MICRO-MECHANICS (HOLDINGS) LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199604632W)

ANNOUNCEMENT

EXTRAORDINARY GENERAL MEETING TO BE HELD ON 30 OCTOBER 2025 – RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS

The Board of Directors of Micro-Mechanics (Holdings) Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to thank shareholders for submitting their questions ahead of the Extraordinary General Meeting ("**EGM**") to be held on 30 October 2025.

It is important to note that these questions and responses should be read in conjunction with the Company's Circular to Shareholders dated 29 September 2025 ("**Circular**"). Unless otherwise defined, all capitalised terms used in this presentation which are not defined herein shall have the same meanings ascribed to them in the Circular.

By Order of the Board of Directors

Submitted by Wendy Tan Wei Lee
Company Secretary
25 October 2025

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About Micro-Mechanics

Micro-Mechanics is a *Next Generation Supplier* focused on enabling advanced technologies. The Group designs and manufactures consumable tools that reduce defects and improve yields in advanced semiconductor packaging, assembly and testing processes. The Group also manufactures precision components for critical production processes in the wafer-fabrication equipment and other high-tech industries.

Founded in 1983 and listed on the SGX Mainboard (SGX:5DD) in 2003, the Group has become a trusted partner to more than 600 customers worldwide, providing fast, effective and localised support across its five operating facilities in Singapore, Malaysia, China, the Philippines and the USA.

The Group is committed to executing its *Five-Star Factory* initiative, which aims to drive excellence across five key areas – people, customers, workplace safety and efficiency, operations, and innovation – to strengthen its core operating foundation. Together with a focus on financial discipline and strong governance practices, the Group aims to solve high-value problems and deliver sustainable long-term stakeholder returns.

Since listing, Micro-Mechanics has received nearly 40 awards in recognition of its high standards of corporate governance, quality of disclosure, transparency and investor relations.

For more information, please visit the Group's website at www.micro-mechanics.com

Questions on EGM resolutions

1. **The company's unique, shareholder-friendly culture is a testament to Micro-Mechanics' leadership, evidenced by the past dedication of key talent—like former COO Low Ming Wah and former Non-Executive Chairperson Sumitri Menon—who demonstrated genuine commitment by investing their own money in the company without the need for a Performance Share Plan ("PSP"). Could you share the guiding principles behind cultivating this mission-driven culture and attracting such committed talent without relying on a "PSP" or external compensation consultants? As Micro-Mechanics enters its next phase of growth, what does it see as the most important steps to sustain and preserve this unique ethos?**

   Since its founding in 1983, the Group has been guided by its mission to deliver *Perfect Parts and Tools, On Time, Every Time*, supported by *People Who Make Everything Happen*. Over the years, this core belief has enabled the Group to navigate industry cycles effectively and emerge stronger each time with sharpened competitive advantage.

   With competition for top-tier talent intensifying amid the rapid advancement of the global semiconductor industry, the Group recognises the importance of investing in its people to drive innovation and efficiency for sustained growth.

   The proposed Performance Share Plan 2025 ("PSP 2025") aims to reward, retain and motivate *High Performance Teams* to deliver long-term shareholder value. The PSP 2025 aligns employee rewards with the Group's strategic goals by linking share awards to stretched KPIs that reflect key business priorities. This incentivises employees to focus on long-term value creation while fostering a culture of ownership, encouraging individuals to think and act like shareholders. By linking performance to equity, the plan reinforces accountability and supports sustainable growth, ensuring personal success of employees is directly connected to the Group's continued performance and long-term shareholders' value.

   Overall, the Group believes this approach strengthens its commitment to fostering excellence while navigating today's business landscape and aligning with the long-term interests of its shareholders.

