



**MIYOSHI PRECISION LIMITED**

**Half Year Financial Statement And Dividend Announcement**

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

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

**INCOME STATEMENT**

	Group		
	S\$'000		%
	6 months period ended 28 Feb 2005	6 months period ended 29 Feb 2004	Movement
Revenue	46,706	34,565	35
Other operating income	1,278	889	44
Changes in inventories of finished goods and work-in-progress	1,986	(383)	NM
Raw materials and consumables used	(32,557)	(18,571)	75
Staff costs	(5,939)	(4,909)	21
Depreciation and amortization expense	(2,614)	(2,072)	26
Other operating expense	(8,179)	(5,902)	39
<b>Profit from operations</b>	<b>681</b>	<b>3,617</b>	<b>(81)</b>
Finance costs	(86)	(75)	15
Share of results of associates	29	(183)	NM
<b>Profit before income tax</b>	<b>624</b>	<b>3,359</b>	<b>(81)</b>
Income tax expense	-	(1,012)	(100)
<b>Profit after income tax</b>	<b>624</b>	<b>2,347</b>	<b>(73)</b>
Minority interest	81	(243)	NM
<b>Net profit attributable to shareholders</b>	<b>705</b>	<b>2,104</b>	<b>(66)</b>

NM = Not meaningful

**Note to income statement**

1. The profit before income tax is arrived at after charging/(crediting) the following:

	Group	
	S\$'000	
	6 months period ended 28 Feb 2005	6 months period ended 29 Feb 2004
Allowance for obsolete stocks	-	136
Allowance for impairment loss in value of other investment	-	218
Foreign exchange loss	1,089	1,320
Gain on disposal of property, plant and equipment	(2)	(102)
Other income (including interest income)	(1,278)	(889)
Amortization of goodwill on consolidation	1	1
Amortization of negative goodwill	(15)	(23)

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

Balance Sheet As At	S\$'000			
	Group		Company	
	2/28/2005	31/08/2004	28/2/2005	31/08/2004
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	3,842	5,806	1,554	4,100
Fixed deposits	158	161	-	-
Trade receivable	13,936	20,594	15,287	23,945
Other receivables and prepayments	5,049	2,808	9,387	1,923
Inventories	10,177	5,717	4,579	2,518
<b>Total current assets</b>	<b>33,162</b>	<b>35,086</b>	<b>30,807</b>	<b>32,486</b>
<b>Non-current assets</b>				
Investment in associates	93	64	887	887
Investment in subsidiaries	-	-	20,346	16,195
Other investments	502	503	502	503
Property, plant and equipment	27,222	27,712	12,073	13,409
Goodwill on consolidation	-	1	-	-
Negative goodwill arising on consolidation	(216)	(231)	-	-
Loans receivable	4,392	2,865	4,392	2,865
<b>Total non-current assets</b>	<b>31,993</b>	<b>30,914</b>	<b>38,200</b>	<b>33,859</b>
<b>Total assets</b>	<b>65,155</b>	<b>66,000</b>	<b>69,007</b>	<b>66,345</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank overdraft	1,734	2,054	1,734	1,216
Trade payables	16,065	16,388	17,027	14,148
Other payables	157	3,003	347	1,121
Income tax payable	1,276	1,723	1,228	1,723
Current portion of finance lease	369	257	93	90
Current portion of long-term loan	4,375	1,507	3,525	1,478
<b>Total current liabilities</b>	<b>23,976</b>	<b>24,932</b>	<b>23,954</b>	<b>19,776</b>
<b>Non-current liabilities</b>				
Finance leases	914	517	203	250
Long term loan	940	1,251	328	616
Deferred tax liabilities	1,131	1,134	1,070	1,070
<b>Total non-current liabilities</b>	<b>2,985</b>	<b>2,902</b>	<b>1,601</b>	<b>1,936</b>
<b>Minority interest</b>	<b>1,225</b>	<b>936</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves:</b>				
Issued capital	13,881	13,876	13,881	13,876
Share premium	8,624	8,615	8,624	8,615
Capital redemption reserve	337	337	337	337
Currency translation reserve	393	484	-	-
Accumulated profits	13,734	13,918	20,610	21,805
<b>Total equity</b>	<b>36,969</b>	<b>37,230</b>	<b>43,452</b>	<b>44,633</b>
<b>Total liabilities and equity</b>	<b>65,155</b>	<b>66,000</b>	<b>69,007</b>	<b>66,345</b>

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

Amount repayable in one year or less, or on demand			
As at 28/2/2005		As at 31/8/2004	
Secured	Unsecured	Secured	Unsecured
S\$1,744,388	S\$4,733,479	S\$763,975	S\$3,054,497

Amount repayable after one year			
As at 28/2/2005		As at 31/8/2004	
Secured	Unsecured	Secured	Unsecured
S\$1,854,222	Nil	S\$1,768,642	Nil

Details of any collateral

Secured group's borrowing comprises finance leases and long-term bank loans.

