

MICRO-MECHANICS (HOLDINGS) LTD

**Condensed Interim Financial Statements
For Fourth Quarter and Financial Year Ended
30 June 2025**

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**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL
YEAR ENDED 30 JUNE 2025**

		Group					
		Q4			Year-to-date		
	Note	Apr to Jun 2025 S\$	Apr to Jun 2024 S\$	Change	Group FY2025 S\$	Group FY2024 S\$	Change
Revenue	E4	16,715,483	14,925,946	12.0%	65,210,675	57,888,378	12.6%
Cost of sales		(8,519,571)	(7,989,994)	6.6%	(32,992,161)	(30,702,288)	7.5%
Gross profit		8,195,912	6,935,952	18.2%	32,218,514	27,186,090	18.5%
Other income	E5	77,371	133,364	(42.0%)	326,821	413,618	(21.0%)
Distribution expenses		(688,020)	(707,950)	(2.8%)	(3,008,726)	(2,873,181)	4.7%
Administrative expenses		(2,399,993)	(2,413,486)	(0.6%)	(9,531,672)	(9,127,651)	4.4%
Other operating expenses		(881,245)	(927,077)	(4.9%)	(3,438,028)	(3,742,594)	(8.1%)
Results from operating activities		4,304,025	3,020,803	42.5%	16,566,909	11,856,282	39.7%
Finance income	E5	55,714	37,629	48.1%	228,460	193,393	18.1%
Finance expense	E5	(183,989)	(139,724)	31.7%	(442,588)	(516,063)	(14.2%)
Net finance expense		(128,275)	(102,095)	25.6%	(214,128)	(322,670)	(33.6%)
Profit before tax	E5	4,175,750	2,918,708	43.1%	16,352,781	11,533,612	41.8%
Tax expense	E6	(995,199)	(838,357)	18.7%	(3,957,313)	(3,495,496)	13.2%
Profit after tax		3,180,551	2,080,351	52.9%	12,395,468	8,038,116	54.2%
Non-controlling interests		-	-	-	-	-	-
Profit for the period/year		3,180,551	2,080,351	52.9%	12,395,468	8,038,116	54.2%
Statement of Comprehensive Income							
Profit for the period/year		3,180,551	2,080,351	52.9%	12,395,468	8,038,116	54.2%
Other comprehensive income							
<i>Item that is or may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation differences from foreign operations		(1,005,807)	64,985	(1647.8%)	(911,556)	(93,027)	879.9%
<i>Item that will not be reclassified to profit or loss:</i>							
Remeasurement on retirement benefits		(746)	27,182	(102.7%)	(746)	27,182	(102.7%)
Related tax		388	(864)	(144.9%)	388	(864)	(144.9%)
Other comprehensive income for the period/year, net of tax		(1,006,165)	91,303	(1202.0%)	(911,914)	(66,709)	1267.0%
Total comprehensive income for the period/year		2,174,386	2,171,654	0.1%	11,483,554	7,971,407	44.1%
Earnings per share:	E7						
Basic (SGD in cents)		2.29	1.50	52.7%	8.92	5.78	54.3%
Diluted (SGD in cents)		2.29	1.50	52.7%	8.92	5.78	54.3%

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group 30 Jun 25 S\$	Group 30 Jun 24 S\$	Company 30 Jun 25 S\$	Company 30 Jun 24 S\$
Non-current assets					
Property, plant and equipment	E9	18,723,133	22,299,885	-	-
Right-of-use assets		2,023,633	1,670,348	-	-
Investment property	E10	-	266,013	-	-
Subsidiaries		-	-	29,095,544	29,095,544
Trade and other receivables	E11	390,038	519,079	-	-
Deferred tax assets		13,636	19,795	-	-
		21,150,440	24,775,120	29,095,544	29,095,544
Current assets					
Inventories		3,135,468	3,905,905	-	-
Trade and other receivables	E11	13,275,453	11,610,943	503,347	1,155,110
Cash and bank balances		23,283,594	16,567,727	9,354,448	6,026,177
		39,694,515	32,084,575	9,857,795	7,181,287
Total assets		60,844,955	56,859,695	38,953,339	36,276,831
Shareholders' equity					
Share capital	E12	14,782,931	14,782,931	14,782,931	14,782,931
Reserves		34,430,260	31,288,616	23,276,494	20,728,191
		49,213,191	46,071,547	38,059,425	35,511,122
Non-current liabilities					
Deferred tax liabilities		1,434,528	1,429,220	357,938	239,363
Provisions	E14	865,399	834,652	-	-
Lease liabilities		923,763	332,073	-	-
		3,223,690	2,595,945	357,938	239,363
Current liabilities					
Trade and other payables	E13	5,791,767	5,554,951	527,525	524,644
Lease liabilities		1,139,053	1,439,487	-	-
Current tax liabilities		1,477,254	1,197,765	8,451	1,702
		8,408,074	8,192,203	535,976	526,346
Total liabilities		11,631,764	10,788,148	893,914	765,709
Total equity and liabilities		60,844,955	56,859,695	38,953,339	36,276,831

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	Foreign Currency Translation Reserve	Accumulated remeasure- ment on retirement benefits	Statutory reserve	Accumulated Profits	Total
	S\$	S\$	S\$	S\$	S\$	S\$
The Group						
As at 1 July 2023	14,782,931	(2,004,754)	8,406	1,263,008	32,392,459	46,442,050
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	8,038,116	8,038,116
Other comprehensive income:						
Foreign currency translation differences	-	(91,856)	(1,171)	-	-	(93,027)
Remeasurement on retirement benefits, net of tax	-	-	26,318	-	-	26,318
Total comprehensive income for the year	-	(91,856)	25,147	-	8,038,116	7,971,407
Transactions with owners, recognised directly in equity						
Interim dividend of 3.0 cents per share (one-tier tax exempt) in respect of current financial year	-	-	-	-	(4,170,955)	(4,170,955)
Final dividend of 3.0 cents per share (one-tier tax exempt) in respect of previous financial year	-	-	-	-	(4,170,955)	(4,170,955)
Total transactions with owners	-	-	-	-	(8,341,910)	(8,341,910)
As at 30 June 2024	14,782,931	(2,096,610)	33,553	1,263,008	32,088,665	46,071,547
As at 1 July 2024	14,782,931	(2,096,610)	33,553	1,263,008	32,088,665	46,071,547
Total comprehensive income for the year:						
Profit for the year	-	-	-	-	12,395,468	12,395,468
Other comprehensive income:						
Foreign currency translation differences	-	(910,745)	(811)	-	-	(911,556)
Remeasurement on retirement benefits, net of tax	-	-	(358)	-	-	(358)
Total comprehensive income for the year	-	(910,745)	(1,169)	-	12,395,468	11,483,554
Transactions with owners, recognised directly in equity						
Interim dividend of 3.0 cents per share (one-tier tax exempt) in respect of current financial year	-	-	-	-	(4,170,955)	(4,170,955)
Final dividend of 3.0 cents per share (one-tier tax exempt) in respect of previous financial year	-	-	-	-	(4,170,955)	(4,170,955)
Total transactions with owners	-	-	-	-	(8,341,910)	(8,341,910)
As at 30 June 2025	14,782,931	(3,007,355)	32,384	1,263,008	36,142,223	49,213,191

