

Unaudited Full Year Financial Statements Announcement for the year ended 30/06/2020**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Year-to-date		
		Group FY2020 S\$	Group FY2019 S\$	Change
Revenue	(1)	64,207,750	60,330,946	6.4%
Cost of sales	(2)	(29,893,433)	(27,962,857)	6.9%
Gross profit		34,314,317	32,368,089	6.0%
Other income	(3)	1,183,512	628,009	88.5%
Distribution costs	(4)	(3,168,605)	(3,213,105)	(1.4%)
Administrative expenses	(5)	(9,258,378)	(9,350,468)	(1.0%)
Other operating expenses	(6)	(3,986,356)	(3,363,301)	18.5%
Profit from operations		19,084,490	17,069,224	11.8%
Finance costs		-	-	-
Profit before income tax	(7)	19,084,490	17,069,224	11.8%
Income tax expense	(8)	(4,434,447)	(4,120,519)	7.6%
Profit after tax		14,650,043	12,948,705	13.1%
Non-controlling interests		-	-	-
Profit for the year		14,650,043	12,948,705	13.1%
Statement of Comprehensive Income				
Profit for the year		14,650,043	12,948,705	13.1%
Other comprehensive income:				
Item that is or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations, net of tax		392,862	(922,545)	(142.6%)
Item that will not be reclassified to profit or loss:				
Remeasurement income on retirement benefits		(129,704)	(69,824)	85.8%
Related tax		4,288	2,298	86.6%
Total comprehensive income for the year		14,917,489	11,958,634	24.7%

(1) Please refer to section 8 of this announcement for an analysis of the Group's revenue.

(2) Cost of sales increased in line with sales. Production headcount increased to 359 at the end of FY2020 from 341 at the end of FY2019. In addition, there were higher overtime expenses incurred of S\$393k, as well as higher depreciation charged of S\$270k and equipment repair costs of S\$340k as compared to FY19.

- (3) Other income consists of:

	FY2020 S\$	FY2019 S\$	Change
Interest income from banks and others	209,466	226,646	(7.6%)
Rental income	124,258	124,188	0.1%
Government grant – Job Support Scheme, Skill Redevelopment, Wage Credit and Capability Development Scheme	517,929	56,605	815.0%
Exchange gain	226,235	97,094	133.0%
Others	105,624	123,476	(14.5%)

- (4) Please refer to section 8 of this announcement for an analysis of the Group’s distribution expenses.
- (5) Please refer to section 8 of this announcement for an analysis of the Group’s administrative expenses.
- (6) Please refer to section 8 of this announcement for an analysis of the Group’s other operating expenses.
- (7) Profit before income tax was arrived at after charging the following expenses:

	FY2020 S\$	FY2019 S\$	Change
Depreciation of property, plant and equipment	5,698,119	5,461,839	4.3%
Depreciation of right-of-use assets	1,076,693	1,068,880	0.7%
Loss on disposal of property, plant and equipment	29,454	2,329	1,164.7%
Inventories written off	95,423	103,582	(7.9%)
Interest expense on lease liabilities	101,704	106,455	(4.5%)
Property, plant and equipment written off	6,400	6,824	(6.2%)

Total depreciation expenses of the Group increased to S\$6.8 million in FY2020 from S\$6.5 million in FY2019, of which S\$5.7 million was in relation to production assets. The increase in total depreciation expenses was due to additional assets acquired in FY2020.

- (8) Income tax expense for FY2020 totaled S\$4.4 million of which S\$549k was related to withholding tax paid and an additional S\$216k of withholding tax accrued on dividends from the various overseas subsidiaries. The effective tax rate for FY2020 was 23.2% as compared to 24.1% for FY2019.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group 30 Jun 20 S\$	Group 30 Jun 19 S\$	Company 30 Jun 20 S\$	Company 30 Jun 19 S\$
Non-current assets					
Property, plant and equipment		29,079,591	30,811,334	-	-
Right-of-use assets	(1)	1,980,198	1,815,233	-	-
Subsidiaries		-	-	29,095,544	29,095,544
Trade and other receivables		1,109,205	428,008	-	-
Deferred tax asset		46,586	48,409	-	-
		32,215,580	33,102,984	29,095,544	29,095,544
Current assets					
Inventories		5,397,148	4,514,659	-	-
Trade and other receivables		12,717,631	10,380,307	2,442,304	2,596,890
Cash and cash equivalents		20,814,685	21,881,179	9,599,881	8,743,944
		38,929,464	36,776,145	12,042,185	11,340,834
Total assets		71,145,044	69,879,129	41,137,729	40,436,378
Shareholders' equity					
Share capital		14,782,931	14,782,931	14,782,931	14,782,931
Foreign currency translation reserve	(2)	179,968	(87,478)	-	-
Accumulated profits		43,021,070	43,664,534	25,602,968	24,928,388
		57,983,969	58,359,987	40,385,899	39,711,319
Non-current liabilities					
Deferred tax liabilities		1,440,847	1,434,464	210,762	213,960
Trade and other payables		835,702	643,777	-	-
Lease liabilities	(1)	900,564	967,621	-	-
		3,177,113	3,045,862	210,762	213,960
Current liabilities					
Trade and other payables		7,142,026	6,436,347	534,747	502,740
Lease liabilities	(1)	1,079,298	847,230	-	-
Current tax payable		1,762,638	1,189,703	6,321	8,359
		9,983,962	8,473,280	541,068	511,099
Total liabilities		13,161,075	11,519,142	751,830	725,059
Total equity and liabilities		71,145,044	69,879,129	41,137,729	40,436,378

Notes:

- (1) Right-of-use assets and the corresponding lease liabilities were mainly related to leases on various factory premises occupied by the Group, following the adoption of SFRS(I) 16.
- (2) The movement in foreign currency translation reserves in FY2020 was due mainly to the appreciation of the US Dollar and Chinese Renminbi against the Singapore Dollar.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less or on demand

