



**Miyoshi Precision Limited**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 198703979K)

## **2008 Half Year Financial Statement And Dividend Announcement**

### **PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR**

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

#### **UNAUDITED RESULTS FOR HALF YEAR ENDED 29 FEBRUARY 2008**

	Note	Half Year Ended		%
		29 February 2008	28 February 2007	+ / (-)
		S\$'000	S\$'000	
Revenue		73,800	81,714	(9.7)
Other operating income	(i)	2,786	2,658	4.8
Changes in inventories of finished goods and work-in-process		(379)	1,411	NM
Raw materials and consumables used		(48,327)	(53,013)	(8.8)
Employee benefits expenses		(8,926)	(9,291)	(3.9)
Depreciation expense		(2,520)	(2,449)	2.9
Other operating expenses	(ii)	(12,064)	(10,391)	16.1
Finance costs		(244)	(235)	3.8
Share of results of associates		135	--	NM
<b>Profit before income tax</b>		<b>4,261</b>	<b>10,404</b>	<b>(59.0)</b>
Income tax expense		(930)	(2,819)	(67.0)
<b>Profit for the period</b>	(iii)	<b>3,331</b>	<b>7,585</b>	<b>(56.1)</b>
<b>Attributable to:</b>				
Equity holders of the Company		2,745	6,781	(59.5)
Minority interests		586	804	(27.1)
		<b>3,331</b>	<b>7,585</b>	

**NM: Not Meaningful**

**Notes:**

1(a)(i). Other operating income includes the following:

	Half Year ended	
	29 February 2008	28 February 2007
	S\$'000	S\$'000
Gain on disposal of interest in an associate	--	400
Gain on disposal of property, plant and equipment	--	31
Income from sales of scrap	1,694	1,996
Interest income	149	100
Miscellaneous income	213	50
Other income	80	80
Negative goodwill on acquisition of additional interest in subsidiary	650	--
Rental income	--	1
	<b>2,786</b>	<b>2,658</b>

1(a)(ii). Other operating expenses include the following:

	Half Year ended	
	29 February 2008	28 February 2007
	S\$'000	S\$'000
Maintenance	342	351
Professional fees	330	764
Supplies and services	4,444	5,521
Transportation and travelling	708	673
Utilities	1,553	1,403
Others	4,687	1,679
	<b>12,064</b>	<b>10,391</b>

1(a)(iii). Included in the charges and credits disclosed in notes 1(a)(i) and 1(a)(ii), profit for the period is arrived at after charging/(crediting) the following:

	Half Year ended	
	29 February 2008	28 February 2007
	S\$'000	S\$'000
(Reversal)/allowance for doubtful trade receivables	(15)	226
Foreign exchange adjustment loss (net)	3,161	515
Allowance for inventory obsolescence	65	100
(Over)/under provision of tax in respect of prior years	(138)	496

