



Pro Forma Half - Year Financial Statements on Consolidated Results for the Period Ended 28 February 2014

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

Consolidated statement of comprehensive income for the half-year ended 28 February 2014. These figures have not been audited or reviewed.

	Group		
	1st Half 28 Feb 2014 (S\$'000)	1st Half 28 Feb 2013 (S\$'000)	Change in %
Revenue	38,515	79,674	(51.66)%
Cost of Sales	(33,147)	(74,524)	(55.52)%
Gross Profit	5,368	5,150	4.23%
Other items of income			
Other income	275	225	22.22%
Interest income	21	17	23.53%
Other items of expenses			
Distribution and selling expenses	(2,901)	(2,957)	(1.89)%
Administration expenses	(1,862)	(1,740)	7.01%
Other operating expenses	(114)	(98)	16.33%
Finance costs	(47)	(92)	(48.91)%
Profit before income tax	740	505	46.53%
Income tax expense	(30)	(31)	(3.23)%
Profit for the financial period	710	474	49.79%
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translating of foreign operations	(4)	(23)	(82.61)%
Other comprehensive income for the financial period, net of tax	(4)	(23)	(82.61)%
Total comprehensive income for the financial period	706	451	56.54%
Profit attributable to:-			
Owners of the parent	708	472	50.00%
Non-controlling interests	2	2	-
	710	474	49.79%

	Group		
	1st Half 28 Feb 2014 (S\$'000)	1st Half 28 Feb 2013 (S\$'000)	Change in %
Total comprehensive income attributable to:			
Owners of the parent	704	450	NM
Non-controlling interests	2	1	100.00%
	706	451	NM

1(a) (ii) Other information

	Group		
	1st Half 28 Feb 2014 (S\$'000)	1st Half 28 Feb 2013 (S\$'000)	Change in %
Interest income	21	17	23.53%
Finance cost	(47)	(92)	(48.91)%
Depreciation of property, plant and equipment	(680)	(766)	(11.23)%
Foreign exchange loss	(83)	(78)	6.41%
Gain on disposal of property, plant and equipment	3	-	NM
Allowance for inventory obsolescence	-	(210)	(100)%
Property, plant and equipment written off	-	(14)	(100)%

NM-Not Meaningful

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

**Statements of Financial Position
as at 28 February 2014**

	The Group 28 Feb 2014 S\$ '000	The Group 31 Aug 2013 S\$ '000	Change in %	The Company 28 Feb 2014 S\$ '000	The Company 31 Aug 2013 S\$ '000	Change in %
ASSETS						
Non-current assets						
Property, plant and equipment	4,683	4,920	(4.82)%	177	53	NM
Investment in subsidiaries	-	-	NM	4,533	4,533	-
Goodwill on consolidation	112	112	-	-	-	NM
Due from subsidiaries	-	-	NM	1,942	1,825	6.41%
	4,795	5,032	(4.71)%	6,652	6,411	3.76%
Current assets						
Inventories	5,016	5,151	(2.62)%	2,876	2,778	3.53%
Trade receivables	12,298	11,609	5.94%	7,615	7,293	4.42%
Other receivables and deposits	623	465	33.98%	105	229	(54.15)%
Prepayment	200	117	70.94%	93	47	97.87%
Due from a related company	4	3	33.33%	-	-	NM
Cash and cash equivalents	4,127	4,026	2.51%	1,376	536	NM
	22,268	21,371	4.20%	12,065	10,883	10.86%
Total assets	27,063	26,403	2.50%	18,717	17,294	8.23%
EQUITY AND LIABILITIES						
Current liabilities						
Trade payables	9,874	12,060	(18.13)%	4,849	5,940	(18.37)%
Other payables and accruals	2,614	2,542	2.83%	1,499	1,508	(0.60)%
Due to a related company	291	118	NM	5	8	(37.50)%
Due to holding company	-	123	(100.00)%	-	123	(100.00)%
Due to subsidiaries	-	-	NM	378	121	NM
Current income tax payable	12	-	NM	-	-	NM
Provisions	23	23	-	23	23	-
Loan and borrowings	1,232	2,382	(48.28)%	943	1,885	(49.97)%
	14,046	17,248	(18.56)%	7,697	9,608	(19.89)%
Net current assets	8,222	4,123	99.42%	4,368	1,275	NM
Non-current liabilities						
Provisions	(487)	(487)	-	(229)	(229)	-
	(487)	(487)	-	(229)	(229)	-
Total liabilities	14,533	17,735	(18.05)%	7,926	9,837	(19.43)%
Net assets	12,530	8,668	44.55%	10,791	7,457	44.71%
Equity attributable to owners of the parent						
Share Capital	24,488	21,332	14.79%	24,488	21,332	14.79%
Accumulated losses	(12,824)	(13,532)	(5.23)%	(13,697)	(13,875)	(1.28)%
Other reserves	576	580	(0.69)%	-	-	NM
	12,240	8,380	46.06%	10,791	7,457	44.71%
Non-controlling interests	290	288	0.69%	-	-	NM
Total equity	12,530	8,668	44.55%	10,791	7,457	44.71%
Total equity and liabilities	27,063	26,403	2.50%	18,717	17,294	8.23%