MICRO-MECHANICS (HOLDINGS) LTD

Condensed Interim Financial Statements for Fourth Quarter and Financial Year Ended 30 June 2025

	Share Capital	Accumulated Profits	Total
	S\$	S\$	S\$
The Company			
As at 1 July 2023	14,782,931	17,467,364	32,250,295
Total comprehensive income for the year:			
Net profit for the year	-	11,602,737	11,602,737
Total comprehensive income for the year	-	11,602,737	11,602,737
Transactions with owners, recognised directly in equity			
Interim dividend of 3.0 cents per share (one-tier tax exempt) in respect of current financial year	-	(4,170,955)	(4,170,955)
Final dividend of 3.0 cents per share (one-tier tax exempt) in respect of previous financial year	-	(4,170,955)	(4,170,955)
Total transactions with owners	-	(8,341,910)	(8,341,910)
As at 30 June 2024	14,782,931	20,728,191	35,511,122
As at 1 July 2024	14,782,931	20,728,191	35,511,122
Total comprehensive income for the year:			
Net profit for the year	-	10,890,213	10,890,213
Total comprehensive income for the year	-	10,890,213	10,890,213
Transactions with owners, recognised directly in equity			
Interim dividend of 3.0 cents per share (one-tier tax exempt) in respect of current financial year	-	(4,170,955)	(4,170,955)
Final dividend of 3.0 cents per share (one-tier tax exempt) in respect of previous financial year	-	(4,170,955)	(4,170,955)
Total transactions with owners	-	(8,341,910)	(8,341,910)
As at 30 June 2025	14,782,931	23,276,494	38,059,425

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASHFLOW FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group FY2025 S\$	Group FY2024 S\$
Cash flows from operating activities		
Profit for the year	12,395,468	8,038,116
Adjustments for:		
Depreciation of property, plant and equipment	6,162,677	6,496,591
Depreciation of investment property	3,446	13,075
Property, plant and equipment written off	23,286	9,045
Gain on disposal of property, plant and equipment	(5,598)	(14,187)
Interest income	(228,460)	(193,393)
Interest expense on lease liabilities	84,170	170,526
Service cost from retirement benefits	29,827	31,176
Interest cost from retirement benefits	33,204	29,051
Unwind of discount on reinstatement costs	19,491	18,450
Trade receivables written off	-	3,891
Inventories written off	165,655	214,437
Tax expense	3,957,313	3,495,496
Operating profit before changes in working capital	22,640,479	18,312,274
Inventories	545,282	196,750
Trade and other receivables	(1,862,307)	(396,128)
Trade and other payables	657,786	(63,683)
Cash generated from operations	21,981,240	18,049,213
Retirement benefit paid	(40,127)	-
Tax paid	(3,660,202)	(3,471,333)
Net cash generated from operating activities	18,280,911	14,577,880
Cash flows from investing activities		
Interest received	211,628	193,423
Payment of property, plant and equipment	(1,445,912)	(2,461,573)
Proceeds from disposal of property, plant and equipment	5,605	22,627
Net cash used in investing activities	(1,228,679)	(2,245,523)
Cash flows from financing activities		
Dividends paid	(8,341,910)	(8,341,910)
Interest paid	(84,170)	(170,526)
Deposit pledged	14,578	(13,827)
Payment of lease liabilities	(1,484,344)	(1,401,550)
Net cash used in financing activities	(9,895,846)	(9,927,813)
Net increase in cash and cash equivalents	7,156,386	2,404,544
Cash and cash equivalents at beginning of year	16,409,971	14,122,013
Effect of exchange rate fluctuations on cash held	(434,013)	(116,586)
Cash and cash equivalents at end of the year	23,132,344	16,409,971

Note:
(i) Cash and cash equivalent is derived from:

	Group 30 Jun 25 S\$	Group 30 Jun 24 S\$
Cash and bank balances	23,283,594	16,567,727
Less: Pledged cash placed with bank	(151,250)	(157,756)
	23,132,344	16,409,971

E. SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

E1 Corporate information

Micro-Mechanics (Holdings) Ltd. (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the fourth quarter and the full year ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the Group).

The Group is primarily involved in the manufacturing of precision tools and components.

E2 Basis of preparation

The condensed interim financial statements have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2024.

Other than adoption of the amended standards as set out in E2.2, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 June 2024, which were in accordance with SFRS(I)s.

The condensed financial statements are prepared on the historical cost basis, except for certain financial instruments which are stated at fair value.

The condensed financial statements are presented in Singapore dollars which is the Company's functional currency.

E2.1 Use of estimates and judgements

The preparation of condensed financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

E2.2 Changes in accounting policies

New accounting standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 July 2024:

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current and Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants
- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements

The application of the above SFRS(I)s and amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial year ending 30 June 2025.

E3 Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial year.

E4 Revenue

Revenue of the Group represents the value of goods invoiced to third parties. Revenue comprises sale of precision tools and components.