**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.**

	Group		Company	
	As At 29 February 2008 S\$'000	As At 31 August 2007 S\$'000	As At 29 February 2008 S\$'000	As At 31 August 2007 S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	17,802	23,439	6,990	10,838
Fixed deposits	5,152	2,784	--	--
Trade receivables	30,564	39,673	23,259	28,481
Other receivables and prepayments	3,003	3,737	2,688	2,885
Inventories	12,551	13,862	3,692	4,171
<b>Total current assets</b>	<b>69,072</b>	<b>83,495</b>	<b>36,629</b>	<b>46,375</b>
<b>Non-current assets:</b>				
Investment in associates	133	7	68	68
Investment in subsidiaries	--	--	28,022	28,425
Available-for-sale financial assets	465	30	9	9
Other receivable	404	650	404	650
Property, plant and equipment	33,398	34,089	9,490	9,698
Deferred tax assets	22	23	--	--
Loan receivable	2,419	2,670	2,419	2,670
<b>Total non-current assets</b>	<b>36,841</b>	<b>37,469</b>	<b>40,412</b>	<b>41,520</b>
<b>Total assets</b>	<b>105,913</b>	<b>120,964</b>	<b>77,041</b>	<b>87,895</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank overdrafts	550	481	--	--
Trade payables	19,846	26,158	10,562	15,571
Other payables	7,543	9,584	4,477	5,528
Income tax payable	2,296	5,393	1,830	2,701
Finance leases	608	793	303	335
Bank loans	5,295	8,679	5,100	8,100
<b>Total current liabilities</b>	<b>36,138</b>	<b>51,088</b>	<b>22,272</b>	<b>32,235</b>
<b>Non-current liabilities:</b>				
Finance leases	1,005	952	591	441
Bank loans	1,876	1,993	--	--
Deferred tax liabilities	1,102	994	661	554
<b>Total non-current liabilities</b>	<b>3,983</b>	<b>3,939</b>	<b>1,252</b>	<b>995</b>
<b>Capital, reserves and minority interests:</b>				
Share capital	37,389	37,389	37,389	37,389
Treasury share reserve	(29)	--	(29)	--
Fair value reserve	(7)	(7)	--	--
Share options reserve	718	536	718	536
Currency translation reserve	(9)	559	--	--
Retained earnings	24,096	23,454	15,439	16,740
<b>Total equity</b>	<b>62,158</b>	<b>61,931</b>	<b>53,517</b>	<b>54,665</b>
Minority interests	3,634	4,006	--	--
<b>Total equity</b>	<b>65,792</b>	<b>65,937</b>	<b>53,517</b>	<b>54,665</b>
<b>Total liabilities and equity</b>	<b>105,913</b>	<b>120,964</b>	<b>77,041</b>	<b>87,895</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

<b>As At 29 February 2008 S\$'000</b>		<b>As At 31 August 2007 S\$'000</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
803	5,100	950	8,522

**Amount repayable after one year**

<b>As At 29 February 2008 S\$'000</b>		<b>As At 31 August 2007 S\$'000</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
2,881	Nil	2,945	Nil

**Details of any collateral.**

The Group's secured borrowing comprises finance leases and long-term bank loans.

The long term bank loans are secured on:

- (a) legal charge over the leasehold land and building of a subsidiary and a letter of comfort by the Company.
- (b) legal mortgage over the freehold land and building of a subsidiary and a corporate guarantee of the Company.

The finance leases are secured on the plant and machinery under finance lease. The net book value of these plant and machinery as at 29 February 2008 is S\$3,262,000 (31 August 2007: S\$3,188,000).

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

	<b>Group</b>	
	<b>Half Year Ended</b>	
	<b>29 February 2008</b>	<b>28 February 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities:</b>		
Profit before income tax and share of results of associates	4,126	10,404
Adjustments for:		
Allowance for inventory obsolescence	65	100
(Reversal)/allowance for doubtful trade receivables	(15)	226
Bad debts written off	--	1
Depreciation expense	2,520	2,449
Gain on disposal of interest in associate	--	(400)
Loss/(gain) on disposal of property, plant and equipment	10	(31)
Negative goodwill on acquisition of additional interest in subsidiary	(650)	--
Interest expense	244	235
Interest income	(149)	(100)
Property, plant and equipment written off	261	--
Share-based payments expense	182	49
<b>Operating cash flows before movements in working capital</b>	<b>6,594</b>	<b>12,933</b>
Trade receivables	9,123	(6,031)
Other receivables	980	(94)
Inventories	1,246	(3,914)
Trade payables	(6,312)	1,265
Other payables	(2,618)	319
<b>Cash generated from operations</b>	<b>9,013</b>	<b>4,478</b>
Interest paid	(244)	(235)
Interest received	149	100
Income tax paid	(3,847)	(1,086)
Dividends paid	(2,103)	(1,334)
Dividend paid to minority shareholders	(184)	--
<b>Net cash from operating activities</b>	<b>2,784</b>	<b>1,923</b>
<b>Investing activities:</b>		
Loan receivables	35	--
Proceeds from disposal of interest in associate	--	123
Acquisition of additional interest in subsidiary	(69)	--
Acquisition of other investment	(436)	--
Proceeds from disposal of property, plant and equipment	55	198
Purchase of property, plant and equipment (note 1)	(1,978)	(1,937)
<b>Net cash used in investing activities</b>	<b>(2,393)</b>	<b>(1,616)</b>
<b>Financing activities:</b>		
(Repayment of )/proceeds from bank loans	(3,501)	4,125
Net repayments from finance leases	(424)	(771)
Proceeds from issue of shares	--	214
Repurchase of shares and held as treasury shares	(29)	--
Restricted cash	(1)	19
<b>Net cash from/(used in) financing activities</b>	<b>(3,955)</b>	<b>3,587</b>