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

Amount repayable in one year or less, or on demand

As at 28.02.2014		As at 31.08.2013	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
1,232	-	2,382	-

Amount repayable after one year

As at 28.02.2014		As at 31.08.2013	
Secured S\$ ' 000	Unsecured S\$ ' 000	Secured S\$ ' 000	Unsecured S\$ ' 000
-	-	-	-

Details of any collateral

(a) A fixed and floating charge has been created on the assets and properties of the Company and its subsidiary, PT Giken Precision Indonesia, in favour of the banks currently serving the Company.

(b) The secured debts include fixed term lease by the Company and its subsidiary, Changzhou Giken Precision Co Ltd. The short-term bank loans of a subsidiary company are secured by its office buildings and land.

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

	28 Feb 2014 S\$'000	28 Feb 2013 S\$'000
Cash flows from operating activities		
Profit before income tax	740	505
Adjustments for:		
Allowance for inventory obsolescence	-	210
Depreciation of property, plant and equipment	680	766
Finance costs	47	92
Gain on disposal of property, plant and equipment	(3)	-
Interest income	(21)	(17)
Property, plant and equipment written off	-	14
Operating cash flows before working capital changes	1,443	1,570
Working capital changes		
Inventories	127	(496)
Trade receivables	(692)	340
Other receivables and deposits	(166)	(28)
Prepayments	(83)	(66)
Due from a related company	(1)	2
Trade payables	(2,172)	666
Other payables and accruals	73	181
Due to related companies	173	(2)
Due to holding company	(123)	17
Cash (used in)/generated from operations	(1,421)	2,184
Interest received	21	17
Interest paid	(47)	(92)
Income tax paid	(11)	(98)
Net cash (used in)/generated from operating activities	(1,458)	2,011
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	4	-
Purchase of property, plant and equipment	(446)	(884)
Net cash used in investing activities	(442)	(884)
Cash flows from financing activities		
Proceeds from issue of shares	3,156	-
Proceeds from bank loans	289	197
Repayment of bank loans	(1,206)	(906)
Repayment of obligations under finance leases	(233)	(273)
Net cash generated from/(used in) financing activities	2,006	(982)
<i>Net increase in cash and cash equivalents</i>	<i>106</i>	<i>145</i>
<i>Effect of foreign exchange rate changes in cash and cash equivalents</i>	<i>(5)</i>	<i>(18)</i>
<i>Cash and cash equivalents at beginning of period</i>	<i>4,026</i>	<i>4,123</i>
Cash and cash equivalents at end of the period	4,127	4,250