As at 30 Jun 20		As at 30 Jun 19	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 30 Jun 20		As at 30 Jun 19	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Details of any collateral

Not applicable

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group FY2020 S\$	Group FY2019 S\$
Cash flows from operating activities			
Profit for the year		14,650,043	12,948,705
Adjustments for:			
Depreciation of property, plant and equipment		6,774,812	6,530,719
Property, plant and equipment written off		6,400	6,824
Loss on disposal of property, plant and equipment		29,454	2,329
Interest income		(209,466)	(226,646)
Interest expense on lease liabilities		101,704	106,455
Tax expense		4,434,447	4,120,519
Operating profit before changes in working capital		25,787,394	23,488,905
Inventories		(812,553)	(31,092)
Trade and other receivables		(2,903,344)	962,256
Trade and other payables		573,336	(597,184)
Cash generated from operations		22,644,833	23,822,885
Income tax paid		(3,848,424)	(4,555,973)
Net cash from operating activities		18,796,409	19,266,912
Cash flows from investing activities			
Purchase of property, plant and equipment	(1)	(3,705,653)	(3,418,145)
Proceeds from disposal of property, plant and equipment		111,118	14,697
Interest received		216,762	231,304
Net cash used in investing activities		(3,377,773)	(3,172,144)
Cash flows from financing activities			
Lease paid		(1,127,392)	(1,109,070)
Dividends paid	(2)	(15,293,507)	(13,903,188)
Net cash used in financing activities		(16,420,899)	(15,012,258)
Net (decrease)/increase in cash and cash equivalents		(1,002,263)	1,082,510
Cash and cash equivalents at beginning of year		21,717,779	20,918,381
Effect of exchange rate fluctuations		(63,581)	(283,112)
Cash and cash equivalents at the end of year	(3)	20,651,935	21,717,779

Notes:

- (1) The Group's capital investment during the year included S\$3.1 million of new equipment for its five factories, S\$0.2 million of renovation and S\$0.4 million of computers and IT software.
- (2) The Company paid a final dividend of 5.0 cents and special dividend of 1.0 cent per ordinary share (one-tier tax exempt) on 19 November 2019 in respect of financial year ended 30 June 2019. The Group paid an interim dividend of 5.0 cents per ordinary share (one-tier tax exempt) on 20 February 2020 in respect of financial year ended 30 June 2020.

(3) Cash and cash equivalent is derived from:

	Group 30 June 20 S\$	Group 30 June 19 S\$
Cash and cash equivalent balances	20,814,685	21,881,179
Less: Pledged cash placed with bank	(162,750)	(163,400)
	20,651,935	21,717,779

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital S\$	Foreign Currency Translation Reserve S\$	Accumulated remeasure- ment on retirement benefits S\$	Accumulated Profits S\$	Total S\$
The Group					
As at 1 July 2018	14,782,931	855,088	47,505	44,619,017	60,304,541
Total comprehensive income for the year:					
Profit for the year	-	-	-	12,948,705	12,948,705
Other comprehensive income:					
Foreign currency translation differences, net of tax	-	(922,970)	425	-	(922,545)
Remeasurement income on retirement benefits, net of tax	-	-	(67,526)	-	(67,526)
Total comprehensive income for the year	-	(922,970)	(67,101)	12,948,705	11,958,634
Transactions with owners, recorded directly in equity					
Final dividend of 5.0 cents per share & special dividend of 1.0 cent per share (one tier tax-exempt) in respect of FY2018	-	-	-	(8,341,913)	(8,341,913)
Interim dividend 4.0 cents per share (one tier tax-exempt) in respect of FY2019	-	-	-	(5,561,275)	(5,561,275)
Total transactions with owners, recorded directly in equity	-	-	-	(13,903,188)	(13,903,188)
As at 30 June 2019	14,782,931	(67,882)	(19,596)	43,664,534	58,359,987
As at 1 July 2019	14,782,931	(67,882)	(19,596)	43,664,534	58,359,987
Total comprehensive income for the year:					
Profit for the year	-	-	-	14,650,043	14,650,043
Other comprehensive income:					
Foreign currency translation differences, net of tax	-	397,554	(4,692)	-	392,862
Remeasurement income on retirement benefits, net of tax	-	-	(125,416)	-	(125,416)
Total comprehensive income for the year	-	397,554	(130,108)	14,650,043	14,917,489
Transactions with owners, recorded directly in equity					
Final dividend of 5.0 cents per share & special dividend of 1.0 cent per share (one tier tax-exempt) in respect of FY2019	-	-	-	(8,341,913)	(8,341,913)
Interim dividend 5.0 cents per share (one tier tax-exempt) in respect of FY2020	-	-	-	(6,951,594)	(6,951,594)
Total transactions with owners, recorded directly in equity	-	-	-	(15,293,507)	(15,293,507)
As at 30 June 2020	14,782,931	329,672	(149,704)	43,021,070	57,983,969