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

	<b>Group</b>	
	<b>Half Year Ended</b>	
	<b>29 February 2008</b>	<b>28 February 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Net effect of exchange rate changes in consolidating Subsidiaries</b>	<b>225</b>	<b>1,012</b>
(Decrease)/increase in cash	(3,339)	4,906
Cash at beginning of period	25,371	13,688
<b>Cash at end of period</b>	<b>22,032</b>	<b>18,594</b>
Cash at end of period includes the following:		
Cash and bank balances	17,802	16,377
Fixed deposits	5,152	4,392
Bank overdrafts	(550)	(1,953)
	22,404	18,816
Restricted cash	(372)	(222)
<b>Cash at end of period</b>	<b>22,032</b>	<b>18,594</b>

**Note 1:**

Property, plant and equipment

During the financial period, the Group acquired mainly building, machinery, plant and equipment with an aggregate cost of S\$2,848,000 (2007: S\$3,921,000) of which S\$292,000 (2007: S\$1,281,000) was acquired by means of finance leases. S\$1,978,000 (2007: S\$1,937,000) was paid by cash while S\$578,000 remained as payable (2007: S\$703,000).

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	Treasury Share Reserve	Fair Value Reserve	Share Options Reserve	Currency Translation Reserve	Retained Earnings	Attributable to Equity Holders of the Company	Minority Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>GROUP</b>									
<b>Balance at 31 August 2006</b>	22,871	--	--	311	(156)	23,545	46,571	3,235	49,806
Foreign exchange translation gain arising in the period	--	--	--	--	333	--	333	72	405
Fair value adjustments	--	--	(7)	--	--	--	(7)	--	(7)
<b>Net (loss)/income recognised directly in equity</b>	--	--	(7)	--	333	--	326	72	398
Net profit for the period	--	--	--	--	--	6,781	6,781	804	7,585
<b>Total recognised income and expense for the period</b>	--	--	(7)	--	333	6,781	7,107	876	7,983
Dividends	--	--	--	--	--	(1,334)	(1,334)	--	(1,334)
Share-based payments expense	--	--	--	49	--	--	49	--	49
Share options lapsed	--	--	--	(1)	--	1	--	--	--
Share issued under employees share option scheme	214	--	--	--	--	--	214	--	214
<b>Balance at 28 February 2007</b>	23,085	--	(7)	359	177	28,993	52,607	4,111	56,718

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. – cont'd

	Share Capital	Treasury Share Reserve	Fair Value Reserve	Share Options Reserve	Currency Translation Reserve	Retained Earnings	Attributable to Equity Holders of the Company	Minority Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 31 August 2007</b>	37,389	--	(7)	536	559	23,454	61,931	4,006	65,937
Foreign exchange translation loss arising in the period	--	--	--	--	(568)	--	(568)	(56)	(624)
<b>Net loss recognised directly in equity</b>	--	--	--	--	(568)	--	(568)	(56)	(624)
Net profit for the period	--	--	--	--	--	2,745	2,745	586	3,331
<b>Total recognised income and expense for the period</b>	--	--	--	--	(568)	2,745	2,177	530	2,707
Acquisition of additional interest in subsidiary	--	--	--	--	--	--	--	(718)	(718)
Dividend paid to minority shareholders	--	--	--	--	--	--	--	(184)	(184)
Dividends	--	--	--	--	--	(2,103)	(2,103)	--	(2,103)
Share-based payments expense	--	--	--	182	--	--	182	--	182
Repurchase of shares and held as treasury shares	--	(29)	--	--	--	--	(29)	--	(29)
<b>Balance at 29 February 2008</b>	37,389	(29)	(7)	718	(9)	24,096	62,158	3,634	65,792

