



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

Second Quarter FY2010 Financial Statements and Dividend Announcement

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

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

UNAUDITED RESULTS FOR THE PERIOD ENDED 28 FEBRUARY 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Note	3 Months Ended			6 Months ended		
		28-Feb-10 S\$'000	28-Feb-09 S\$'000	Change %	28-Feb-10 S\$'000	28-Feb-09 S\$'000	Change %
Revenue		35,289	20,009	76.4%	75,551	51,122	47.8%
Other operating income	(i)	656	1,412	-53.6%	3,141	2,050	53.2%
Changes in inventories of finished goods and work in-progress		(1,136)	(1,201)	-5.4%	246	(1,111)	N.M.
Raw materials and consumables used		(17,901)	(11,230)	59.4%	(40,340)	(30,439)	32.5%
Employee benefit expenses		(6,788)	(3,080)	120.4%	(13,810)	(7,542)	83.1%
Depreciation expense		(2,062)	(1,226)	68.2%	(3,993)	(2,399)	66.4%
Other operating expenses	(ii)	(5,430)	(4,878)	11.3%	(12,705)	(8,599)	47.7%
Finance costs		(195)	(77)	153.2%	(352)	(174)	102.3%
Share of results of associates		-	423	-100.0%	-	393	-100.0%
Profit before income tax		2,433	152	1500.7%	7,738	3,301	134.4%
Income tax expense		(382)	(411)	-7.1%	(780)	(522)	49.4%
Profit for the period	(iii)	2,051	(259)	891.9%	6,958	2,779	150.4%
Profit attributable to:							
Equity holders of the Company		1,853	(70)	N.M.	6,544	2,920	124.1%
Minority interests		198	(189)	N.M.	414	(141)	N.M.
		2,051	(259)	891.9%	6,958	2,779	150.4%
Profit for the period		2,051	(259)	891.9%	6,958	2,779	150.4%
Other comprehensive income							
Exchange differences on translating foreign operation and other currency translation differences, net of tax		1,453	1,817	-20.0%	(1,232)	5,215	N.M.
Total comprehensive income for the period		3,504	1,558	124.9%	5,726	7,994	-28.4%
Total comprehensive income attributable to:							
Equity holders of the Company		3,255	1,716	89.7%	5,411	8,001	-32.4%
Minority interests		249	(158)	N.M.	315	(7)	N.M.
		3,504	1,558	124.9%	5,726	7,994	-28.4%

N.M. denotes not meaningful

Notes:

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

OTHER OPERATING INCOME	3 months ended		6 months ended	
	28-Feb-10	28-Feb-09	28-Feb-10	28-Feb-09
	S\$'000	S\$'000	S\$'000	S\$'000
Gain on disposal of property, plant and equipment	109	-	225	-
Gain on foreign exchange	14	-	136	114
Income from sales of scrap	308	331	630	686
Interest income from associate	8	9	16	18
Interest income from non-related companies	21	75	56	140
Miscellaneous income	-	49	382	119
Negative goodwill on acquisition of subsidiary	-	925	1,106	925
Other income	-	-	195	-
Rental income	196	23	395	48
	656	1,412	3,141	2,050

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

OTHER OPERATING EXPENSE	3 months ended		6 months ended	
	28-Feb-10	28-Feb-09	28-Feb-10	28-Feb-09
	S\$'000	S\$'000	S\$'000	S\$'000
Maintenance	355	204	779	417
Professional fees	76	509	539	679
Supplies and services	2,228	1,207	5,281	3,110
Transportation and travelling	545	284	1,127	658
Utilities	1,275	549	2,634	1,388
Others	951	2,125	2,345	2,347
	5,430	4,878	12,705	8,599

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:

OTHER CHARGES AND CREDITS	3 months ended		6 months ended	
	28-Feb-10	28-Feb-09	28-Feb-10	28-Feb-09
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for impairment of machinery	-	-	-	43
(Reversal of)/allowance for inventory obsolescence	(192)	1,115	577	1,187
Amortisation of intangible assets	107	-	215	-
Loss on disposal of interest in associate	-	-	8	-
Loss on disposal of property, plant and equipment	-	301	-	324
(Reversal of)/allowance for doubtful trade receivables	-	226	(268)	226
Share based payments expense	(25)	20	(25)	51

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 year.