The long term loans are secured on a first legal mortgage on:

- (a) the factory building of the Company;
- (b) a multi function press system included under plant and machinery of the Company with net book value as at 28 February 2005 amounting to S\$315,000 (31/8/2004: S\$547,095); and
- (c) legal charge over the leasehold land and building of a subsidiary and a letter of comfort by 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 28 February 2005 is S\$1,143,744 (31/8/2004: S\$1,084,151).

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

	Group	
	\$'000	
Cash flow statement for the six months ended	28/2/2005	29/2/2004
<b>Cash flows from operating activities :</b>		
Profit before income tax and share of results of associates	595	3,542
Adjustments for:		
Amortization of goodwill on consolidation	1	1
Amortization of negative goodwill	(15)	(23)
Depreciation and amortization of fixed assets	2,614	2,072
Interest income	(30)	(28)
Interest expense	86	75
Allowance for impairment loss in value of other investment	-	218
Gain on disposal of property, plant and equipment	(2)	(102)
<b>Operating profit before working capital changes</b>	<b>3,249</b>	<b>5,755</b>
Increase in loans receivable	(1,527)	70
Decrease in trade receivable	6,658	590
Increase in other receivables and prepayments	(2,241)	12
Increase in inventories	(4,460)	283
Decrease in trade payables	(323)	159
Decrease in other payables	(2,846)	(76)
Decrease in other investment	1	-
<b>Cash (used in) / generated from operating activities</b>	<b>(1,489)</b>	<b>6,793</b>
Dividends paid	(889)	-
Interest received	30	28
Interest paid	(86)	(75)
Income tax paid	(450)	(598)
<b>Net cash (used in) / from operating activities</b>	<b>(2,884)</b>	<b>6,148</b>
<b>Cash flows from investing activities</b>		
Purchase of subsidiary, net of cash acquired	(213)	(267)
Purchase of fixed assets	(1,917)	(1,478)
Purchase of other investments	-	(3)
Disposal of fixed assets	8	212
<b>Net cash used in investing activities</b>	<b>(2,122)</b>	<b>(1,536)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuing shares	14	173
Increase of finance leases	509	416
Increase/(repayment) of long term loans	2,557	(105)
Minority interest	370	(498)
<b>Net cash (used in) / from financing activities</b>	<b>3,450</b>	<b>(14)</b>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>(91)</b>	<b>(29)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,647)</b>	<b>4,569</b>
Cash and cash equivalents of beginning of the period	3,913	2,218
<b>Cash and cash equivalents at end of the period</b>	<b>2,266</b>	<b>6,787</b>
<b>Cash at end of period includes the following:</b>		
Cash and bank balances	3,842	6,276
Fixed deposits	158	532
Bank overdraft	(1,734)	(21)
<b>Cash at end of period</b>	<b>2,266</b>	<b>6,787</b>

Note:

	\$'000	
	2/28/2005	29/2/2004
<b>Current assets</b>	<b>666</b>	<b>642</b>
<b>Non-current assets</b>	<b>1,107</b>	<b>432</b>
<b>Current liabilities</b>	<b>(953)</b>	<b>(573)</b>
<b>Non-current liabilities</b>	<b>(315)</b>	<b>(135)</b>
<b>Minority interest</b>	<b>(247)</b>	<b>-</b>
<b>Negative goodwill arising</b>	<b>(22)</b>	<b>-</b>
<b>Payment for acquisition of subsidiary</b>	<b>236</b>	<b>366</b>
<b>Less: net cash and balances acquired</b>	<b>(23)</b>	<b>(99)</b>
<b>Cash out flow in acquisition of subsidiary net of cash acquired</b>	<b>213</b>	<b>267</b>

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

Statement of Changes in Equity

(In Singapore dollars)	\$'000					
	Issued Capital	Share premium	Capital redemption reserve	Foreign currency translation reserve	Accumulated profits	Total
<b>Group</b>						
Balance at 1.9.2004	13,876	8,615	337	484	13,918	37,230
Foreign exchange translation loss arising in the year	-	-	-	(91)	-	(91)
Dividends	-	-	-	-	(889)	(889)
Net profit for the period	-	-	-	-	705	705
Issue of shares	5	9	-	-	-	14
<b>Balance at 28.2.2005</b>	<b>13,881</b>	<b>8,624</b>	<b>337</b>	<b>393</b>	<b>13,734</b>	<b>36,969</b>
<b>Balance at 1.9.2003</b>	<b>13,801</b>	<b>8,474</b>	<b>337</b>	<b>375</b>	<b>11,311</b>	<b>34,298</b>
Foreign exchange translation loss arising in the year	-	-	-	(218)	-	(218)
Dividends	-	-	-	-	-	-
Net profit for the period	-	-	-	-	2,104	2,104
Issue of shares	60	113	-	-	-	173
<b>Balance at 29.2.2004</b>	<b>13,861</b>	<b>8,587</b>	<b>337</b>	<b>157</b>	<b>13,415</b>	<b>36,357</b>
<b>Company</b>						
Balance at 1.9.2004	13,876	8,615	337	-	21,805	44,633
Dividends	-	-	-	-	(889)	(889)
Net loss for the period	-	-	-	-	(306)	(306)
Issue of shares	5	9	-	-	-	14
<b>Balance at 28.2.2005</b>	<b>13,881</b>	<b>8,624</b>	<b>337</b>	<b>-</b>	<b>20,610</b>	<b>43,452</b>
<b>Balance at 1.9.2003</b>	<b>13,801</b>	<b>8,474</b>	<b>337</b>	<b>-</b>	<b>18,322</b>	<b>40,934</b>
Dividends	-	-	-	-	-	-
Net profit for the period	-	-	-	-	2,401	2,401
Issue of shares	60	113	-	-	-	173
<b>Balance at 29.2.2004</b>	<b>13,861</b>	<b>8,587</b>	<b>337</b>	<b>-</b>	<b>20,723</b>	<b>43,508</b>