	Share Capital	Foreign Currency Translation Reserve	Accumulated Profits	Total
The Company				
As at 1 July 2018	14,782,931	-	18,472,255	33,255,186
Total comprehensive income for the year				
Net profit for the year	-	-	20,359,321	20,359,321
Total comprehensive income for the year	-	-	20,359,321	20,359,321
Transactions with owners, recorded directly in equity				
Final dividend of 5.0 cents per share & special dividend of 1.0 cent per share (one tier tax-exempt) in respect of FY2018	-	-	(8,341,913)	(8,341,913)
Interim dividend 4.0 cents per share (one tier tax-exempt) in respect of FY2019	-	-	(5,561,275)	(5,561,275)
Total transactions with owners, recorded directly in equity	-	-	(13,903,188)	(13,903,188)
As at 30 June 2019	14,782,931	-	24,928,388	39,711,319
As at 1 July 2019	14,782,931	-	24,928,388	39,711,319
Total comprehensive income for the year				
Net profit for the year	-	-	15,968,087	15,968,087
Total comprehensive income for the year	-	-	15,968,087	15,968,087
Transactions with owners, recorded directly in equity				
Final dividend of 5.0 cents per share & special dividend of 1.0 cent per share (one tier tax- exempt) in respect of FY2019	-	-	(8,341,913)	(8,341,913)
Interim dividend 5.0 cents per share (one tier tax-exempt) in respect of FY2020	-	-	(6,951,594)	(6,951,594)
Total transactions with owners, recorded directly in equity	-	-	(15,293,507)	(15,293,507)
As at 30 June 2020	14,782,931	-	25,602,968	40,385,899

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Nil

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of shares were 139,031,881 ordinary shares as at both 30 June 2020 and 30 June 2019. The Company did not have any treasury shares as at the end of the current financial year or at the end of FY2020.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings at the end of the current financial period reported on.

Not applicable.

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

- 3A. **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 2019 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.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Yes

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	FY2020	FY2019
Earnings per ordinary share for the year based on net profit after tax and non-controlling interest:-		
(i) Based on weighted average number of ordinary shares in issue	10.54 cents	9.31 cents
(ii) On a fully diluted basis	10.54 cents	9.31 cents

The calculation is based on the weighted average number of shares in issue during the financial year. The weighted average number of shares outstanding during the year was 139,031,881 (30 June 2019: 139,031,881).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and**

- (b) immediately preceding financial year.**

	Group 30 Jun 20	Group 30 Jun 19	Company 30 Jun 20	Company 30 Jun 19
Net Asset Value per ordinary share (cents)	41.71	41.98	29.05	28.56

The net asset value per ordinary share is calculated based on net assets of S\$58.0 million (30 June 2019: S\$58.4 million) and 139,031,881 (30 June 2019: 139,031,881) shares in issue at the end of the current financial year reported on/immediately preceding financial year.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF PROFIT AND LOSS

Semiconductor Industry Review

According to the World Semiconductor Trade Statistics (WSTS), world-wide chip sales increased 6.0% to US\$208 billion in the first six months of 2020 as compared to the first half of 2019. The Semiconductor Industry Association (SIA) said that although the global industry continues to post year-on-year sales increases, significant uncertainty remains for the second half of 2020 due to ongoing macroeconomic headwinds.

In its latest Semiconductor Market Forecast released on 9 June 2020, the WSTS is forecasting the world semiconductor market to improve by 3.3% to US\$426 billion in 2020, reflecting expected increases in demand for Integrated Circuits, Memory and Logic. For 2021, WSTS is projecting the global semiconductor market to grow a further 6.2% to US\$452 billion, driven by double-digit growth of Memory.

Group Revenue

REVENUE		1Q	2Q	3Q	4Q	Full Year
	FY2020	S\$15,343,498	S\$16,275,737	S\$16,216,029	S\$16,372,486	S\$64,207,750
FY2019	S\$16,884,314	S\$15,157,849	S\$14,358,199	S\$13,930,584	S\$60,330,946	
% growth	(9.1%)	7.4%	12.9%	17.5%	6.4%	

For the 12 months ended 30 June 2020 ("FY2020"), the Group's revenue increased 6.4% to S\$64.2 million from S\$60.3 million in FY2019, reflecting the semiconductor industry's resilience amid the COVID-19 pandemic. Higher sales derived from the Singapore, China, USA and Taiwan markets were partially offset by lower sales contributions from Malaysia, Philippines and Europe.

For the three months ended 30 June 2020 ("4Q20"), Group revenue increased 17.5% year-on-year (yoy) to S\$16.4 million from S\$13.9 million in 4Q19. This was driven mainly by broad-based sales growth across most markets with the exception of Malaysia and Europe. On a quarter-on-quarter (qoq) basis, Group revenue edged up 1.0% from S\$16.2 million in 3Q20.

Revenue breakdown by Geographical Market

Country	Group										
	3Q20	4Q20		4Q19		% change	FY2020		FY2019		% change
	S\$ m	S\$ m	%	S\$ m	%		S\$ m	%	S\$ m	%	
Singapore	1.2	1.6	10%	0.7	5%	108%	5.4	9%	3.2	5%	70%
Malaysia	2.6	2.2	14%	2.6	19%	(14%)	9.9	15%	11.2	19%	(12%)
Philippines	1.4	1.3	8%	1.3	9%	1%	5.8	9%	6.1	10%	(6%)
Thailand	0.3	0.4	2%	0.3	2%	52%	1.3	2%	1.1	2%	13%
China	4.6	5.2	31%	4.0	29%	28%	19.0	29%	17.3	29%	9%
USA	3.6	3.3	20%	2.9	21%	15%	13.2	20%	12.5	21%	6%
Europe	0.7	0.5	3%	0.6	4%	(21%)	2.3	4%	2.6	4%	(10%)
Japan	0.3	0.3	2%	0.2	2%	43%	1.2	2%	1.0	2%	23%
Taiwan	1.3	1.4	9%	1.1	8%	29%	5.4	9%	4.4	7%	23%
Rest of world	0.2	0.2	1%	0.2	1%	(1%)	0.7	1%	0.9	1%	(19%)
Total	16.2	16.4	100%	13.9	100%	18%	64.2	100%	60.3	100%	6%

Movement restriction directives due to the COVID-19 pandemic affected sales of our several subsidiaries differently. Sales from China increased 9% to S\$19.0 million in FY2020 and remained as our largest market with a contribution of 29% to Group revenue. The Group recorded double-digit sales growth in Singapore and Taiwan markets in FY2020. Sales in Singapore increased 70% to S\$5.4 million while sales from Taiwan rose 23% to S\$5.4 million.