STATEMENT OF FINANCIAL POSITION	Group		Company	
	As At		As At	
	28-Feb-10 S\$'000	31-Aug-09 S\$'000	28-Feb-10 S\$'000	31-Aug-09 S\$'000
ASSETS				
Current assets:				
Cash and bank balances	20,318	19,156	8,311	11,324
Fixed deposits	14,480	8,437	4,000	2,000
Trade receivables	32,137	21,120	13,925	13,288
Other receivables and prepayments	4,533	6,385	1,436	3,988
Inventories	12,521	7,607	2,423	2,057
Total current assets	83,989	62,705	30,095	32,657
Non-current assets:				
Investment in associates	-	2,786	55	1,584
Subsidiaries	-	-	25,275	22,746
Available-for-sale financial assets	436	438	5	5
Other receivables and prepayments	-	50	-	-
Property, plant and equipment	50,315	42,195	8,695	7,952
Intangible assets	1,073	-	-	-
Deferred tax assets	321	319	-	-
Loans receivable	3,533	2,477	2,443	2,477
Total non-current assets	55,678	48,265	36,473	34,764
Total assets	139,667	110,970	66,568	67,421
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts	2,568	1,026	-	-
Trade payables	18,473	12,047	4,896	5,593
Other payables and accruals	8,969	5,934	2,202	2,009
Current income tax payable	1,409	1,324	1,372	1,433
Finance leases	1,497	1,191	129	291
Bank loans	3,309	3,699	685	3,000
Total current liabilities	36,225	25,221	9,284	12,326
Non-current liabilities:				
Finance leases	2,482	895	421	32
Bank loans	10,564	3,916	1,940	-
Other loan	255	254	-	-
Other payables	252	-	-	-
Deferred tax liabilities	902	882	489	499
Total non-current liabilities	14,455	5,947	2,850	531
Total liabilities	50,680	31,168	12,134	12,857
Capital and reserves:				
Share capital	37,389	37,389	37,389	37,389
Treasury share reserve	(55)	(55)	(55)	(55)
Fair value reserve	(12)	(12)	-	-
Share options reserve	773	798	773	798
Currency translation reserve	(6,645)	(5,512)	(8,116)	(6,963)
Retained earnings	47,267	41,990	24,443	23,395
Total capital and reserves	78,717	74,598	54,434	54,564
Minority interests	10,270	5,204	-	-
Total equity	88,987	79,802	54,434	54,564
Total liabilities and equity	139,667	110,970	66,568	67,421

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 February 2010 S\$'000		As At 31 August 2009 S\$'000	
Secured	Unsecured	Secured	Unsecured
4,121	685	1,890	3,000

Amount repayable after one year

As At 28 February 2010 S\$'000		As At 31 August 2009 S\$'000	
Secured	Unsecured	Secured	Unsecured
11,106	2,195	4,811	254

The Group's secured borrowings comprises finance leases, short-term bank loans and long-term bank loans.

Finance leases:

Finance leases of the Group are secured on the plant and machinery under finance lease. The balance of these finance leases as at 28 February 2010 was S\$3,979,000 (31 August 2009: S\$2,086,000); and the net book value of the plant and machinery under these finance leases as at 28 February 2010 was S\$4,134,000 (31 August 2009: S\$3,189,000).

Short-term bank loans:

(a) Short-term RMB bank loans of Giken are secured against short term deposit and properties of Giken's subsidiary, ChangZhou Giken Precision Co., Ltd. The balance of these short-term bank loans as at 28 February 2010 was S\$547,000. (31 August 2009: Nil).