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. – cont'd

	Share Capital	Treasury Share Reserve	Share Options Reserve	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>COMPANY</b>					
<b>Balance at 31 August 2006</b>	22,871	--	311	23,837	47,019
Net profit for the period	--	--	--	2,986	2,986
<b>Total recognised income for the period</b>	--	--	--	2,986	2,986
Dividends	--	--	--	(1,334)	(1,334)
Share-based payments expense	--	--	49	--	49
Share options lapsed	--	--	(1)	1	--
Share issued under employees share option scheme	214	--	--	--	214
<b>Balance at 28 February 2007</b>	23,085	--	359	25,490	48,934
<b>Balance at 31 August 2007</b>	37,389	--	536	16,740	54,665
Net profit for the period	--	--	--	802	802
<b>Total recognised income for the period</b>	--	--	--	802	802
Dividends	--	--	--	(2,103)	(2,103)
Share-based payments expense	--	--	182	--	182
Repurchase of shares and held as treasury shares	--	(29)	--	--	(29)
<b>Balance at 29 February 2008</b>	37,389	(29)	718	15,439	53,517

- 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 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.**

The company did not issue any ordinary shares during the 6 months ended 29 February 2008.

The number of ordinary shares that may be issued upon exercise of all share options outstanding as at 29 February 2008 was 6,090,000 (as at 28 February 2007 was 6,440,000).

The company has purchased 133,000 ordinary shares by way of open market purchase. The company hold shares bought under the shares buyback mandate as treasury shares.

- 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.**

	<b>As At 29 February 2008</b>	<b>As At 31 August 2007</b>
Total number of issued shares	420,669,490	420,669,490
Less: Treasury shares	133,000	--
Total number of shares excluding treasury shares	420,536,490	420,669,490

- 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.**

During the current financial period, 133,000 shares were repurchased by the Company and held as treasury shares.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The figures have not been audited nor reviewed by our auditors.

- 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 adopted the same accounting policies and methods of computation in the financial statements for the current financial period ended 29 February 2008 as in the Group's most recently audited financial statements for the financial year ended 31 August 2007.

**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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Half year ended 29 February 2008</b>	<b>Half year ended 28 February 2007</b>
(i) Based on weighted average number of ordinary shares in issue	0.65 cents	1.96 cents
(ii) On a fully diluted basis	0.65 cents	1.96 cents

Basic earnings per share is computed based on the weighted average number of shares in issue during the financial period. The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial period, adjusted for new ordinary shares issued during the financial period, multiplied by a time-weighted factor.

Diluted earnings per share is computed based on the weighted average number of ordinary shares in issue, adjusted for the effect of dilutive options during the financial period.

The company has purchased 133,000 shares during 6 months ended 29 February 2008. The shares are being held as treasury shares. The weighted average number of shares is computed based on issued shares excluding treasury shares.

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

	<b>Group</b>	<b>Company</b>
As at 29 February 2008	14.78 cents	12.73 cents
As at 31 August 2007	14.72 cents	12.99 cents

Net asset per share is calculated based on the existing number of shares in issue of 420,536,490 (31 August 2007: 420,669,490).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### Revenue

Group revenue for the first half of FY2008 ("1HFY2008") was \$73.80m as compared with \$81.71m for the corresponding period last year ("last year" or 1HFY2007"), a fall of \$7.91m or 9.7%. Revenue from the Data Storage (DS), Consumer Electronic (CE) and Automotive & Others (A&O) business segments fell 6.4%, 17.6% and 6.7% respectively.