Due to the COVID-19 pandemic, our plant in Malaysia like that of most other businesses in the country including our customers and suppliers there and in the area where our plant in California is located were directed to suspend operations from about the second half of March 2020. Notwithstanding, the Group's sales in the USA grew 6% in FY2020 to remain as our second largest market with a revenue contribution of 20%. However, sales from Malaysia, our third largest market, decreased 12% to S\$9.9 million. The COVID-19 pandemic also affected the Philippines market which registered a sales decline of 6% to S\$5.8 million in FY2020.

Capacity Utilisation

Capacity Utilisation		1Q	2Q	3Q	4Q	Full Year
	FY2020	59%	61%	52%	56%	56%
	FY2019	58%	59%	55%	58%	57%

Our average capacity utilisation rate in FY2020 decreased marginally to 56% in FY2020 from 57% in FY2019. Machine utilisation at our Malaysia factory was affected by a reduction in manufacturing activities during the second half of FY2020 as a result of the Movement Control Order implemented by the government of Malaysia.

Gross Profit (GP) Margin

Group GP Margin		1Q	2Q	3Q	4Q	Full Year
	FY2020	53.4%	53.9%	52.0%	54.5%	53.4%
	FY2019	59.5%	52.4%	49.3%	52.4%	53.7%

The Group's gross profit increased by 6.0% to S\$34.3 million in FY2020. The Group's GP margin in FY2020 held steady at 53.4% as compared to 53.7% in FY2019.

Other income, Distribution Cost, Administrative Expenses and Other Operating Expenses

Admin, Distribution and Other Operating Expenses (net of other income)		1Q	2Q	3Q	4Q	Full Year
	FY2020	S\$3,775,046	S\$4,119,714	S\$3,386,070	S\$3,948,997	S\$15,229,827
	% of sales	24.6%	25.3%	20.9%	24.1%	23.7%
FY2019	S\$4,047,737	S\$3,846,687	S\$3,672,648	S\$3,731,793	S\$15,298,865	
% of sales	24.0%	25.4%	25.6%	26.8%	25.4%	

The Group registered a 88.5% increase in other income to S\$1.2 million. This was due mainly to government grants amounting to S\$379k to Singapore company pursuant to a Singapore Government initiative to support businesses during the pandemic, and higher foreign exchange gain of S\$226k.

We continue to keep a close watch on our expense structure. In FY2020, our distribution costs and administrative expenses were relatively consistent at S\$3.2 million and S\$9.3 million respectively, as compared to FY2019. The 18.5% increase in other operating expenses to S\$4.0 million in FY2020 was due mainly to additional headcount and engineering expenses that were incurred to support the development of new parts and processes.

In aggregate, the Group's administrative, distribution and other operating expenses (net of other income) decreased by 0.5% to S\$15.2 million in FY2020 from S\$15.3 million in FY2019. As a percentage of sales, these overhead expenses decreased to 23.7% in FY2020 from 25.4% in FY2019.

Profit before Tax and Net Profit

Net Profit after tax		1Q	2Q	3Q	4Q	Full Year
	FY2020	S\$3,269,430	S\$3,574,950	S\$3,868,641	S\$3,937,022	S\$14,650,043
FY2019	S\$4,506,172	S\$3,124,953	S\$2,612,338	S\$2,705,245	S\$12,948,705	
% growth	(27.4%)	14.4%	48.1%	45.5%	13.1%	

As a result of the above, the Group's profit before tax increased 11.8% to S\$19.1 million in FY2020 from S\$17.1 million in FY2019.

After deducting income tax expenses of S\$4.4 million in FY2020 (S\$4.1 million in FY2019), the Group's net profit increased 13.1% to S\$14.7 million in FY2020, from S\$12.9 million in FY2019. Net profit margin in FY2020 also widened to 22.8% as compared to 21.5% in FY2019.

For 4Q20, the Group recorded a 45.5% increase in net profit to S\$3.9 million from S\$2.7 million in 4Q19 due mainly to an increase in revenue and gross profit, as well as higher other income.

The Group's effective tax rate was 23.2% in FY2020 as compared to 24.1% in FY2019. The tax expenses included S\$549k of withholding tax paid and an additional S\$216k of withholding tax accrued on dividends from various overseas subsidiaries.

Correspondingly, the Group's earnings per share increased to 10.54 cents in FY2020 from 9.31 cents in FY2019.

Dividend Payment

The Board of Directors is recommending a final dividend of 5 cents and a special dividend of 2 cents per share (one tier tax-exempt) in respect of FY2020. If approved by shareholders at the Annual General Meeting to be held on 30 October 2020, the dividend will be paid on 19 November 2020.

Together with the interim dividend of 5.0 cents per share (one tier tax-exempt) paid on 20 February 2020, the Group's total dividend for FY2020 would be 12 cents per share (one tier tax-exempt) as compared to total dividend of 10 cents per share for FY2019. The total payout for FY2020 will amount to S\$16.7 million (S\$15.3 million in FY2019).

Balance Sheet

The Group remains in a sound financial position. As at 30 June 2020, it had a balance sheet with total assets of S\$71.1 million, shareholders' equity of S\$58.0 million, cash and cash equivalents of S\$20.8 million and no bank borrowings.

Long Term Assets

As at 30 June 2020, non-current assets decreased to S\$31.8 million as compared to S\$32.2 million as at 30 June 2019 due mainly to depreciation charged during the financial year.