Revenue breakdown by Segment

Segment	Group									
	4QFY2025		4QFY2024 (Restated)		% change	FY2025		FY2024 (Restated)		% change
	S\$	%	S\$	%		S\$	%	S\$	%	
Consumable tools	13,057,879	78.1%	12,264,478	82.2%	6.5%	50,425,069	77.3%	47,726,908	82.4%	5.7%
Wafer Fabrication										
Equipment Parts	3,657,604	21.9%	2,661,468	17.8%	37.4%	14,785,606	22.7%	10,161,470	17.6%	45.5%
Total	16,715,483	100%	14,925,946	100%	12.0%	65,210,675	100%	57,888,378	100%	12.6%

A breakdown of sales and operating profit after tax

	Group FY2025	Group FY2024	Increase
	S\$	S\$	
Sales reported for first half year	32,536,481	29,352,492	10.8%
Operating profit after tax before deducting non-controlling interest reported for first half year	6,031,345	4,113,506	46.6%
Sales reported for second half year	32,674,194	28,535,886	14.5%
Operating profit after tax before deducting non-controlling interest reported for second half year	6,364,123	3,924,610	62.2%

E5 Profit before tax

The following items have been included in arriving at the profit before tax:

	Q4			Year-to-date		
	Apr to Jun 2025 S\$	Apr to Jun 2024 S\$	Change	Group FY2025 S\$	Group FY2024 S\$	Change
Other Income:						
Gain on disposal of property, plant and equipment	3,384	4,664	(27.4%)	5,598	14,187	(60.5%)
Rental income	12	31,078	(100.0%)	32,811	124,484	(73.6%)
Government grant – Capability Development, Senior Employment Credit, Enabling Employment Credit and Jobs Growth Incentive	5,332	46,118	(88.4%)	29,171	70,006	(58.3%)
Others	68,643	51,504	33.3%	259,241	204,941	26.5%
Expenses:						
Trade receivables written off	-	-	-	-	3,891	(100.0%)
Depreciation of						
- property, plant and equipment	1,184,958	1,232,562	(3.9%)	4,738,350	5,070,475	(6.6%)
- investment property	-	3,264	(100.0%)	3,446	13,075	(73.6%)
- right-of-use assets	351,399	362,130	(3.0%)	1,424,327	1,426,116	(0.1%)
Inventories written off	26,891	129,641	(79.3%)	165,655	214,437	(22.7%)
Property, plant and equipment written off	7,734	463	1570.4%	23,286	9,045	157.4%

E5 Profit before tax (continued)

	Q4			Year-to-date		
	Apr to Jun 2025 S\$	Apr to Jun 2024 S\$	Change	Group FY2025 S\$	Group FY2024 S\$	Change
Finance income:						
Interest income from banks and others	55,714	37,629	48.1%	228,460	193,393	18.1%
Finance expense:						
Bank charges	22,974	22,197	3.5%	92,326	89,284	3.4%
Unwind of discount on restoration cost provision	4,974	4,707	5.7%	19,491	18,450	5.6%
Interest expense on lease liabilities	15,347	33,797	(54.6%)	84,170	170,526	(50.6%)
Foreign currency exchange losses, net	140,694	79,023	78.0%	246,601	237,803	3.7%

n.m. – not meaningful

E6 Tax expense

	Q4		Year-to-date	
	Apr to Jun 2025 S\$	Apr to Jun 2024 S\$	Group FY2025 S\$	Group FY2024 S\$
Tax charge				
Current period/year	1,181,863	1,060,017	4,047,340	3,752,208
Changes in estimates related to prior years	(67,986)	7,712	(79,679)	(98,100)
	1,113,877	1,067,729	3,967,661	3,654,108
Deferred tax				
Origination and reversal of temporary differences	(146,624)	(229,364)	(41,018)	(169,366)
Changes in estimates related to prior years	27,946	(8)	30,670	10,754
	(118,678)	(229,372)	(10,348)	(158,612)
Tax expense	995,199	838,357	3,957,313	3,495,496

E7 Earnings per share

The calculation of the basic earnings per share is based on:

	Q4		Year-to-date	
	Apr to Jun 2025 S\$	Apr to Jun 2024 S\$	Group FY2025 S\$	Group FY2024 S\$
Profit for the period/year	3,180,551	2,080,351	12,395,468	8,038,116
Weighted average number of ordinary shares in issue for calculation of basic and diluted earnings per share	139,031,881	139,031,881	139,031,881	139,031,881
Basic earnings per share (cents)	2.29	1.50	8.92	5.78

There is no difference between the basic earnings per ordinary share and the diluted earnings per ordinary share as there are no potentially dilutive ordinary shares at the end of either financial year.

E8 Net Asset Value

	Group 30 Jun 25	Group 30 Jun 24	Company 30 Jun 25	Company 30 Jun 24
Net Asset Value per ordinary share (cents)	35.40	33.14	27.37	25.54

The net asset value per ordinary share is calculated based on net assets of S\$49.2 million (30 June 2024: S\$46.1 million) and 139,031,881 (30 June 2024: 139,031,881) shares in issue at the end of the current financial year reported on/immediately preceding financial year.

E9 Property, plant and equipment

During the financial year ended 30 June 2025, the Group acquired S\$1,222,709 (30 June 2024: S\$2,025,095) of property, plant and equipment. The amount of property, plant and equipment disposed during the financial year ended 30 June 2025 was S\$23,293 (30 June 2024: S\$17,485).

E10 Investment Property

	Group 30 Jun 25 S\$	Group 30 Jun 24 S\$
<i>Cost</i>		
Beginning of financial year	755,002	759,986
Reclassification to property, plant and equipment	(794,330)	-
Translation differences	39,328	(4,984)
End of financial year	-	755,002
<i>Accumulated depreciation and impairment losses</i>		
Beginning of financial year	488,989	479,028
Depreciation charge for the year	3,446	13,075
Reclassification to property, plant and equipment	(517,907)	-
Translation difference	25,472	(3,114)
End of financial year	-	488,989
<i>Carrying amounts</i>		
End of financial year	-	266,013
The fair value of the investment property	-	2,878,000

The property was an industrial building located in Malaysia. In October 2024, the Group transferred a property previously classified as an investment property to property, plant and equipment. This transfer was made as the property ceased to be held to earn rental income and is now owner-occupied. The reclassification did not result in any changes to the total value of the assets reported in the financial statements.

E11 Trade and other receivables

	Group 30 Jun 25 S\$	Group 30 Jun 24 S\$	Company 30 Jun 25 S\$	Company 30 Jun 24 S\$
Trade receivables	12,454,636	10,848,092	–	–
Other receivables	29,057	16,145	23,477	2,934
Deposits	390,038	416,488	–	–
Amount due from a subsidiary (non-trade)	–	–	460,311	1,134,410
Financial assets at amortised cost	12,873,731	11,280,725	483,788	1,137,344
Advances to suppliers	32,974	133,288	–	–
Prepayments	681,414	675,659	19,559	17,766
GST receivables	72,937	39,597	–	–
Forward exchange contracts	4,435	753	–	–
Trade and other receivables	13,665,491	12,130,022	503,347	1,155,110
Comprise of:				
Non-current	390,038	519,079	–	–
Current	13,275,453	11,610,943	503,347	1,155,110
	13,665,491	12,130,022	503,347	1,155,110

The Company provides customers with credit terms that range from 30 days to 90 days. There was no change in the Group's business activities or its credit terms during the financial year.