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2. **I was heartened by both Mr Kazuo Takeda, and Ms Chua Siew Hwi's statements at the 2024 AGM, affirming their support for 'skin in the game' principles. As members of the Remuneration Committee, could they elaborate on the specific philosophical and practical reasons why the proposed PSP 2025 is considered the best mechanism to achieve alignment, especially when considering the company's historical success in fostering ownership through direct, voluntary share purchases by past directors and management? Did the Committee explore any alternative mechanisms designed to further encourage or facilitate such direct, personal capital investment in lieu of a plan that grants shares/options?**

   Historically, the Group has seen success in cultivating ownership through voluntary share purchases by directors and management. While this remains a valuable practice, the PSP 2025 offers a more structured and scalable mechanism to deepen alignment across a broader base of high-performing individuals. Practically, it enables the Group to set performance-based stretched targets through KPIs, linking rewards directly to measurable outcomes that drive sustainable growth.

   For many years, the Group has recognised and rewarded its people through a *Performance Bonus Incentive* ("PBI") programme, where eligible employees receive bonus monies based on specific performance objectives. All disbursements under the PBI programme are reviewed and approved by the Board at the end of every half-year period.

With the PSP 2025, the Group, with Board approval, will be able to offer eligible employees and directors a combination of cash and shares. In the long term, the Group believes that increased share ownership by these participants is an effective strategy that fosters alignment with shareholders, in line with the same 'skin in the game' principle highlighted during the 2024 AGM.

To safeguard the independence of non-executive directors, any equity grants will be structured strictly as payment of directors' fees, and not as an additional incentive, to ensure objectivity and avoid any potential conflict of interest under the Singapore Code of Corporate Governance.

Importantly, the Group intends to use treasury shares for the PSP 2025 in lieu of issuing new shares, mitigating any dilution impact on shareholders. Moreover, as the PSP 2025 will not increase the total bonus amount in cash and shares set aside in any half-year period, the Group believes that PSP 2025 is attractive and efficient for eligible participants and shareholders alike.

Overall, the PSP 2025 is designed not only to reward performance but to institutionalise a culture of ownership—aligning personal rewards with the Group's long-term strategic goals and reinforcing accountability for both the Board and the Management team.

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3. **Since joining the Remuneration Committee in 2019 and chairing it since 2020, Lead Independent Director Kenny Kwan has overseen compensation policies without advocating for a PSP or personally owning any shares in this company. Why now? Could Mr. Kwan clearly explain the critical factors, or recent external events that have prompted the Remuneration Committee's current proposal for the PSP 2025, and how this new plan enhances and improves the company's historical approach to fostering commitment through direct ownership?**

   The global semiconductor industry has entered a new phase of rapid transformation, marked by intensified competition for talents, evolving business models and rising expectations around innovation and agility. This has prompted the Remuneration Committee to re-evaluate how best to align employee's performance with long-term shareholder value.

   The PSP 2025 builds on the Group's historical success in fostering ownership, previously driven by voluntary share purchases, by introducing a structured, performance-linked equity plan that is scalable and inclusive. By linking performance targets to these incentives, with a primary focus on sustaining high performance levels needed to support the Group's ambition of being a *Next Generation Supplier* focused on enabling advanced technologies, the PSP 2025 ensures alignment between individual contributors, the Group's broader strategic priorities, as well as the interests of all shareholders.

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4. **Given his dual role as Lead Independent Director and Chairman of the Remuneration Committee, and in light of the historical emphasis on voluntary, personal shareholding by Micro-Mechanics' past leaders, would Mr. Kenny Kwan consider publicly recusing himself from any participation in the proposed PSP 2025, to uphold the spirit of independence for his role and avoid any potential perception of a conflict of interest regarding the policy he currently champions?**

   While Mr Kwan leads the Remuneration Committee, his participation in the PSP 2025 is intended to reinforce a culture of sustained high performance and long-term value creation for the Company.

Under the PSP 2025, the Company may, where appropriate, satisfy all or part of the directors' fees otherwise payable to Group non-executive directors (including Mr Kwan) in the form of Awards granted under the PSP 2025, in lieu of cash payment. To safeguard the independence of Group non-executive directors and avoid any potential conflict of interest, any such grant will be structured strictly as payment of directors' fees, and not as an additional incentive.

This approach is in line with Practice Guidance 7 of the Singapore Code of Corporate Governance 2018, which provides, amongst others, that the Remuneration Committee of a Company should consider implementing schemes to encourage non-executive directors to hold shares in the Company to better align their interests with those of shareholders.