Trade Receivables

Trade Receivables		As at end of 1Q	As at end of 1H	As at end of 3Q	As at end of 2H
	FY2020	S\$10,275,281	S\$10,407,200	S\$11,222,282	S\$11,839,561
≥ 90 days Write-off	-	-	-	-	
FY2019	S\$11,960,650	S\$10,134,701	S\$9,420,244	S\$9,455,277	
≥ 90 days Write-off	-	-	-	-	

Total trade receivables increased to S\$11.8 million as at 30 June 2020 from S\$9.5 million as at 30 June 2019 which was in tandem with the increase in Group sales. There was no amount outstanding for 90 days or more (0% at end of 30 June 2019). The Group did not incur any bad debt expense during both FY2020 and FY2019.

Trade & Other Payables

As at 30 June 2020, our trade payables totaled S\$979k with S\$46k outstanding for 30 days or more. Non-trade payables totaled S\$899k. Other accrued expenses stood at S\$5.5 million.

Long term liabilities

As at 30 June 2020, the deferred tax liabilities remained unchanged at S\$1.4 million.

Inventory

The Group continuously manages its inventory to avoid over-stocking and minimise write-offs. Our inventory of S\$5.4 million at the end of FY2020 (S\$4.5 million at end of FY2019) was 8.4% (7.5% at end of FY2019) of the Group's annualised sales. Inventory written off in FY2020 totaled S\$95k, as compared to S\$104k in FY2019.

Capital Expenditure

Capital Expenditure		1Q	2Q	3Q	4Q	Full Year
	FY2020 % of sales	S\$517,525	S\$1,490,251	S\$717,106	S\$980,771	S\$3,705,653
FY2019 % of sales	S\$699,820	S\$787,034	S\$899,084	S\$1,032,207	S\$3,418,145	5.7%

The Group made capital investments totalling S\$3.7 million during FY2020. This capital expenditure included approximately S\$3.1 million for new equipment to increase the manufacturing capacity and capabilities of our five factories, renovation of S\$0.2 million, as well as S\$0.4 million for computers and IT software.

Cash Flow Analysis

The Group generated net cash from operations of S\$18.8 million in FY2020 (S\$19.3 million in FY2019). After deducting net cash used in investing activities of S\$3.4 million and net cash for financing activities of S\$16.4 million, which was mainly for the payment of dividends in respect of FY2019 and 1H20, we closed FY2020 with a cash balance of S\$20.8 million including S\$0.2 million held as security deposits.

9. 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 year. There is no material variance from our previous financial year commentary under Section 10.

10. 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.

Compliance with SGX's new COVID-19 disclosure requirements

With reference to the *Regulator's Column: What SGX expects of issuers' disclosures during COVID-19* issued by the SGX on 22 April 2020, the Group confirms that it has made diligent efforts to help investors make an independent assessment of the Group's prospects and how the Group's operating and financial conditions have been impacted and may change as the result of COVID-19. As such, our aim is to disclose material information that reflects our current state of affairs as well as provide an overview of the strategy and other steps the Group is taking to address the effects of COVID-19.

Impact of COVID-19 on the Group's factories

On 29 January 2020, we announced that our factory in Suzhou, China ("MMSU"), would be temporarily closed under a directive by the local government to help limit the spread of COVID-19 infections. After three weeks, which included the usual one-week break in observance of the Lunar New Year, MMSU reopened on 12 February 2020. Although we had to deal with various supply chain disruptions and government restrictions that initially kept about 60% of our people from returning to work, we managed to keep our factory running, support our customers in China and, most importantly, ensure our people there were safe. Since the beginning of May 2020, MMSU has been running at normal operating and staffing levels.

On 19 March 2020, we also announced the Group would be complying with directives from the governments of Malaysia and the United States aimed at slowing the spread of COVID-19 by restricting business and social activity. Although many businesses in Malaysia were ordered to completely cease operations under a *Movement Control Order* (MCO), the government there designated semiconductor manufacturing as an essential industry. As a result, our plant in Penang (“MMP”) received permission to continue its operations, albeit on a reduced staffing level of about 25% of our normal level. In early June 2020, MMP returned to normal staffing and operating levels after implementing extensive safety protocols and the lifting of the MCO.

In the United States, our plant (“MMUS”) is also considered an essential business. After closing for one day on 17 March 2020 in order to transition our operation to reduced work-place density, work-from-home and other government stipulations, MMUS resumed operations. Owing in large part to our strategy of building a highly-automated factory, MMUS was able to reopen after just one day and the plant kept running seven days a week even though our people were restricted to about 60% of their normal working hours. In May 2020, we increased working hours to 80% of normal. By early July 2020, about 92% of our workforce in the USA was back to full working hours. We expect MMUS to be completely back to its normal staffing and operating levels in 1Q21.

When our plant in China closed in early February, our team in the Singapore plant (“MMS”) took immediate steps to implement employee and visitor health-screening, limit travel and activate other preparations that we had put in place about a year earlier when MMS successfully completed ISO 22301:2012 for *Business Continuity Management*. As a result, when the Singapore government introduced additional *Circuit Breaker* measures on 7 April 2020 to slow the escalation of COVID-19 infections, MMS was able to continue normal operations.

On 17 March 2020, the government in the Philippines announced an *Enhanced Community Quarantine* (ECQ) directive which was subsequently extended as a *Modified Enhanced Community Quarantine* (MECQ) through to 31 May 2020. During this period, there was major disruption in the supply chain to our plant in the Philippines (MMPH) while our people there had difficulty getting to work due to public transportation constraints and an area-wide curfew from 9pm to 4am. As a result, staffing at MMPH during the ECQ and MECQ periods fell to about 20% of normal level. When the MECQ was lifted on 1 June 2020 and replaced with a *General Community Quarantine* (GCO), we were able to bring the staffing level back to about 80% of normal by the end of 4Q20. But due to a resurgence of COVID-19 infections, the Philippines’ government reinstated various MECQ restrictions on 4 August 2020 to help contain the outbreak. As a result, MMPH was required to reduce operating and staffing levels to about 50% of normal for a period of about two weeks.