There was no trade receivables classified under non-current assets as at 30 June 2025. The amount classified as non-current of S\$390,038 (30 June 2024: S\$519,079) comprised mainly deposits for factory rental and utilities.

The aging profile of the Group's trade receivables and the Company's non-trade amount due from a subsidiary as at 30 June 2025 and 30 June 2024 were as follows:

	Group 30 Jun 25 S\$	Group 30 Jun 24 S\$	Company 30 Jun 25 S\$	Company 30 Jun 24 S\$
Current	9,729,689	8,646,126	–	–
Past due 1-30 days	2,283,355	1,796,958	–	–
Past due 31-60 days	406,081	362,561	–	–
Past due more than 60 days	35,511	42,447	460,311	1,134,410
	12,454,636	10,848,092	460,311	1,134,410

During the financial year ended 30 June 2025, there were no bad debts written off registered for the Group (30 June 2024: S\$3,891). The outstanding amounts over 90 days in past years have been generally minimal. The Group's finance team has been conscientiously engaging customers to ensure timely collection of payment.

The Board has no immediate concern on the recoverability of the trade and other receivables balances as at 30 June 2025.

E12 Share Capital

Group and Company	30 June 2025		30 June 2024	
	Number of shares	S\$	Number of shares	S\$
Fully paid ordinary shares with no par value				
At 1 July and 30 June	139,031,881	14,782,931	139,031,881	14,782,931

There was no change in the issued and paid-up capital of the Company.

There were no outstanding convertibles as at 30 June 2025 (30 June 2024: Nil).

The Company did not hold any treasury shares as at 30 June 2025 (30 June 2024: Nil). There was no sale, transfer, disposal, cancellation and use of treasury shares during the financial year ended 30 June 2025.

E13 Trade and other payables

	Group 30 Jun 25 S\$	Group 30 Jun 24 S\$	Company 30 Jun 25 S\$	Company 30 Jun 24 S\$
Current				
Trade payables	797,405	924,392	—	—
Other payables	623,992	837,131	55,572	32,544
Amount owing to a subsidiary	-	-	878	-
Accrued expenses	4,252,881	3,703,769	471,075	492,100
Advances from customers	116,996	68,469	—	—
Forward exchange contracts	493	21,190	—	—
	5,791,767	5,554,951	527,525	524,644

E14 Provisions

	Group 30 Jun 25 S\$	Group 30 Jun 24 S\$
Non-current		
Reinstatement costs	365,032	345,541
Retirement benefits	500,367	489,111
	865,399	834,652

Reinstatement costs relate to cost of dismantling and removing assets and restoring the premises to its original condition as stipulated in the operating lease agreements. The Group expects to incur the liability upon termination of the leases.

E15 Borrowings

The Group does not have any bank borrowings for the financial year ended 30 June 2025 and 30 June 2024.

E16 Financial assets and financial liabilities

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Group		Company	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
<i>Financial assets measured at amortised cost</i>				
Trade and other receivables **	12,873,731	11,280,725	483,788	1,137,344
Cash and bank balances	23,283,594	16,567,727	9,354,448	6,026,177
	<u>36,157,325</u>	<u>27,848,452</u>	<u>9,838,236</u>	<u>7,163,521</u>
<i>Financial assets measured at fair value</i>				
Forward exchange contracts – asset	4,435	753	–	–
<i>Financial liabilities measured at amortised cost</i>				
Trade and other payables *	<u>(2,440,200)</u>	<u>(2,822,081)</u>	<u>(527,525)</u>	<u>(524,644)</u>
<i>Financial liabilities measured at fair value</i>				
Forward exchange contracts – liability	<u>(493)</u>	<u>(21,190)</u>	<u>–</u>	<u>–</u>

* Excluding advances from customers, payroll-related accruals, withholding tax payables and forward exchange contracts

** Excluding advances to suppliers, prepayments, GST receivables and forward exchange contracts.

E17 Segment reporting

During the year, the Group revised the reportable segments in accordance with SFRS(I) 8: Operating Segments, following a change in internal reporting for decision making and performance analysis. The corresponding information for the prior period has been restated. The change in reportable segments of the Group has not resulted in any changes in the measurement of profit or loss for each reportable segment.

The Group has the following three (2024: five) reportable segments, which are the Group's strategic business units. The strategic business units are managed separately due to the requirement of different marketing strategies. For each of the strategic business units, the Group's Executive Directors review internal management reports regularly.

The following describes the operations in each of the Group's reportable segments:

- Consumable tools – focus on the design and manufacturing of miniature consumable tools used in the assembly and testing of semiconductors; and
- Wafer fabrication equipment (“WFE”) parts – focus primarily on making parts for semiconductor wafer fabrication equipment.
- Corporate and others – pertaining to corporate functions and others.

In prior year, the reportable segments were identified by geographical location as follows:

- Singapore: Includes manufacturing and distributing of precision tools.
- Malaysia: Includes manufacturing and distributing of precision tools.
- The Philippines: Includes manufacturing and distributing of precision tools.
- United States of America: Includes manufacturing of precision components and modules and distributing of precision tools for WFE..
- People's Republic of China: Includes manufacturing and distributing of precision tools.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments.

Information about reportable segments

	Financial year ended 30 June 2025			Total
	Consumable tools	WFE parts	Corporate & Others	
	S\$	S\$	S\$	S\$
External revenue	50,425,069	14,785,606	-	65,210,675
Inter-segment revenue	2,239	734	(2,973)	-
Total revenue	<u>50,427,308</u>	<u>14,786,340</u>	<u>(2,973)</u>	<u>65,210,675</u>
Segment profit/(loss) before tax	16,364,728	1,130,991	(928,810)	16,566,909
Finance income	53,342	80,707	94,411	228,460
Finance expense	(373,217)	(36,987)	(32,384)	(442,588)
Tax expense	(3,659,466)	(1,506)	(296,341)	(3,957,313)
Profit/(loss) for the year	<u>12,385,387</u>	<u>1,173,205</u>	<u>(1,163,124)</u>	<u>12,395,468</u>
Segment assets	<u>38,936,026</u>	<u>12,511,445</u>	<u>9,397,484</u>	<u>60,844,955</u>
Segment liabilities	<u>8,349,382</u>	<u>2,389,346</u>	<u>893,036</u>	<u>11,631,764</u>
Other segment information:				
Capital expenditure	1,172,269	50,440	-	1,222,709
Depreciation	4,218,306	1,947,817	-	6,166,123
Non-current assets	<u>15,536,195</u>	<u>5,614,245</u>	<u>-</u>	<u>21,150,440</u>