During 1HFY2008, sales volume (quantity) for DS increased as compared with 1HFY2007. Sales revenue however decreased, mainly due to the effect of a weaker United States Dollar (USD), which depreciated approximately 8% against the Singapore Dollar (SGD) and 9% against the Thai Baht (THB). One major DS product reached end-of-life while its replacement product had yet to achieve the sales volumes of its predecessor. For another product, a change of materials specification together with associated price adjustment resulted in lower selling price.

The CE business had been operating under competitive market conditions for the whole of the last financial year. These same conditions were seen continuing into 1HFY2008; and together with the weak USD, resulted in a fall in both sales volume and revenue.

### Profit

Group profit after tax ("profit") for 1HFY2008 was \$3.33m as compared with \$7.59m last year.

Apart from lower revenue explained above, the most significant item contributing to the decline in profit was a foreign exchange loss of \$3.16m, due mainly to a weak USD.

While fixed costs had remained largely constant as compared with last year, the lower revenue base in 1HFY2008 to absorb fixed costs was also a factor in the decline in profit.

### Other operating income

Other operating income for 1HFY2008 was \$2.79m as compared with \$2.66m in 1HFY2007, an increase of \$0.13m. A gain on acquisition of additional shares in Miyoshi Precision (Thailand) Co., Ltd mainly accounted for the increase.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. – cont'd**

#### **Changes in inventories of finished goods and work-in-process**

Inventory of finished goods (FG) and work-in-progress (WIP) in the income statement decreased by \$0.39m for 1HFY2008 and increased by \$1.41m for 1HFY2007. These changes in FG and WIP inventory are in line with the lower value of sales orders as at the end of 1HFY2008 and higher value of sales orders 1HFY2007.

#### **Raw materials and consumables used**

Raw materials consumed for 1HFY2008 was \$48.33m as compared with \$53.01m for last year, a decrease of \$4.68m or 8.8% in line with lower sales.

#### **Employee benefits expenses**

Employee benefits for 1HFY2008 was \$8.93m as compared with \$9.29m for last year, a decrease of \$0.36m or 3.9%. Reduction in direct (manufacturing) wages largely contributed to the decrease.

#### **Other operating expenses**

Other operating expenses for 1HFY2008 was \$12.06m as compared with \$10.39m for last year, an increase of \$1.67m. A foreign exchange loss of \$3.16m incurred during 1HFY2008 was the primary reason for the increase in other operating expenses.

#### **Share of results of associates**

The Group's share of results of associates for 1HFY2008 was \$0.14m from our interest in Miyoshi International Philippines, Inc.

#### **Income tax expense**

Income tax expense decreased by \$1.89m from \$2.82m in 1HFY2007 to \$0.93m in 1HFY2008 in line with the decline in profit before tax.

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. – cont'd**

### **Balance Sheet**

Equity attributable to the shareholders of the Group grew by \$0.23m to S\$62.16m as at 29 February 2008, as compared to S\$61.93m as at 31 August 2007. The increase in equity is due mainly to group earnings in 1HFY2008 of \$2.75m; and reduced by a payment of dividends declared in respect of FY2007 of \$2.10m.

Trade receivables, trade payables and inventory as at 29 February 2008 declined by \$9.11m, \$6.31m and \$1.31m respectively as compared with 31 August 2007 in line with lower sales.

Cash & bank balances and fixed deposits fell by \$3.27m from \$22.95m on 29 February 2008, as compared with \$26.22m on 31 August 2007. A dividend payment of \$2.10m (above) and a loan of \$1.50m given to Giken Sakata (S) Limited ("Giken") in connection with the investment in Giken as announced on 17<sup>th</sup> December 2007, 4<sup>th</sup> February 2008 and 17<sup>th</sup> February 2008 were significant factors in the decline.