In summary, the Group has worked diligently to establish new procedures, implement safety protocols and fully comply with the COVID-19 orders and guidelines of the governments in jurisdictions where we have operations. Although it has been an incredibly challenging period for the Group, we are very proud of our people for the way they have so willingly and quickly adapted to the many changes we needed to make, behaved in a caring, considerate and responsible manner that has helped to ensure everyone is safe, and worked hard to keep all of our plants running so that we could support our customers.

As we move forward, one of our biggest concerns regarding COVID-19 is the possibility of a positive test by one of our people at our five factories. Although a handful of our people have been tested for the virus after personal-related travel or after feeling unwell, none of them have tested positive for the virus. In the event of a positive test, government regulations currently in effect at each of our locations will require us to shutdown work areas and/or the entire factory in order to undertake a full disinfection. Together with the related need and requirement to quarantine the affected employee, and test and/or quarantine other employees that may have been infected, the impact of a positive test could result in a partial or even full work stoppage for up to two weeks for any given incident. Although we are working to mitigate this risk through all of the recommended safety protocols including masking, social distancing, cleaning, hand-washing and eliminating all but essential employee or visitor traffic, the Group is highly wary of the possibility of a COVID-19 related quarantine or factory shutdown as we move into FY2021.

Strategic, Operating and Financial Review

In spite of all of the challenges and concerns during this unprecedented period, the Group was able to perform admirably in 4Q20. Revenue increased 17.5% to S\$16.4 million in 4Q20 from S\$13.9 million in the same period a year ago. After deducting taxes of S\$1.0 million, profit after tax for 4Q20 increased 45.5% to S\$3.9 million from S\$2.7 million in 4Q19.

Although dealing with the repercussions of a global pandemic is something new for the Group, we have always been mindful of the need to build an organization that is strong, flexible and resilient. Whether it is the adverse impact of a market downturn, introduction of disruptive technology, political unrest or a host of other unforeseen

events, we need to have goals, structures and processes in place that make it easier for the Group to adjust to changed circumstances and ensure business continuity. To this end, we intend to continue focusing on a handful of key initiatives which include:

- *Maintaining a Healthy Gross Profit Margin* – Having a strong and unwavering focus on customers and the value we bring to their business is a key objective. This means working diligently to understand and meet the requirements of our customers by delivering *Perfect Parts and Tools, On-Time, Every Time*. As the semiconductor industry develops new equipment and processes for manufacturing chips with device geometries below 10 nano-meters, our customers will increasingly require parts and tools manufactured using improved materials and processes that eliminate defects and variability. In the future, we think there may only be a handful of suppliers capable of meeting these stringent requirements and our goal is to become a leading *Next Generation Supplier*. We believe that our strong customer focus and the great work by our people should enable the Group to maintain a healthy GP margin. Indeed, our GP margin in 4Q20 improved to 54.5% from 52.4% in the same quarter a year ago and was relatively steady at 53.4% for all of FY2020 (53.7% in FY2019). We plan to continue working to strengthen this key measure of our focus on the customer, competitive strength and the value our work creates.

During FY2020, sales at our plant in the USA (“MMUS”) increased 20.3% to S\$13.6 million. Including depreciation expenses of S\$2.3 million and engineering expenses of S\$2.2 million, as well as the reduced production capacity during 4Q20 due to the COVID-19 pandemic, MMUS incurred a small loss of about S\$0.1 million. As we move into FY2021, MMUS continues to gain traction and visibility with several key customers that are leaders in the semiconductor equipment industry. At the beginning of 1Q21, after a lengthy development and testing period, we received customer qualification for a family of ultra-critical parts used in the semiconductor wafer-fabrication process. These parts are currently being supplied to the customer by a large, publicly-held contract manufacturer. Because our qualification from the customer over its long-time incumbent supplier was based on the superior quality and lower cost of our products, we have never felt more positive about the prospects for our plant in the USA. Indeed, our team there has worked tirelessly to develop MMUS as an elite supplier for critical parts used in semiconductor wafer-fabrication. In the future, we believe there may only be a handful of suppliers capable of meeting the stringent specifications increasingly required by nano-level device geometries.

- *Controlling Overhead Expenses* – Maintaining a tight rein on expenses and developing improved processes in order to keep a lean overhead structure is of critical importance. For instance, we completed a multi-million-dollar computerization effort designed to streamline workflows a few years ago. We are also investing in advanced modelling and simulation tools to help our engineers work more effectively. As a result of these and other efforts, the Group performed well during 4Q20. Our total distribution, administrative and other expenses, including other income, recorded S\$3.8 million compared to S\$3.9 million in 4Q19. For the full year, these overhead expenses declined 0.5% to S\$15.2 million from S\$15.3 million in FY2019. When measured as a percentage of sales, our overhead costs in 4Q20 came to 24.1% (26.8% in 4Q19). For the full year, these overhead expenses came to 23.7% compared to 25.4% in FY2019.

After deducting taxes of S\$4.4 million (S\$4.1 million in FY2019), the Group reported a net profit of S\$14.7 million, an increase of 13.1% from S\$12.9 million in FY2019.

At the end of FY2020, the Group employed 511 great people, an increase of 4.3% from 490 people at the end of FY2019. As the Group grows, we plan to continue working to improve efficiency, add personnel carefully and use technology to leverage the know-how and skills of our people.

