

PURCHASE OF ASSETS IN THAILAND BY SUBSIDIARY

1. Introduction

The Board of Directors of Miyoshi Precision Limited (the “Company”) is pleased to announce that the Company and its 80 percent owned subsidiary, Miyoshi Hi-Tech Co., Ltd (the “Purchaser”) had on 29 January 2005 entered into an Asset Sale and Purchase Agreement (the “Agreement”) with Armstrong Industrial Corporation Limited and its wholly owned subsidiary, Armstrong Mechanical Components Co., Ltd (the “Seller”) for the proposed acquisition (the “Proposed Acquisition”) of the Assets for a cash consideration of Baht 117,168,000 (equivalent to S\$4,882,000). The Assets comprise the existing metal stamping factory building and land together with production facilities and certain inventory.

The Proposed Acquisition involves the acquisition of the Assets. Certain key personnel will be retained to be employed by the Purchaser.

2. Purchase Consideration

The consideration for the sale by the Seller of the Assets to the Purchaser of Baht 117,168,000 (equivalent to S\$4,882,000)(the “Purchaser Consideration”) was negotiated by the parties and arrived at on a willing-buyer and willing-seller basis. The terms were commercially negotiated at arm’s length, and the Purchase Consideration takes into consideration the audited net book value of the relevant Assets.

The Purchase Consideration will be paid in installments, all of which will be satisfied in cash and will be funded by internal cash resources and bank borrowings.

3. Closing

The closing of the sale (the “Closing”) is expected to be in or about June 2005 or the earlier of where legal transfer of the Assets may be completed or after relevant approval being obtained from the Board of Investment (“BOI”) for the transaction.

4. Rationale for the Proposed Acquisition

The Proposed Acquisition will enhance the existing metal stamping capacity for the Group in the strategic location and is in line with the Group’s aim of establishing manufacturing plants in markets where we identified to have good growth potential.

5. Financial Effects of the Proposed Acquisition

Assuming that the transaction was effected at the end of the Company's most recently completed financial year, 31 August 2004, there is no material impact on the net tangible asset per share of the Company;

Assuming that the transaction was effected at the beginning of the Company's most recently completed financial year, 31 August 2004, there is no material impact on the earnings per share of the Company.

6. Interests of Directors and Substantial Shareholders of the Company.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the transaction.

7. Documents for Inspection

Copy of the Agreement will be available for inspection during normal business hours at the registered office of Miyoshi Precision Limited at No 5 Second Chin Bee Road, Singapore 618772, for a period of three months commencing from the date of this announcement up to 30/04/2005.

By Order of the Board
Miyoshi Precision Limited