(b) Other short-term bank loans of the Group are secured by short-term bank deposit. The balance of these short-term bank loans as at 28 February 2010 was S\$1,344,000 (31 August 2009: S\$3,699,000).

Long-term bank loans:

(a) Long-term bank loans of Giken are secured by a fixed and floating charge on the assets and properties of Giken and its subsidiary, PT Giken Precision Indonesia. The current and non-current balance of these long-term bank loans as at 28 February 2010 were S\$1,418,000 and S\$4,963,000 respectively. (31 August 2009: Nil).

(b) Other long-term bank loans of the Group are secured by a legal charge over the leasehold land and buildings of a subsidiary, a corporate guarantee by the Company and a letter of comfort by the Company. The balance of these long-term bank loans as at 28 February 2010 was S\$5,601,000 (31 August 2009: S\$3,916,000).

The Group's unsecured borrowings comprises short-term bank loans and long-term bank loans.

The Group's unsecured borrowing repayable in one year or less comprises a term-loan from United Overseas Bank Limited to the Company.

The Group's unsecured borrowing repayable after one year comprises a term-loan from United Overseas Bank Limited to the Company and other loans from minority shareholders of Miyoshi Precision (Thailand) Co., Ltd, a subsidiary of the Company.

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

CONSOLIDATED STATEMENT OF CASH FLOWS	Group		Group	
	3 months ended		6 months ended	
	28-Feb-10 S\$'000	28-Feb-09 S\$'000	28-Feb-10 S\$'000	28-Feb-09 S\$'000
Operating activities:				
Profit before income tax and share of results of associates	2,433	(271)	7,738	2,908
Adjustments for:				
Allowance for impairment of machinery	-	-	-	43
(Reversal of)/Allowance for inventory obsolescence	(192)	1,115	577	1,187
Amortisation of intangible assets	107	-	215	-
Depreciation expense	2,062	1,226	3,993	2,399
(Gain)/Loss on disposal of property, plant and equipment	(109)	301	(225)	324
Interest expense	195	77	352	174
Interest income	(29)	(84)	(72)	(158)
Loss on disposal of interest in associate	-	-	8	-
Negative goodwill on acquisition of subsidiary	-	(925)	(1,106)	(925)
(Reversal of)/Allowance for doubtful trade receivables	-	226	(268)	226
Share-based payments expense	(25)	20	(25)	51
Operating cash flows before movements in working capital	4,442	1,685	11,187	6,229
Trade receivables	1,083	8,721	(3,816)	11,835
Other receivables and prepayments	(102)	(784)	1,901	(634)
Inventories	1,278	1,783	828	1,828
Trade payables	(1,253)	(7,224)	2,197	(9,131)
Other payables and accruals	(1,264)	(1,402)	(1,629)	(1,778)
Cash generated from operations	4,184	2,779	10,668	8,349
Interest paid	(195)	(77)	(352)	(174)
Interest received	29	84	72	158
Income tax paid	(499)	(1,082)	(792)	(1,229)
Dividend paid	(1,267)	(1,267)	(1,267)	(1,267)
Net cash from operating activities	2,252	437	8,329	5,837
Investing activities:				
Acquisition of subsidiary, net of cash acquired (Note 1)	-	-	7,685	-
Acquisition of other investment	-	437	-	-
Loans receivable	(4)	(1,635)	(11)	(1,518)
Proceeds from disposal of interest in associate	-	-	100	-
Proceeds from disposal of property, plant and equipment	119	40	396	50
Purchase of property, plant and equipment	(2,509)	(1,618)	(4,304)	(2,632)
Net cash (used in)/ from investing activities	(2,394)	(2,776)	3,866	(4,100)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)	Group		Group	
	3 months ended		6 months ended	
	28-Feb-10 S\$'000	28-Feb-09 S\$'000	28-Feb-10 S\$'000	28-Feb-09 S\$'000
Financing activities:				
Proceeds from bank loans	-	3,000	-	3,000
Proceeds from other loan	-	257	-	257
Repayment of bank loans	(974)	(3,408)	(3,008)	(5,145)
Repayment of finance leases	(478)	(178)	(967)	(377)
Repurchase of shares and held as treasury shares	-	(25)	-	(26)
Restricted cash	(2)	(187)	(5)	(10)
Net cash used in financing activities	(1,454)	(541)	(3,980)	(2,301)
Currency translation adjustment	545	1,801	(2,556)	2,787
(Decrease)/Increase in cash and cash equivalents	(1,051)	(1,079)	5,659	2,223
Cash and cash equivalents at beginning of period	33,142	28,827	26,432	25,525
Cash and cash equivalents at end of period	32,091	27,748	32,091	27,748
Cash and cash equivalents at end of period includes the following:				
Cash and bank balances	20,318	16,807	20,318	16,807
Fixed deposits	14,480	11,848	14,480	11,848
Bank overdrafts	(2,568)	(649)	(2,568)	(649)
	32,230	28,006	32,230	28,006
Restricted cash	(139)	(258)	(139)	(258)
Cash and cash equivalents at end of period	32,091	27,748	32,091	27,748