- *Automating Our Operations* – Because a single defect can cause disastrous consequences in the precision manufacturing process of semiconductors, our customers need the parts and tools used in critical processes to be flawless. To achieve this, our goal is to automate our operations around processes that are repeatable, scalable and cost-effective. Due to the COVID-19 pandemic, we adjusted the timing of some of our capital expenditures during FY2020. However, implementing automation and the associated engineering work are difficult tasks that need a steady and deliberate approach. During 4Q20, we spent S\$1.0 million primarily for new equipment which brought our total capital expenditure for FY2020 to S\$3.7 million (S\$3.4 million in FY2019). During FY2021, we expect to spend about S\$4 million on new equipment.
- *Growing Without Debt and Rewarding Our Shareholders* – Building a great manufacturing business without debt helps to foster a culture of resourcefulness, discipline and careful decision making. In addition, we would like to attract shareholders who share our approach to long-term investing. Hence, one of the Group’s key goals is to continue growing without taking on debt while building a track record for consistently rewarding shareholders.

During FY2020, we generated S\$18.8 million in net cash from operating activities (S\$19.3 million in FY2019). After net investing activities of S\$3.4 million and S\$15.3 million for the payment of dividends, the Group ended the year in a strong financial position with S\$20.8 million in cash (including S\$0.2 million held as security deposits) and no bank borrowings.

Since our listing we have also maintained a consistent practice of rewarding shareholders for their continuous support of Micro-Mechanics. For the half year ended 31 December 2019, the Group paid an interim dividend of 5 cents per ordinary share (one-tier tax exempt). Subject to approval at the upcoming Annual General Meeting on 30 October 2020, we plan to distribute a final dividend of 5 cents and a special dividend of 2 cents per ordinary share. This will bring the total dividend payment for FY2020 to 12 cents per ordinary share, compared with 10 cents per ordinary share for FY2019. In addition to reflecting our confidence in the Group's long-term prospects, we hope this dividend increase will also benefit our shareholders during a difficult and unprecedented period.

Including the proposed final and special dividend for FY2020, we will have distributed total dividends of 85.9 cents per share since 2003. Based on dividends alone, this translates into a return of nearly 467% for shareholders who bought Micro-Mechanics shares at our Initial Public Offer.

- *Excelling in Transparency and Governance* – Lastly, we would like to excel at the development and practice of transparency and good governance. Indeed, accurate, complete and timely information is the foundation for sound decision making – not just for investors – but for everyone at Micro-Mechanics from the board room to the shop floor. Since our listing in 2003, the Group has received recognition 31 times for our good corporate governance, transparency and investor relations. In addition, in the Singapore Governance and Transparency Index (SGTI) released on 4 August 2020, Micro-Mechanics improved its ranking to 13th out of 577 companies (17th out of 578 companies in 2019) listed on the Singapore Exchange. The top 20 companies in the SGTI are mainly large capitalisation companies.

To affirm our commitment to transparency and good disclosure, our Board decided unanimously in February 2020 to continue with quarterly reporting of the Group's financial results. Although it entails more work and is now an optional SGX requirement, we think quarterly reporting is the right decision especially after the fast-moving events that we witnessed during the last several months. We intend to continue working to build a strong corporate culture based on transparency, clear metrics of performance, stakeholder accountability and an unwavering commitment to good governance.

Back to Better

As we move into FY2021, it is difficult to accurately assess the economic impact of the COVID-19 pandemic on our business. According to WSTS, global sales of semiconductors increased 6.0% during the first six months of 2020. As a result, the SIA now expects world-wide chip sales to increase 3.3% during 2020 to US\$426 billion. However, with large sections of the world economy in turmoil and near shutdowns of whole industries, there is still plenty to worry about. While demand for the high precision parts and tools that we supply to the semiconductor industry was surprisingly resilient during 4Q20, it remains difficult to accurately predict the business outlook due to rapidly changing market conditions, measures by governments around the world to combat the spread of COVID-19, travel restrictions and the possibility that production at any of our plants may be suspended due to quarantine or other measures designed to deal with the pandemic.

In the long term however, our view for the future of the semiconductor industry remains unchanged if not enhanced. We believe the industry is poised for a prolonged period of solid growth as chips become increasingly embedded in nearly every aspect of modern life, from today's smart phones to tomorrow's driverless cars. Indeed, according to a recent forecast from VLSI Research, chip sales of the semiconductor industry could double to nearly US\$1 trillion by 2030 from about US\$450 billion in 2020. Hence, the key to the Group's success lies in our continuing ability to seize long-term opportunities and correctly identify the initiatives and investments that bring value to our customers.

As we move forward, our goal is not to hope for life and business to just go *back to normal*. Instead, we want to absorb what we have learned, implement more fully some of the changes we made to adapt to changing circumstances, and better anticipate the challenges that lie ahead. In short, we have an incredible opportunity to go *back to better*.

We would like to express our appreciation to all our people at Micro-Mechanics for their vision, teamwork and tireless commitment. During this COVID-19 period we are especially appreciative of the care and consideration our people have shown for their colleagues and others by being so willing to mask, distance, wash, clean and do

all of the other things that help to keep everyone healthy and safe. Indeed, it is during times such as these where our saying has never rung more true: *People Make Everything Happen!*

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Yes, a final dividend is recommended.

(b) (i) Amount per share in cents

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend amount per share (cent)	5 cents per ordinary share	2 cent per ordinary share
Dividend Tax rate	0% (one tier tax-exempt)	0% (one tier tax-exempt)

(ii) Previous corresponding period in cents

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend amount per share (cent)	5 cents per ordinary share	1 cent per ordinary share
Dividend Tax rate	0% (one tier tax-exempt)	0% (one tier tax-exempt)

(c) Whether the dividend is before tax, net of tax or tax-exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated.)

The proposed dividend is tax-exempt.

(d) The date dividend is payable

Payment of the dividend, if approved by the members at the Twenty-Fourth Annual General Meeting to be held on 30 October 2020, will be paid on 19 November 2020.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

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, M&C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 up to 5:00 p.m. on 6 November 2020 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 6 November 2020 will be entitled to the proposed dividend payable on 19 November 2020.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under [Rule 920\(1\)\(a\)\(ii\)](#). If no IPT mandate has been obtained, a statement to that effect.**

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 2020, the Group has made rental payment of US\$387,000 (30 June 2019: US\$374,000) and electrical services payment of US\$163,338 (30 June 2019: US\$85,067) 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.

