

NEWS RELEASE

Micro-Mechanics Posts Net Profit of S\$4.2 million in 1Q23

- Group revenue relatively steady at S\$20.2 million, reflecting slower conditions in the global chip market
- Double-digit sales growth in the USA and Singapore markets counterbalanced lower sales in China
- Maintains sound financial position with cash of S\$25.3 million and no bank borrowings

Singapore, 28 October 2022 – Micro-Mechanics (Holdings) Ltd. (“Micro-Mechanics” or the “Group”), a manufacturer of high precision tools and parts used in process-critical applications for the semiconductor industry, today reported net profit of S\$4.2 million for the three months ended 30 September 2022 (“1Q23”), a decline of 14.6% from S\$5.0 million in 1Q22.

The Group’s revenue held relatively steady at S\$20.2 million in 1Q23, compared to S\$20.5 million in the same period a year ago, reflecting the moderation in growth of the global semiconductor market since the middle of this year.

During 1Q23, the Group’s revenue was supported by double-digit sales growth to customers in Singapore and the USA. This helped to counterbalance a slowdown of orders in the China market as customers there had previously raised their stock holdings of the Group’s products when the chip industry was experiencing supply chain disruptions.

Nonetheless, China remained as Micro-Mechanics’ largest geographical market with sales of S\$5.5 million accounting for 27.4% of the Group’s revenue in 1Q23. Its second largest market in the USA registered a sales increase of 21.3% to S\$4.9 million and contributed 24.0% to Group revenue.

CEO of Micro-Mechanics, Mr Chris Borch said, “With the global semiconductor industry widely expected to record slower growth in the coming months, it is a timely reminder to us of the importance of building an organisation that has strength and resilience. Whether it is the adverse impact from such industry downturns, disruptive technologies, geopolitical unrest or other unforeseen events, we recognize that having goals, structures and processes in place will make it easier for Micro-Mechanics to adapt to changes in the operating environment and ensure a sustainable business.

In early 2023, Micro-Mechanics will be marking forty years since the company was founded in a small workshop in Singapore. As we approach this milestone, we are reminded of our saying, *‘People Make Everything Happen!’* for the indispensable role they play in the Group’s success.”

To prepare for the next forty years, the Group is working on plans to assemble a team of people from its five worldwide plants who will be tasked with focusing on continuous improvement and process excellence.

“We believe this new approach of driving operational improvement will help to accelerate learning and development activities and make each of our plants even stronger while giving our people the opportunities to gain experience and develop leadership skills. Of course, having strong executive leadership, backed by a diverse, experienced and committed Board of Directors, are also key factors that will drive Micro-Mechanics’ continuing success,” said Mr Borch.

About Micro-Mechanics

Micro-Mechanics designs, manufactures and markets high precision tools and parts used in process-critical applications for the wafer-fabrication and assembly processes of the semiconductor industry.

The Group serves a worldwide base of customers from five manufacturing facilities located in Singapore, Malaysia, China, the Philippines and the USA. Micro-Mechanics' strategy is to relentlessly pursue product and operational improvements while providing fast, effective and local support to its customers worldwide.

In addition to designing and manufacturing a market-leading range of consumable tools and parts used in the assembly and testing of semiconductors, the Group also engages in the contract manufacturing of precision parts and tools used in process-critical applications for the semiconductor wafer-fabrication industry.

Since listing on the Singapore Exchange in June 2003, Micro-Mechanics has won over 30 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