



**MIYOSHI PRECISION LIMITED**  
(Incorporated in the Republic of Singapore)  
Company Registration Number: 198703979K

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## **QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL**

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### **Introduction**

Miyoshi Precision Limited (the “Company”, and together with its subsidiaries, the “Group”) was placed on the Watch-List pursuant to Rule 1311 of the Singapore Exchange Securities Trading Limited’s (“SGX-ST”) Listing Manual on 4 December 2013.

Pursuant to Rule 1313(2) of the Listing Manual of SGX-ST, the Board of Directors (the “Board”) of the Company wishes to provide the following updates in respect to the unaudited consolidated financial statements of the Company and its subsidiaries for the financial quarter ended 31 May 2014.

### **Update on Recent Developments**

The Company continues its initiatives to look for new business opportunities and divest its non-core assets.

Miyoshi Precision (Malaysia) Sdn. Bhd. a wholly owned subsidiary entered into a sale and purchase agreement to dispose of its non-core asset, a factory cum office building for cash consideration of RM 4,700,000.00. An announcement was released on 9 July 2014.

The Company has entered into a Memorandum of Understanding with Promise New Energy Development Ltd, a company incorporated in Hong Kong to have a joint venture in relation to the development, manufacture, assembly and sale of an electric vehicle project, focusing on light electric vehicles in China. The Company will make periodic updates to provide Shareholders with the development of the project. An announcement was released on 14 July 2014.

### **Update on Financial Position**

The net asset value (“NAV”) of the Group grew by S\$0.93 million from S\$47.66 million as at 31 August 2013 to S\$48.59 million as at 31 May 2014. The increase in NAV was mainly a result of a profit of S\$3.77 million for period as at 31 May 2014, after offsetting the increase in exchange translation reserve (debit) balance of \$1.19 million. The increase in the exchange translation reserve (debit) balance was attributable largely to a weaker USD and THB against the SGD.

The cash balance (cash and bank balances and fixed deposits, net of bank overdrafts) as at 31 May 2014 was S\$12.25 million as compared with S\$14.40 million (part of which was included in the assets of a disposal group held for sale) as at 31 August 2013. Borrowings (bank loans, other loans and finance leases) as at 31 May 2014 stood at S\$3.71 million, as compared with the borrowings of S\$8.78 million (part of which was included in the liability of a disposal group held for sale) as at 31 August 2013. Net cash balance (cash net of borrowings) as at 31 May 2014 and 31 August 2013 were S\$8.54 million and S\$5.62 million respectively.

The asset held for sale balance of S\$1.93m comprises a leasehold property of a subsidiary in Malaysia, the Sale & Purchase Agreement was signed on 9 July 2014. For more information, please refer to the Announcement released on 9 July 2014.

For more details on the consolidated financial statements of the Group for the third quarter ended 31 May 2014 please refer to our separate announcement on the unaudited results released on 14 July 2014.

#### **Update on Future Direction**

Saved as disclosed, there are no material developments that may have a significant impact on the financial position of the Group.

The Group will continue its efforts to grow the revenue of its existing business and improve the profitability through production efficiencies and contain costs. Going forward, the Company will continue to carry out its corporate restructuring exercise which may include, *inter alia*, entering into joint ventures, divestments of existing subsidiaries or business units and acquisitions of new businesses.

The Board will update shareholders on material developments in due course and the Company will make further announcements as and when there are any subsequent developments hereafter.

#### **BY ORDER OF THE BOARD**

Sin Kwong Wah Andrew

CEO

14 July 2014