Information about reportable segments (continued)**Financial year ended 30 June 2024 (restated)**

	Consumable tools S\$	WFE parts S\$	Corporate & Others S\$	Total S\$
External revenue	47,726,908	10,161,470	-	57,888,378
Inter-segment revenue	10,294	1,455	(11,749)	-
Total revenue	47,737,202	10,162,925	(11,749)	57,888,378
Segment profit/(loss) before tax	14,745,989	(2,154,121)	(735,586)	11,856,282
Finance income	67,861	100,510	25,022	193,393
Finance expense	(322,061)	(97,015)	(96,987)	(516,063)
Tax expense	(3,209,023)	(4,080)	(282,393)	(3,495,496)
Profit/(loss) for the year	11,282,766	(2,154,706)	(1,089,944)	8,038,116
Segment assets	39,704,975	11,107,843	6,046,877	56,859,695
Segment liabilities	8,488,261	1,534,178	765,709	10,788,148
Other segment information:				
Capital expenditure	1,702,586	322,509	-	2,025,095
Depreciation	4,304,815	2,204,851	-	6,509,666
Non-current assets	18,401,818	6,373,302	-	24,775,120

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment non-current assets are based on the geographical location of the assets.

	Group	
	2025 S\$	2024 S\$
Revenue		
Singapore	5,724,953	4,974,523
Malaysia	12,138,393	9,448,356
Philippines	3,196,138	3,202,591
People's Republic of China	20,400,917	20,104,966
Taiwan	3,949,062	3,474,354
United States of America	14,578,365	11,640,813
Others	5,222,847	5,042,775
	65,210,675	57,888,378
Non-current assets		
Singapore	7,783,625	9,518,125
Malaysia	3,718,544	3,996,332
Philippines	1,389,137	1,511,706
People's Republic of China	2,644,889	3,375,655
United States of America	5,614,245	6,373,302
	21,150,440	24,775,120

Major customers

Revenues from one customer of the Group's Wafer Fabrication Equipment Parts segments represents S\$6.3 million (2024: S\$6.2 million) of the Group's total revenue.

E18 Subsequent events

There were no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

F. OTHER INFORMATION REQUIRE BY APPENDIX LISTING RULE 7.2

F1 Review

The condensed interim consolidated statement of financial position of Micro-Mechanics (Holdings) Ltd and its subsidiaries as at 30 June 2025 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

F1.1 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

F1.2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: —

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The audited financial statements for the year ended 30 June 2024 was not subjected to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

F2 Review of Group Performance

Group Revenue

		1Q	2Q	3Q	4Q	Full Year
REVENUE	FY2025	S\$16,241,899	S\$16,294,582	S\$15,958,711	S\$16,715,483	S\$65,210,675
	FY2024	S\$15,850,106	S\$13,502,386	S\$13,609,940	S\$14,925,946	S\$57,888,378
	% growth	2.5%	20.7%	17.3%	12.0%	12.6%

For the 12 months ended 30 June 2025 ("FY2025"), the Group's revenue increased by 12.6% year-on-year ("yoy") to S\$65.2 million from S\$57.9 million for FY2024. For the three months ended 30 June 2025 ("4QFY2025"), the Group's revenue increased by 12.0% yoy to S\$16.7 million from S\$14.9 million for 4QFY2024, representing four quarters of yoy topline growth. On a quarter-on-quarter ("qoq") basis, the Group's revenue for 4QFY2025 increased 4.7% to S\$16.7 million from S\$16.0 million for 3QFY2025, due to stronger results from the Group's consumable tools sales.

Revenue breakdown by Segment

Segment	Group									
	4QFY2025		4QFY2024 (Restated)		% change	FY2025		FY2024 (Restated)		% change
	S\$	%	S\$	%		S\$	%	S\$	%	
Consumable tools	13,057,879	78.1%	12,264,478	82.2%	6.5%	50,425,069	77.3%	47,726,908	82.4%	5.7%
Wafer Fabrication Equipment Parts	3,657,604	21.9%	2,661,468	17.8%	37.4%	14,785,606	22.7%	10,161,470	17.6%	45.5%
Total	16,715,483	100%	14,925,946	100%	12.0%	65,210,675	100%	57,888,378	100%	12.6%

For FY2025, sales from consumable tools increased by 5.7% yoy to S\$50.4 million, while sales from Wafer Fabrication Equipment ("WFE") increased by 45.5% yoy to S\$14.8 million.

For 4QFY2025, sales from the consumable tools segment increased by 6.5% yoy to S\$13.1 million from S\$12.3

million for 4QFY2024. On a qoq basis, sales from consumable tools increased 9.6% to S\$13.1 million for 4QFY2025 from S\$11.9 million for 3QFY2025.

Consumable tools remained the Group's core business segment, accounting for 78.1% of the Group's revenue for 4QFY2025, and 77.3% of the Group's revenue for FY2025.

Sales from the Group's WFE segment increased by 37.4% yoy to S\$3.7 million from S\$2.7 million for 4QFY2024, reflecting a continuous rebound in orders following the Group's efforts to recalibrate its engineering and product focus to develop a more compelling, competitive and higher-value product mix. Consequently, WFE contributed 21.9% to the Group's revenue for 4QFY2025 and 22.7% for FY2025.

The WFE segment primarily serves customers based in USA, Singapore and Malaysia.

By geographical segments, sales from China increased by 1.5% yoy to S\$20.4 million yoy and remained as the Group's largest geographical market, contributing 31.3% to the Group's revenue for FY2025. Sales from the USA also grew 25.2% yoy to S\$14.6 million for FY2025, driven by targeted engineering focus key WFE products areas that boosted differentiation and margins.

In Malaysia, the Group registered an increase in sales of 28.5% yoy to S\$12.1 million for FY2025 constituting 18.6% of Group revenue. Sales in Singapore increased 15.1% yoy to S\$5.7 million, representing 8.8% of the Group's revenue for FY2025.

Sales in the Philippines were stable at S\$3.2 million for FY2025, whereas sales in Taiwan increased by 13.7% yoy to S\$3.9 million for FY2025, supported by the Group's effort on advanced packaging applications with customers in Taiwan.

Gross Profit (GP) Margin

		1Q	2Q	3Q	4Q	Full Year
Group GP Margin	FY2025	50.7%	47.5%	50.5%	49.0%	49.4%
	FY2024	48.8%	45.9%	46.4%	46.5%	47.0%

The Group's gross profit grew 18.5% yoy to S\$32.2 million for FY2025, with gross profit margin improving to 49.4% for FY2025 from 47.0% for FY2024.