Borrowings also fell by \$3.57m from S\$12.90m to S\$9.33m due to repayment of short-term revolving credit facilities.

### **Cash Flow Statement**

During 1HFY2008, \$2.78m of cash and cash equivalent was generated from operating activities. \$2.39m of cash was used in investment activities, mainly for the purchase of factory machinery for our Thailand and Singapore operations; and \$3.96m of cash was used financing activities, primarily to repay bank borrowings.

Cash and cash equivalents declined by \$3.34m from \$25.37m as at 1 September 2007 to \$22.03m as at 29 February 2008.

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

In the announcement of our results for the full year of FY2007, we said that "Fluctuations in raw material prices and foreign currency exchange rates continue to be a concern for us which we see continuing into the next financial year. Overall, barring significant raw materials price escalations and other unforeseen circumstances, we are positive in our outlook for the next financial year."

While we were positive in our outlook previously, the results for 1HFY2008 was negatively affected by a sustained weakening of the USD, which fell approximately 8% against the SGD and 9% against the THB.

**10. A commentary at the date of the announcement of the 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.**

Over the next 12 months, we expect that average monthly sales volumes for our DS and A&O products will be comparable with 1HFY2008, while volumes for CE products may decline due to competitive market conditions. The possibility of further weakening of the USD, escalations in raw material prices and uncertainties in general economic conditions continue to be a source of concern for us. Given these factors, we foresee that revenue and profit for the second half of FY2008 may continue to be under pressure.

**11. Dividend**

***(a) Current Financial Year Reported On***

Any dividend declared for the current financial period reported on?

None

***(b) Corresponding Period of the Immediately Preceding Financial Year***

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount Per Share	6.1 cents less tax or (5 cents net) per ordinary share
Tax Rate	18%

The Company, had, on 28 February 2007, made an announcement on the following:

- 1) An interim dividend (termed as Bonus Dividend in the announcement) to be declared and paid. The purpose of the Bonus Dividend is to reward shareholders with a cash dividend and for the Company to pass on its Section 44A tax credits to shareholders.
- 2) A proposed renounceable non-underwritten rights issue ("Rights Issue") of up to 141,183,830 new Shares (the "Rights Shares"), at an issue price of S\$0.10 for each Rights Share (the "Issue Price"), on the basis of one Rights Share for every two existing Shares held by Entitled Shareholders (as defined in the announcement on the Proposed Bonus Dividend and Rights Issue) as at the Book Closure Date. Fractional entitlements will be disregarded. Subject to the terms of the Rights Issue, Entitled Shareholders have the option to elect to utilise all or part of their Net Bonus Dividend (as defined in the announcement on the Proposed Bonus Dividend and Rights Issue) to subscribe for the Rights Shares ("Election Option").

Please refer to the announcement on the Proposed Bonus Dividend and Rights Issue for further information on the Bonus Dividend, Rights Issue and the Election Option.

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared/recommended by the Board.

**13. Interested Person Transactions**

Interested person transactions conducted for the half year ended 29 February 2008 were as follow:

Name of interested person	Aggregate Value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate Value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
<b>Miyoshi Industry Co., Ltd</b>		
<u>Type of transactions</u>		
Purchases	Nil	821,805
Sales commission	Nil	165,850
<b>Total</b>	<b>Nil</b>	<b>987,655</b>

**14. Statement pursuant to Rule 705(4) of the Listing Manual**

We, Sin Kwong Wah, Andrew and Gan Yoke Fong, Karen, being two director of Miyoshi Precision Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company, which may render the financial statements for the half year ended 29 February 2008 to be false or misleading.

On Behalf of the Board of Directors,

**Sin Kwong Wah, Andrew**  
**CEO**

**Gan Yoke Fong, Karen**  
**Executive Director**

**BY ORDER OF THE BOARD**

**SIN KWONG WAH, ANDREW**  
**CEO**

11 April 2008