

## NEWS RELEASE

### Micro-Mechanics 1Q15 Net Profit Increases 30% to S\$2.8 million

- Group achieves record quarterly revenue and net profit in 1Q15
- Group revenue up 17.7% year-on-year to S\$13.0 million on stronger sales of semiconductor tools

**Singapore, 25 October 2014** – Micro-Mechanics (Holdings) Ltd. (“Micro-Mechanics” or the “Group”), a manufacturer of high precision tools, parts and assemblies for high technology industries, has achieved its highest-ever quarterly revenue and net profit for the three months ended 30 September 2014 (“1Q15”). Net profit in 1Q15 climbed 29.6% to S\$2.8 million while revenue increased 17.7% to S\$13.0 million from the same quarter in the previous year.

The Group’s top line was lifted mainly by stronger sales of the semiconductor tooling division. This division posted robust growth of 20.3% to reach record quarterly sales of S\$11.3 million. Against a backdrop of improving global chip sales during the first eight months of this year, Micro-Mechanics’ semiconductor tooling division saw higher sales to its key markets in Malaysia and China. Revenue generated from its Custom Machining & Assembly (“CMA”) division in 1Q15 increased slightly by 2.5% to S\$1.7 million.

Thanks to improving operational efficiency, the Group’s gross profit margin widened to 52.9% in 1Q15 from 51.3% in 1Q14. Coupled with a tight rein on overhead expenses, Micro-Mechanics’ net profit rose faster than its revenue, resulting in an expansion of its net profit margin to 21.5% in 1Q15 from 19.5% previously.

CEO of Micro-Mechanics, Mr Chris Borch said, “Micro-Mechanics attained a record quarterly performance in 1Q15 as we continued to benefit from the focus, effort and investments that we have put into improving operating efficiency and enhancing customer value.

Markets remain unpredictable and volatile while price, delivery and cost pressures are giving rise to a difficult operating environment. Hence, we will continue to focus on bringing value to our customers’ businesses through our emphasis on delivering *Perfect Parts and Tools, On Time, Every Time*, based on repeatable, scalable and cost-effective processes. We are making good progress in our engineering and development initiatives such as *24/7 Machining*, and plan to continue deploying resources towards automation for better quality, productivity and market responsiveness.

China was our largest geographical market in 1Q15 and accounted for 25% of Group revenue. As chip manufacturing activities in China continue to expand, we will steadily grow our sales of semiconductor tools to a broader customer base there. As for our CMA division, we will continue working on our business development and engineering processes to improve the performance of this product segment.”

As at 30 September 2014, Micro-Mechanics’ financial position remained sound with cash and cash equivalents of S\$13.5 million and no bank borrowings.

*This news release should be read in conjunction with the Group’s financial statements posted on the SGX website on 25 October 2014.*

### **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.

Micro-Mechanics has won wide recognition for its high standard of corporate governance and quality of disclosure, corporate transparency and communications with investors. It is a five time recipient of the Best Investor Relations Award (small cap category) at the Singapore Corporate Awards 2014, 2013, 2012, 2011 and 2010. The Group also won the Gold award for Best Managed Board (small cap category) at the Singapore Corporate Awards 2012. In addition, it has received six awards from the Securities Investors Association Singapore for its corporate transparency and governance practices, and was twice voted 'Best for Shareholders Rights and Equitable Treatment in Singapore' in the Asiamoney Corporate Governance Polls in 2009 and 2010.

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