The Group's gross profit increased by 18.2% yoy from S\$6.9 million for 4QFY2024 to S\$8.2 million for 4QFY2025, with gross profit margin improving to 49.0% for 4QFY2025 from 46.5% for 4QFY2024. Gross profit grew by 1.7% qoq, rising from S\$8.0 million for 3QFY2025 to S\$8.2 million. However, the gross profit margin experienced a modest decrease, falling to 49.0% compared to 50.5% for 3QFY2025.

The overall improvement in gross profit margin for FY2025 relative to FY2024 demonstrates the Group's ongoing commitment to *Operational Excellence*, which remains a key component of the *Five-Star Factory* initiative.

Other income, Distribution Cost, Administrative Expenses, Other Operating Expenses and Net Finance Costs

		1Q	2Q	3Q	4Q	Full Year
Other income, Distribution Expenses, Administrative Expenses, Other Operating Expenses and Net Finance Expense	FY2025	S\$4,080,841	S\$3,836,686	S\$3,928,044	S\$4,020,162	S\$15,865,733
	% of sales	25.1%	23.5%	24.6%	24.1%	24.3%
	FY2024	S\$3,982,469	S\$3,921,439	S\$3,731,326	S\$4,017,244	S\$15,652,478
	% of sales	25.1%	29.0%	27.4%	26.9%	27.0%

For FY2025, the Group's other income decreased by 21.0% yoy to S\$326.7k (FY2024: S\$413.6k) due to discontinued rental income from October 2024.

Distribution expenses rose 4.7% yoy to S\$3.0 million for FY2025 (FY2024: S\$2.9 million) primarily attributable to salary adjustments.

Administrative expenses rose by 4.4% yoy to S\$9.5 million for FY2025 (FY2024: S\$9.1 million), primarily due to increased bonus payments associated with improved performance. Other operating expenses declined by 8.1% yoy to S\$3.4 million, reflecting a reduction in headcount at MMUS.

Finance expense decreased by 14.2% yoy to S\$442.6k for FY2025 (FY2024: S\$516.0k), mainly due to lower interest expense on lease liabilities with most of the leases nearing the end of their respective terms.

In aggregate, the Group's administrative, distribution and other operating expenses (net of other income) as a percentage of revenue, decreased to 24.3% or S\$15.9 million for FY2025 as compared to 27.0% in the same period a year ago. The Group remains committed towards prudent cost management amid evolving business conditions. By continuously evaluating its cost structure, the Group seeks to optimise efficiency, enhance operational effectiveness, and maintain a strong foundation for sustainable growth.

Profit before Tax and Net Profit

		1Q	2Q	3Q	4Q	Full Year
Net Profit after tax	FY2025	S\$3,076,977	S\$2,954,368	S\$3,183,572	S\$3,180,551	S\$12,395,468
	FY2024	S\$2,699,060	S\$1,414,446	S\$1,844,259	S\$2,080,351	S\$8,038,116
	% growth	14.0%	108.9%	72.6%	52.9%	54.2%

As a result of the above, the Group's profit before tax increased by 41.8% to S\$16.4 million for FY2025 from S\$11.5 million for FY2024.

Income tax expenses increased by 13.2% to S\$4.0 million in FY2025, from S\$3.5 million in FY2024. The Group's effective tax rate declined to 24.2% in FY2025, compared with 30.3% in the prior year. While MMUS experienced a rebound in orders and improved profitability from the start of FY2025, the lower effective tax rate was principally due to the application of previously recorded unutilised tax losses, which offset chargeable income and mitigated the tax impact of the stronger financial performance.

After deducting income tax expenses, the Group's net profit increased by 54.2% to S\$12.4 million from S\$8.0 million for FY2024. Net profit margin grew to 19.0% for FY2025 as compared to 13.9% for FY2024. Correspondingly, the Group's earnings per share increased by 54.3% yoy to 8.92 cents for FY2025.

Other comprehensive income

Foreign currency translation differences from foreign operations resulted in a loss of S\$911.6k in FY2025 (FY2024: gain of S\$93k). The variance was principally attributable to the depreciation of the US dollar and Chinese yuan against the Singapore dollar by 6.1% and 6.5%, respectively. For 4QFY2025, translation differences resulted in a loss of S\$1.0 million (4QFY2024: gain of S\$65k), reflecting the depreciation of the US dollar and Chinese yuan against the Singapore dollar by 5.0% and 4.8%, respectively.

Dividend Payment

The Group has a formal dividend policy to distribute 40% or more of its after-tax annual earnings, after taking into consideration financial performance, projected cash flow and capital requirements for business growth and general economic conditions among other relevant factors.

The Board of Directors is recommending a final dividend of 3.0 cents per share (one tier tax-exempt) in respect of FY2025. If approved by shareholders at the Annual General Meeting to be held on 30 October 2025, the dividend will be paid on 18 November 2025.

Together with the interim dividend of 3.0 cents per share (one tier tax-exempt) paid on 18 February 2025, the Group's total dividend for FY2025 would be 6.0 cents per share (one tier tax-exempt). The total payout for FY2025 will amount to S\$8.3 million, representing a dividend payout ratio of 67.3% for FY2025.

Balance Sheet

The Group remains in a resilient financial position. As at 30 June 2025, it had a balance sheet with total assets of S\$60.8 million, shareholders' equity of S\$49.2 million, cash and cash equivalents of S\$23.3 million and no bank borrowings.

Long Term Assets

As at 30 June 2025, non-current assets decreased to S\$21.2 million as compared to S\$24.8 million as at 30 June 2024 due mainly to the depreciation charge of property, plant and equipment.

Trade Receivables

		As at end of 1Q	As at end of 2Q	As at end of 3Q	As at end of 4Q
Trade Receivables	FY2025	S\$11,308,062	S\$10,948,413	S\$11,313,828	S\$12,454,636
	≥ 90 days	0.1%	0.04%	0.1%	0.01%
	Write-off	-	-	-	-
	FY2024	S\$11,126,896	S\$10,009,584	S\$10,203,778	S\$10,848,092
	≥ 90 days	0.1%	0.03%	0.6%	0.03%
	Write-off	S\$1,613	S\$480	S\$1,798	-

Trade receivables as at 30 June 2025 increased to S\$12.5 million from S\$10.8 million as at 30 June 2024. Of this, S\$2k was outstanding for 90 days or more (S\$3.7k at 30 June 2024). There were no trade receivables written off during the year (FY2024: S\$3.9k).