- 1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other 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	Statutory reserve fund	Foreign currency translation reserves	Accumulated losses	Total attributable to owners of the parent	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group							
Balance at 1 September 2012	21,332	198	(2)	(13,827)	7,701	301	8,002
Net profit for the financial period	-	-	-	472	472	2	474
Other comprehensive income for the financial period							
Exchange differences arising from translation of foreign operations	-	-	(22)	-	(22)	(1)	(23)
Total other comprehensive income for the financial period	-	-	(22)	-	(22)	(1)	(23)
Total comprehensive income for the financial period	-	-	(22)	472	450	1	451
Balance at 28 February 2013	21,332	198	(24)	(13,355)	8,151	302	8,453
Net loss for the financial period	-	-	-	(22)	(22)	(1)	(23)
Other comprehensive income for the financial period							
Exchange differences arising from translation of foreign operations	-	-	251	-	251	13	264
Other comprehensive income for the financial period	-	-	251	-	251	13	264
Total comprehensive income for the financial period	-	-	251	(22)	229	12	241
Transactions with owners of the parent recognised directly in equity							
Dividend paid to non-controlling interests	-	-	-	-	-	(26)	(26)
Transfer to statutory reserve	-	155	-	(155)	-	-	-
Total transactions with owners of the parent recognised directly in equity	-	155	-	(155)	-	(26)	(26)
Balance at 31 August 2013	21,332	353	227	(13,532)	8,380	288	8,668
Net profit for the financial period	-	-	-	708	708	2	710
Other comprehensive income for the financial period							
Exchange differences arising from translation of foreign operations	-	-	(4)	-	(4)	-	(4)
Total comprehensive loss for the period	-	-	(4)	-	(4)	-	(4)
Total comprehensive income for the financial period	-	-	(4)	708	704	2	706
Issue of share capital	3,156	-	-	-	3,156	-	3,156
Balance at 28 February 2014	24,488	353	223	(12,824)	12,240	290	12,530
The Company							
Balance at 1 September 2012	21,332	-	-	(13,886)	7,446	-	7,446
Net profit for the financial period	-	-	-	354	354	-	354
Total comprehensive income for the financial period	-	-	-	354	354	-	354
Balance at 29 February 2013	21,332	-	-	(13,532)	7,800	-	7,800
Net profit for the financial period	-	-	-	(343)	(343)	-	(343)
Total comprehensive income for the financial period	-	-	-	(343)	(343)	-	(343)
Balance at 31 August 2013	21,332	-	-	(13,875)	7,457	-	7,457
Net profit for the financial period	-	-	-	178	178	-	178
Total comprehensive income for the financial period	-	-	-	178	178	-	178
Issue of share capital	3,156	-	-	-	3,156	-	3,156
Balance at 28 February 2014	24,488	-	-	(13,697)	10,791	-	10,791

- 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 issue of equity securities, issues 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

	Company		Company	
	As at 28.02.2014 No. of shares	S\$'000	As at 28.02.2013 No. of shares	S\$'000
Number of shares at beginning of the period	131,509,657	21,332	131,509,657	21,332
New shares issued during the period	131,509,000	3,156	-	-
Number of shares at end of the period	263,018,657	24,488	131,509,657	21,332

On 22 October 2013, the Company issued 131,509,000 new ordinary shares in the capital of Company at an issue price of S\$0.024 per share. The funds raised were used for general working capital of the group and repayment of loans for the Company.

The Company has no outstanding convertibles or treasury shares as at 28 February 2014 and 28 February 2013.

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

	28 Feb 2014	31 Aug 2013
Total number of issued shares (excluding treasury shares)	263,018,657	131,509,657

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial period ended 28 February 2014.

- 2 Whether are the figures have been audited, or reviewed and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagement to review Financial Statement), or an equivalent standard.

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

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

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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31.08.2013 as well as applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 01.09.2013.

- 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 effects of, the change.

The adoption of the new/revised FRS did not result in any material impact on the Group's results.

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

	28 Feb 2014 S'pore cents	28 Feb 2013 S'pore cents
Based on the No. of shares in issue during the period	0.31	0.36
On fully diluted basis	0.31	0.36

Item 6: The earnings per share for the period ended 28 February 2014 is calculated based on the weighted average share capital in issue during the period of 230,273,027 ordinary shares (28 February 2013 : 131,509,657 ordinary shares).

- 7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital (excluding treasury shares) of the issuer at the end of the :-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	28 Feb 2014 S'pore cents	31 Aug 2013 S'pore cents	28 Feb 2014 S'pore cents	31 Aug 2013 S'pore cents
Net assets valued per ordinary share based on issued share of the company at the end of the financial period/year (S'pore cents)	4.65	6.37	4.10	5.67

Item 7: The net assets value per share for the period ended 28 February 2014 is calculated based on the share capital (excluding treasury shares) in issue at the end of the period of 263,018,657 ordinary shares (31 August 2013: 131,509,657 ordinary shares).

- 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 effected 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.