- 14. Negative confirmation pursuant to [Rule 705\(5\)](#). (Not required for announcement on full year results)**

Not applicable.

- 15. 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.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Operating Segments FY2020

	Singapore	Malaysia	The Philippines	USA	China	Elimination	Consolidated
	\$	\$	\$	\$	\$	\$	\$
Total revenue from external customers	15,925,590	10,840,438	6,043,682	13,602,414	17,795,626	-	64,207,750
Inter-segment revenue	6,632,347	1,520,962	444,247	211	64,245	(8,662,012)	-
Total revenue	22,557,937	12,316,400	6,487,929	13,602,625	17,859,871	(8,662,012)	64,207,750
Segment result	6,148,473	4,848,441	2,493,186	(149,702)	6,319,094	(1,969)	19,657,523
Unallocated expenses							(573,033)
Profit from operations							19,084,490
Income tax expense							(4,434,447)
Net profit for the year							14,650,043
Segment asset	19,479,065	12,746,222	4,168,924	13,863,658	13,220,358	(1,941,933)	61,536,294
Unallocated assets							9,608,750
Others							71,145,044
Total assets							71,145,044
Segment liabilities	4,461,215	836,459	3,825,112	1,414,773	2,661,604	(3,776,320)	9,422,843
Unallocated liabilities							3,203,485
Income tax							534,747
Others							13,161,075
Total liabilities							13,161,075
Other segment information:							
Capital expenditure	1,838,234	482,880	421,563	393,871	569,105	-	3,705,653
Depreciation	2,008,424	917,430	589,153	2,293,631	966,174	-	6,774,812
Non-current assets	11,636,108	5,027,961	2,199,948	9,228,033	4,220,605	(97,075)	32,215,580

Major customers

Revenues of major customers of the reportable segments are as follows:

	Singapore	Malaysia	The Philippines	USA	China	Total
	\$	\$	\$	\$	\$	\$
2020						
Revenue	-	1,286,050	3,601,220	13,095,716	2,802,548	20,785,534
Number of customers	-	1	3	5	1	10

Operating Segments FY2019

	Singapore	Malaysia	The Philippines	USA	China	Elimination	Consolidated
	\$	\$	\$	\$	\$	\$	\$
Total revenue from external customers	14,397,292	11,792,273	6,368,866	11,303,664	16,468,851	-	60,330,946
Inter-segment revenue	6,304,772	1,049,005	586,015	262	-	(7,940,054)	-
Total revenue	20,702,064	12,841,278	6,954,881	11,303,926	16,468,851	(7,940,054)	60,330,946
Segment result	4,488,533	5,447,959	3,172,631	(1,039,236)	5,397,562	292,467	17,759,916
Unallocated expenses							(690,692)
Profit from operations							17,069,224
Income tax expense							(4,120,519)
Net profit for the year							<u>12,948,705</u>
Segment asset	19,327,114	13,532,830	4,300,017	14,848,922	11,713,017	(2,600,542)	61,121,358
Unallocated assets							8,757,771
Others							<u>69,879,129</u>
Total assets							
Segment liabilities	3,866,043	725,752	3,968,383	2,644,750	1,773,833	(4,586,529)	8,392,232
Unallocated liabilities							2,624,167
Income tax							502,743
Others							<u>11,519,142</u>
Total liabilities							
Other segment information:							
Capital expenditure	1,241,939	710,876	407,835	644,355	413,140	-	3,418,145
Depreciation	1,943,152	837,341	568,561	2,246,595	935,070	-	6,530,719
Non-current assets	<u>10,766,637</u>	<u>5,457,836</u>	<u>2,177,677</u>	<u>10,746,149</u>	<u>4,051,760</u>	<u>(97,075)</u>	<u>33,102,984</u>

Major customers

Revenues of major customers of the reportable segments are as follows:

	Singapore	Malaysia	The Philippines	USA	China	Total
	\$	\$	\$	\$	\$	\$
2019						
Revenue	-	3,150,546	5,068,056	10,057,404	2,778,927	21,054,933
Number of customers	-	2	4	4	1	11

17. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable

18. **A breakdown of sales.**

	Group	Group	Increase/
	FY2020	FY2019	(decrease)
	S\$	S\$	
Sales reported for first half year	31,619,235	32,042,163	(1.3%)
Operating profit after tax before deducting non-controlling interest reported for first half year	6,844,380	7,631,125	(10.3%)
Sales reported for second half year	32,588,515	28,288,783	15.2%
Operating profit after tax before deducting non-controlling interest reported for second half year	7,805,663	5,317,580	46.8%

19. **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 (FY2020)	Previous Full Year (FY2019)
	S\$	S\$
Ordinary	16,683,826	13,903,188
Preference	-	-
Total:	16,683,826	13,903,188

Note: The total annual dividend comprises the interim dividend of S\$6,951,594 paid on 20 February 2020 and the proposed final dividend of S\$9,732,232.

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

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.

Mr. Kyle Borch, the eldest son of Mr. Christopher Borch joined Micro-Mechanics, Inc (a subsidiary of the Company) on 27 August 2018 as a Manufacturing Engineer. Mr. Borch received a BS in Physics and Math from the University of California Los Angeles (UCLA) in 2014 and MS degrees in Mechanical Engineering and Engineering Management from the University of Southern California in 2018. Mr. Borch's current role is non-managerial with total remuneration during the financial year ended 30 June 2020 of approximately S\$125k.

BY ORDER OF THE BOARD

CHOW KAM WING
Company Secretary
 28 August 2020