Trade & Other Payables

As at 30 June 2025, trade payables totalled S\$797k (30 June 2024: S\$924k) with only S\$1.1k (30 June 2024: S\$13.1k) outstanding for 30 days or more.

Non-trade payables and accrued expenses totalled S\$0.6 million (30 June 2024: S\$0.8 million) and S\$4.3 million (30 June 2024: S\$3.7 million) respectively as at 30 June 2025.

Long term liabilities

As at 30 June 2025 and 30 June 2024, the deferred tax liabilities were both S\$1.4 million.

Inventory

The Group actively manages its inventory to prevent over-stocking and reduce write-offs, as part of its ongoing commitment to operational excellence under the *Five-Star Factory* initiative. As at 30 June 2025, inventory amounted to S\$3.1 million, representing 4.8% of sales for FY2025 (30 June 2024: S\$3.9 million, or 6.7% of sales). Inventory write-offs totalled S\$166k for FY2025, compared to S\$214k for FY2024.

Capital Expenditure

		1Q	2Q	3Q	4Q	Full Year
Capital Expenditure	FY2025	S\$609,773	S\$167,959	S\$212,065	S\$232,912	S\$1,222,709
	% of sales					1.9%
	FY2024	S\$443,959	S\$608,964	S\$559,784	S\$412,388	S\$2,025,095
	% of sales					3.5%

Following significant capital expenditure for growth in recent years (FY2021: S\$6.8 million; FY2022: S\$4.9 million; FY2023: S\$4.0 million; FY2024: S\$2.0 million), the Group is now well positioned to optimise capital allocation. In line with its disciplined approach to capital management, the Group continues to invest strategically in growth-related capital expenditure, responding to prevailing market conditions and business requirements.

The Group's capital expenditure for FY2025 amounted to approximately S\$1.2 million. This mainly comprised mainly S\$741k of investments in new machines and accessories, and S\$365k for the purchase of computers and IT software for the Group's five factories worldwide.

Cash Flow Analysis

The Group generated net cash from operations of S\$18.3 million for FY2025 (S\$14.6 million for FY2024). After deducting net cash used in investing activities of S\$1.2 million and net cash used in financing activities of S\$9.9 million, which was mainly for the payment of dividends in respect of FY2024 and 1HFY2025, the Group reported a cash balance of S\$23.3 million including S\$0.2 million held as security deposits for FY2025.

F3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been issued for the current financial reporting period. There is no material variance from the previous financial period commentary under Section F4.

F4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**Sector performance and outlook**

Despite macroeconomic and geopolitical volatilities, the global semiconductor industry continued to see sales growth in 4QFY2025, driven by robust demand for applications in high-performance computing, data centers, and Artificial Intelligence (“AI”). According to the Semiconductor Industry Association (“SIA”), global semiconductor sales rose by 7.8% qoq and nearly 20% yoy to US\$179.7 billion between April to June 2025.

In line with this positive trend, the Group delivered another strong business performance for 4QFY2025, with sales from its consumable tools and WFE segments up by 6.5% yoy to S\$13.1 million and by 37.4% yoy to S\$3.7 million respectively. On a full-year basis, Group revenue increased by 12.6% yoy to S\$65.2 million.

Looking ahead, the World Semiconductor Statistics* (“WSTS”) expects the global semiconductor market to grow by 9.9% yoy to US\$800 billion in 2026.

The Group is encouraged by its strong performance in FY2025, as well as the industry’s growth prospects in FY2026. As it heads into FY2026, the Group expects the localisation of supply chains to remain a key growth driver. This includes the WFE segment, where the Group sees US players actively building out domestic advanced packaging capabilities.

The Group is uniquely positioned to seize these emerging opportunities with its decentralised structure and expertise in semiconductor solutions. Nevertheless, the Group remains cognisant of risks arising from macroeconomic factors outside management’s direct control. These encompass the effects of reciprocal tariffs in operating markets and the potential imposition of sector-specific tariffs by the Trump administration. Accordingly, the Group continues to closely monitor and assess their implications for its operations.

**Note: WSTS forecasts global semiconductor sales, and while the Group’s manufacturing of high precision tools and parts is part of the semiconductor industry’s supply chain, the Group’s performance in specific business segments during any particular time period may not always correlate with the general sales trend of the semiconductor industry.*

Key initiatives for FY2026

Looking ahead, the Group is committed to sustaining the positive momentum seen in FY2025, with several initiatives in place to further strengthen its proposition and resilience across the value chain and deliver sustainable long-term value for its shareholders. These include:

1. Advancing the *Five-Star Factory* initiative

The *Five-Star Factory* initiative aims to drive excellence across five key areas – people, customer focus, operations, innovation, and workplace safety and efficiency – to strengthen the core foundations of the Group’s business and futureproof it for sustainable long-term growth. Since its launch in FY2024, the initiative has delivered meaningful progress, supporting the Group’s transition from traditional packaging to advanced packaging technologies. Emphasising process excellence is central to the Group’s objective of becoming a *Next Generation Supplier* capable of meeting the industry’s increasingly stringent standards for both consumable

chip assembly tools and WFE components. This focus has also allowed the Group to remain agile and responsive to evolving customer needs in the face of ongoing external uncertainties.

Heading into FY2026, the Group remains focused on advancing the five pillars of excellence, with the aim of solidifying its foundations for sustainable long-term growth:

- Fast, Effective and Local Support to Global Customers: Strengthening the Group's decentralised structure and customer interactions to enable their success and the advancement of the semiconductor industry.
 - The Group is continuing to closely engage customers to identify new opportunities to support higher-value problems across the value chain.
 - The Group continued to demonstrate strong responsiveness to customer requests, reducing lead times in many instances to less than seven days.
- Operational Excellence: Leveraging lean engineering and management principles, data and automation to develop fast, flawless and cost-effective manufacturing.
 - The Group continued to minimise inventory overstocking with inventory of S\$3.1 million as at 30 June 2025 (30 June 2024: S\$3.9 million), representing 4.8% of annualised sales (30 June 2024: 6.7%). Inventory written off for FY2025 totalled S\$166k, compared to S\$214k for FY2024.
 - During the quarter, the Group continued to make good improvements in its elastomer manufacturing process, which represents about 29.6% of the Group's revenue, in terms of both cost, lead time and yield.
- Innovation Excellence: Strengthening a culture that promotes fresh thinking and ingenuity that drives product and process innovations and improvements, enables new manufacturing capability, and encourages the adoption of new technologies and methodologies.
 - The Group continues to engage its R&D and manufacturing teams to improve its manufacturing capabilities to support higher-value orders.
 - As part of the Group's ongoing efforts to drive *Innovation Excellence*, the Group is also continuing to focus and build its capabilities in leading-edge technology applications, including the development of elastomer pick up tools used to package advanced chips like High Bandwidth Memory (HBM).
 - The Group is also exploring manufacturing software that leverages AI and scientific-based approaches to optimise material removal during the machining process for greater efficiency.
- High Performance Teams: Building a *High Performance Team* of talented people with the right skills in the right positions, upskilling the Group's workforce through training programmes, and aligning incentive systems with measurements of progress and performance.
 - As part of a carefully planned transition to ensure continuity and strengthen the foundations for long-term growth, the Board of Directors appointed Mr. Kyle Borch as Chief Executive Officer ("CEO") with effect from 1 July 2025.
 - He succeeded Mr. Christopher Borch, who will continue in his capacity as Executive Chairman.
 - Additionally, the Group has onboarded the Group's first Vice President of Human Resources ("HR") to help oversee and develop the Group's talent programmes, which will strengthen the long-term foundations for building *High Performance Teams*.
- Workplace Efficiency and Safety: Implementing "8S" practices by all personnel resulting in organised, productive, clean, safe and environmentally responsible operations.
 - As of FY2025, all the Group's facilities have improved their internal *Five-Star* ratings yoy, with two facilities scoring *Five-Star* ratings.

