



**MICRO-MECHANICS®**  
*perfect parts and tools, on time, every time*

## NEWS RELEASE

### Micro-Mechanics Posts 25% Gain in Net Profit to S\$1.8 Million in 3Q14

- Net profit for 9M14 jumped 48% to S\$5.3 million
- Robust performance driven by higher sales and gross profit margin expansion
- Strong financial position – cash & cash equivalents of S\$10.1 million and zero bank borrowings

**Singapore, 26 April 2014** – Micro-Mechanics (Holdings) Ltd. (“Micro-Mechanics” or the “Group”) a manufacturer of high precision tools, parts and assemblies for high technology industries, today reported that its net profit improved 25.4% to S\$1.8 million for the three months ended 31 March 2014 (“3Q14”).

The Group’s bottom line performance in 3Q14 was achieved on the back of revenue growth of 15.4% to S\$10.6 million and higher gross profit margin of 50.4%. Revenue was driven by higher sales of the Group’s semiconductor tooling and Custom Machining & Assembly (CMA) businesses.

Coupled with its strong first half performance, the Group’s net profit jumped 48.1% to S\$5.3 million for the nine months ended 31 March 2014 (“9M14”).

CEO of Micro-Mechanics, Mr Chris Borch said, “Our semiconductor tooling division performed well in 3Q14 with sales rising 11.8% to S\$8.7 million despite the seasonally slower months at the start of the calendar year. Notably, sales of our semiconductor tools grew 45.0% to S\$2.6 million in China as we have been steadily stepping up our sales efforts to tap the country’s growth into a major global chip manufacturing centre.

As a result, the China market accounted for 23% of Group revenue in 9M14 to become our largest geographical market. While the Group intends to seek new opportunities to expand our customer base and sales in China, we will also ensure that our other plants in Asia adapt continually to changes in the market landscape.”

The CMA division also continued to show steady progress with sales increasing 34.3% to S\$2.0 million in 3Q14. Together with improving operational efficiency, the division’s GP margin expanded to 29.1% in 3Q14 from 14.8% in 3Q13.

The global semiconductor industry has started 2014 on a positive note. Following through on record annual sales of US\$305.3 billion in 2013, worldwide semiconductor sales increased 9.2% to US\$52.1 billion in the first two months of 2014 (based on data from the Semiconductor Industry Association). This marked the industry’s largest growth in nearly three years and has led to a number of industry watchers becoming more optimistic that global chip sales in 2014 could exceed the World Semiconductor Trade Statistics organization’s growth forecast of 4.1%.

*This news release should be read in conjunction with the Group’s financial statements posted on the SGX website on 26 April 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 six manufacturing facilities located in Singapore, Malaysia, China, Thailand, 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 four time recipient of the Best Investor Relations Award (small cap category) at the Singapore Corporate Awards 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)