% of Group sales in the nine months ended 31 March 2014 (“9M14”). MM Thailand accounted for only about 3% of Group net profit in 9M14.

After taking into consideration MM Thailand’s business prospects, operational costs and in particular, the substantial capital expenditures required on an on-going basis to remain competitive, the Board of Directors has decided that it would be in the best interests of the Group and Shareholders to close the factory in Thailand and proceed with a voluntary winding up of MM Thailand.

The voluntary winding up of MM Thailand will result in one-time expenses of about S\$500,000 in the aggregate which will be reflected in the financial year ending 30 June 2015 (“FY2015”). The closure and cessation is not expected to have a material impact on the net tangible assets (“NTA”) of the Group as MM Thailand accounted for less than 2.5% of the Group’s NTA as at 31 March 2014.

The Group has already appointed an agent/distributor in Thailand. This shall enable the Group to continue serving its customers there without the overheads and expenses necessary to support manufacturing operations in Thailand.

By Order of the Board of Directors

Submitted by Chow Kam Wing,  
Company Secretary  
22 July 2014

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#### About Micro-Mechanics

Micro-Mechanics designs, manufactures and markets high precision tools, parts and assemblies for the semiconductor, medical, aerospace and other high technology industries.

The Group serves a worldwide base of customers from five manufacturing facilities located in Singapore, Malaysia, China, the Philippines and the USA. Together with its direct sales presence in Taiwan, Indonesia, and Europe, the Group’s strategy is to relentlessly pursue product and operational improvement while providing its global customers with fast, effective and local support.

In addition to a market-leading range of precision tools, parts and consumable products used in the assembly and testing of semiconductors, the Group also manufactures precision parts and assemblies on a contract basis for tier-one equipment, aerospace, medical and other industries.

For more information, please visit the Group’s website at [www.micro-mechanics.com](http://www.micro-mechanics.com)

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#### MEDIA AND INVESTOR RELATIONS CONTACT

**Octant Consulting | phone (65) 6296 3583**

Herman Phua | mobile 9664 7582 | email [herman@octant.com.sg](mailto:herman@octant.com.sg)

Lisa Heng | mobile 9090 9887 | email [lisa@octant.com.sg](mailto:lisa@octant.com.sg)