



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

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

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 28 February 2014.

Update on Recent Developments

In the 1QFY2014’s update, the Company in its announcement of 23 October 2013 informed that Giken Sakata (S) Limited (“Giken”) has ceased to be a subsidiary of the company and became an associate of the Company. On 11 March 2014, the Company disposed its entire 69,911,600 shares in Giken for a price of S\$0.054 giving it a cash proceeds of 3,774,503.92, after deducting costs and expenses of S\$10,321.22 relating thereto, is S\$3,764,182.70. The Company intends to use the Disposal Proceeds for general working capital purposes or other business opportunities as and when they arise and/or reduction of borrowings.

Update on Financial Position

The net asset value (“NAV”) of the Group grew by S\$2.17 million from S\$47.66 million as at 31 August 2013 to S\$49.83 million as at 28 February 2014. The increase in NAV was mainly a result of a profit of S\$4.28 million for the 1st half year ended 28 February 2014, after offsetting the increase in exchange translation reserve (debit) balance of \$0.46 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 28 February 2014 was S\$10.73 million as compared with S\$14.40 million as at 31 August 2013 (part of which was included in the assets of a disposal group held for sale). Borrowings (bank loans, other loans and finance leases) as at 28 February 2014 stood at S\$3.01 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 28 February 2014 and 31 August 2013 were S\$7.72 million and S\$5.62 million respectively.

The asset held for sale balance of S\$1.95 million comprises a leasehold property of a subsidiary in Malaysia, which is in the process of being sold.

For more details on the consolidated financial statements of the Group for the second quarter ended 28 February 2014 please refer to our separate announcement on the unaudited results released on 14 April 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 April 2014