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 or 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

Share Capital

Since the last financial year ended 31 August 2004, 90,000 ordinary shares of par value \$0.05 each were issued at \$0.144 per share upon the exercise of share options. As at 28 February 2005, the company has 277,617,660 issued and fully paid ordinary shares of par value \$0.05 each.

Share Option

As at 28 February 2005, there were unexercised share options for 5,700,000 unissued ordinary shares (as at 29 February 2004 was 4,030,000 ordinary shares) of \$0.05 each under the Miyoshi Share Option Scheme.

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 the Company's 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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest audited annual financial statements.

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**

	Group	
	6 months period ended 28 Feb 2005	6 months period ended 29 Feb 2004
(i) Based on weighted average number of ordinary shares in issue	0.24 cents	0.76 cents
(ii) On a fully diluted basis	0.24 cents	0.76 cents

Basic earnings per share is computed based on the weighted average number of shares in issue during the financial year. The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial year, adjusted for new ordinary shares issued during the financial year, 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 year.

**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 period reported on and (b) immediately preceding financial year**

	Group	Company
As at 28 February 2005	13.32 cents	15.65 cents
As at 31 August 2004	13.41 cents	16.08 cents

(i) Net asset value per share is calculated based on the existing number of shares in issue of 277,617,660 ordinary shares of \$0.05 each (31/8/2004: 277,527,660 ordinary shares of \$0.05 each).

**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**

**Commentaries on Group Result**

**Revenue**

Revenue for first half of FY2005 increased by 35% to S\$46.7m. This increase was the result of our successful regional business ring strategy set up in previous years. Data Storage and Consumer Electronics segments remained the key contributors of Group revenue.

	Six months to	
	28 Feb 2005	29 Feb 2004
	\$000	\$000
Data Storage	15,250	10,048
Consumer Electronics	25,614	20,653
Automotive and others	5,842	3,864
	<u>46,706</u>	<u>34,565</u>

#### Profit before tax

Profit before tax for the Group amounted to S\$0.62m and this represented a decrease of 81% as compared to the previous corresponding period. The decrease was mainly attributed to significant raw material cost increases and increase in staff costs both locally and overseas to cope with higher customer orders. Other operating expenses also increased mainly due to the higher level of business activity as evident by the 35% increase in revenue for the period. Depreciation and amortization expense increased by 26% to S\$2.61m and is due to amortization charge on new toolings purchased for a specific project.

#### Profit after tax

There is no income tax expense despite a Group profit before taxation of \$0.62m because there were unutilised taxation allowances available for offset against the profits. The period ended with an attributable profit to shareholders of \$0.70m.

#### Commentaries on Group Balance Sheet

The decrease in trade receivables from S\$20.59m to S\$13.94m is due to improved debt collections.

During the first half of FY2005, the Group expanded its Thailand operations through the acquisition of the factory and other assets of a third party for approximately \$4.9m. This purchase was funded through a combination of internal cash reserves and bank borrowing and is expected to be completed by June 2005. Payments made under the Asset Sale and Purchase Agreement for this acquisition pending completion, accounted for the increase in other receivables and prepayments reported. This acquisition would enhance the Group's existing metal stamping capacity and is in line with the Group's aim of establishing manufacturing plants in markets where we have identified to have good growth potential.

The increase in inventories from S\$5.72m to S\$10.18m is due to inventories held for confirmed customer orders which are pending delivery.

Total term loan of S\$5.31m as at 28 February 2005 increased by about S\$2.56m over the corresponding period as a result of the need to fund the higher inventory holding.

The share capital increased by 90,000 shares of par value \$0.05 each following the exercise of share options during the period.

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

The results are in line with our statement made in our full year's result announcement dated 28 October 2004.

#### **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**

The Group expects the market environment and operating condition to remain very competitive and challenging. With the establishment of the Group's regional business ring, it has positioned itself well to meet the needs of its customers who have continued their outsourcing effort as well as relocating their manufacturing facilities within the region.

At the same time, the Group will also continue its effort on improving its operational efficiency and maximising the utilisation of its production facilities.

#### **11. Dividend**

##### **(a) Current Financial Period 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? None

##### **(c) Date payable**

Not applicable

##### **(d) Books closure date**

Not applicable

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

No dividend has been declared/recommendeded

#### **PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

#### **13. 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**

Not Applicable.

#### **14. 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.

#### **15. A breakdown of sales**

Not Applicable.

#### **16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not Applicable.

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

Andrew Sin Kwong Wah

CEO

14-Apr-05