2. Maintaining profitability at MMUS

In 2HFY2024, the Group completed a restructuring plan at MMUS, where it strategically recalibrated the plant's engineering and product focus to create a more compelling, competitive and higher-value product mix of process-critical parts for the WFE industry. The Group also implemented a host of initiatives to optimise costs and improve efficiency as part of its overarching focus on enhancing *Operational Excellence* and accelerating innovation across its facilities.

As a result of these efforts, operating performance at MMUS improved significantly yoy for FY2025 with a sharpened product mix and improved margins. Consequently, the Group recorded a full year profit at MMUS of S\$1.2 million for FY2025, compared to a loss of S\$2.2 million for FY2024. The Group is encouraged by the positive outcomes yielded in FY2025 and remains focused on sustaining this momentum amidst ongoing trade volatility and industry uncertainty.

3. Prioritising disciplined capital management and good governance

The Group continues to exercise disciplined capital management and uphold good governance to deliver sustainable long-term shareholder returns. For FY2025, the Group generated net cash from operations of S\$18.3 million. After deducting net cash used in investing activities of S\$1.2 million and net cash used in financing activities of S\$9.9 million, which was mainly for the payment of dividends in respect of FY2024 and 1HFY2025, the Group ended FY2025 with S\$23.3 million in cash and no bank borrowings.

To support sustained business and earnings growth, the Group is investing strategically in capital expenditure to enhance its manufacturing capabilities and productivity. These investments include equipment to support greater precision work, automation, and enhanced productivity.

The Board has recommended a final dividend of 3.0 cents per share for FY2025. If approved by shareholders at the Company's AGM on 30 October 2025, the Group's total dividends for FY2025 will amount to 6.0 cents per ordinary share, bringing the cumulative dividends since becoming a listed company in 2003 to 134.9 cents per share. Excluding share price appreciation, this translates into a return of over 700% based on dividends alone for shareholders who have owned the Group's shares since its Initial Public Offering.

The distribution reflects the Board and management's firm commitment to creating long-term, sustainable value for shareholders. This focus is underpinned by the Group's consistent adherence to strong governance practices at every level of the organisation. Since its listing in 2003, Micro-Mechanics has been recognised with nearly 40 awards for excellence in governance, transparency, and investor relations, most recently ranking 30th out of 467 Singapore-listed companies on the 2025 Singapore Governance and Transparency Index. Moving forward, the Group remains dedicated to enhancing shareholder returns through sustaining earnings growth, maintaining stable dividends, and upholding exemplary standards of corporate governance.

Business outlook

The Group has continued to demonstrate resilience amidst market volatility with tariff announcements initially in April 2025 and most recently in July 2025. As it heads into FY2026, the Group believes that it is well-positioned with a strong balance sheet to seize opportunities and navigate ongoing externalities in the long term, even as macroeconomic and geopolitical dynamics shift. The Group will also continue to maintain vigilance and take proactive measures to address any potential impacts affecting the business and its customers. With a disciplined growth strategy, strong balance sheet and proven track record of navigating past downcycles, the Group is confident in delivering on its ambitions to become a leading *Next Generation Supplier* of high-precision tools and parts used in process-critical semiconductor applications and drive sustainable long-term value for its shareholders.

F5. Dividend Information

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend amount per share (cent)	3 cents per ordinary share
Dividend Tax rate	0% (one tier tax-exempt)

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend amount per share (cent)	3 cents per ordinary share
Dividend Tax rate	0% (one tier tax-exempt)

(c) The date dividend is payable

Payment of the dividend, if approved by the members at the Twenty-Eighth Annual General Meeting to be held on 30 October 2025, will be paid on 18 November 2025.

(d) Record date for dividend payment

Notice is hereby given that the Share Transfer Books and Register of Members of Micro-Mechanics (Holdings) Ltd. (the “Company”) will be closed for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company’s Share Registrar, B.A.C. S. Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 up to 5:00 p.m. on 7 November 2025 will be registered to determine shareholders’ entitlements to the said dividend.

Members whose Securities Accounts with the Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 7 November 2025 will be entitled to the proposed dividend.

(e) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

(f) A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.

Total Annual Dividend

	Latest Full Year (FY2025)	Previous Full Year (FY2024)
	S\$	S\$
Ordinary	8,341,910	8,341,910
Preference	-	-
Total:	8,341,910	8,341,910

Note: The total annual dividend comprises the interim dividend of S\$4,170,955 paid on 18 February 2025 and the proposed final dividend of S\$4,170,955.

F6. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

For the financial year ended 30 June 2025, the Group has made rental payment of US\$561,372 (30 June 2024: US\$561,372) and solar-generation electrical services payment of US\$210,000 (30 June 2024: US\$210,000) to Sarcadia LLC, a controlling shareholder of the Company and a family company set up by Mr. Christopher Reid Borch, the CEO of the Company.

Except for the above, there was no other interested person transaction relating to any director, controlling shareholders and their associates as defined in Chapter 9 of the Listing Manual.

F7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

F8. Disclosure of person occupying a managerial position who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in Micro-Mechanics (Holdings) Ltd. (the “Company”) or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

F9. Negative confirmation pursuant to Rule 705(5).

Not applicable.

BY ORDER OF THE BOARD

Wendy Tan Wei Lee
Company Secretary
27 August 2025