Consolidated Income Statement

- (i) The Group's turnover for the current half year was S\$38.5 million. This is a reduction of S\$41.2 million over the corresponding period in Financial Year 2013. This reduction is due to the decrease in orders from a turn-key project. Orders for this project was discontinued in March 2014.
- (ii) The reduction in orders from the turn-key project, with a high material content, resulted in a better gross margin of 13.9%, as compared to a gross margin of 6.5% in the corresponding period in Financial Year 2013. Gross profit for the current half year was S\$5.4 million.
- (iii) Other income increased by 22.2% over the corresponding period in Financial Year 2013. This was mainly due to compensation received from customer for early termination of project and receipt of government grant.
- (iv) Current half year distribution and selling expenses, administration expenses and other operating expenses were about the same as corresponding period in Financial Year 2013. Finance expenses decreased by 48.9% (S\$45,000) as interest expenses decreased in accordance with the reduction in outstanding principal amount owing to the financial institutions.
- (v) The Group recorded a net profit after tax of S\$0.7 million for the half year.

Consolidated Statement of Financial Position

- (vi) Share capital increased by S\$3.2 million due to the issue of 131.5 million new shares in the Company during the period.
- (vii) Due to a major current project with a longer credit period, trade receivables increased by 5.9% (S\$0.7 million), as compared to 31 August 2013.
- (viii) Other receivables and deposit increased by 34.0% (S\$158,000) due mainly to deposit placed for pension fund as require by Indonesia authorities.
- (vix) Prepayment increased by 70.9% (S\$83,000) as compared to 31 August 2013 due to advance payment made for acquisition of new machine by subsidiaries.
- (x) With the lower turnover and with the same vendor credit terms, trade payables decreased by 18.1% (S\$2.2 million), as compared to 31 August 2013.
- (xi) Due to a related company increased by \$173,000 due mainly to acquisition of machines by subsidiaries.
- (xii) Loans & borrowings decreased by S\$1.2 million as compared to 31 August 2013 due to a repayment of loan by a subsidiary company and the scheduled loan repayment under the debt restructuring agreement during the period.
- (xiii) The net asset of the Group as at 28 February 2014 was S\$12.5 million while net current asset value was S\$8.2 million.

Consolidated Statement of Cash Flows

- (xiv) The Group utilised a net cash outflow of S\$1.5 million from its operating activities during the period.
- (xv) Net cash used in investing activities decreased by S\$0.4 million as compared to corresponding period in Financial Year 2013. The decrease is due to lesser acquisition of new machines in subsidiaries.
- (xvi) Net cash generated in financing activities for current financial half year was S\$2.0 million. The increase is due mainly to raising of capital from issue of new shares in the Company partially offset by repayment of bank loans.
- (xvii) The net cash and cash equivalents of the Group as at 28 February 2014 was S\$4.1 million.

Subsequent Events

- (xviii) Subsequent to 28 February 2014, the Company issued another 52 million new shares in the capital of the Company at an issue price of S\$0.0325 per share to raise approximately S\$1.7 million. Approximately 56.7% of the net proceeds raised was used to fully settle the balance of the loan under the debt restructuring agreement on 31 March 2014. Such use is in line with the stated use and percentage allocation as announced by the Company on 19 February 2014.

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

The Group did not make any forecast or prospect statement for the current period to shareholders.

- 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.**
- The Group operates in a challenging and competitive environment. While outlook in the Western economies has improved, the Group will continue to maintain a cautious outlook in the next 12 months.
- 11** **If a decision regarding dividend has been made:**
- None.
- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**
- None.
- (b) (i) Amount per share ... cents**
- Not applicable.
- (b) (ii) Previous corresponding period ... cents**
- Not applicable.
- (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).**
- Not applicable.
- (d) The date the dividend is payable.**
- Not applicable.
- (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.**
- Not applicable.
- 12** **If no dividend has been declared / recommended, a statement to that effect.**
- No dividend has been declared / recommended.
- 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 aggregate value of interested person transactions for the half year ended 28 February 2014 is as follows:

Nature of transaction and name of Interested Person	Aggregate value of all interested person transactions conducted during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$'000	S\$'000
Purchase of equipments	-	192
-Miyoshi Precision (Malaysia) Sdn Bhd		

14 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results for the half year ended 28 February 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors
Tan Kay Guan
Executive Director & CEO

Ng Say Tiong
Executive Director & Company Secretary

BY ORDER OF THE BOARD

Ng Say Tiong
Company Secretary

4th April 2014

This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this document. This document has not been examined or approved by SGX-ST and SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Bernard Lui: telephone no. (65) 6389 3000; email address bernard.lui@stamfordlaw.com.sg.