Note 1:

The effects of the acquisition of a subsidiary on the cash flows are as follows:

Acquisition of subsidiary	3 months ended		6 months ended	
	28-Feb-10 S\$'000	28-Feb-09 S\$'000	28-Feb-10 S\$'000	28-Feb-09 S\$'000
Trade receivables	--	--	6,933	--
Investment in associate	--	--	109	--
Inventories	--	--	6,319	--
Cash and bank balances	--	--	7,685	--
Property, plant and equipment	--	--	6,703	--
Trade payables	--	--	(4,229)	--
Other payables	--	--	(4,484)	--
Finance leases and term loan	--	--	(11,645)	--
Income tax payable	--	--	(34)	--
Minority interest	--	--	(4,751)	--
Negative goodwill	--	--	(1,106)	--
Purchase consideration	--	--	1,500	--
Less: purchase consideration paid through conversion of loan	--	--	1,500	--
Less: cash and bank balances	--	--	7,685	--
Cash flows on acquisition, net of cash acquired	--	--	(7,685)	--

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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2010	Issued Capital	Treasury Share Reserve	Share Options Reserve	Fair Value Reserve	Currency Translation Reserve	Retained Earnings	Total Attributable to Equity Holders of the Company	Minority Interests	Total Equity
GROUP	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 31 August 2008	37,389	(29)	756	(7)	(6,197)	33,862	65,774	4,593	70,367
Total comprehensive income for the period	-	-	(21)	-	3,316	2,990	6,285	151	6,436
Share-based payments expense for the period	-	-	31	-	-	-	31	-	31
Balance at 30 November 2008	37,389	(29)	766	(7)	(2,881)	36,852	72,090	4,744	76,834
Total comprehensive income for the period	-	-	21	-	1,765	(70)	1,716	(158)	1,558
Dividend	-	-	-	-	-	(1,267)	(1,267)	-	(1,267)
Share-based payments expense for the period	-	-	20	-	-	-	20	-	20
Repurchase of share and held as treasury share	-	(26)	-	-	-	-	(26)	-	(26)
Balance at 28 February 2009	37,389	(55)	807	(7)	(1,116)	35,515	72,533	4,586	77,119
Balance at 31 August 2009	37,389	(55)	798	(12)	(5,512)	41,990	74,598	5,204	79,802
Total comprehensive income for the period	-	-	-	-	(2,535)	4,691	2,156	66	2,222
Acquisition of subsidiary	-	-	-	-	-	-	-	4,751	4,751
Balance at 30 November 2009	37,389	(55)	798	(12)	(8,047)	46,681	76,754	10,021	86,775
Total comprehensive income for the period	-	-	-	-	1,402	1,853	3,255	249	3,504
Dividend	-	-	-	-	-	(1,267)	(1,267)	-	(1,267)
Share-based payments expense for the period	-	-	(25)	-	-	-	(25)	-	(25)
Balance at 28 February 2010	37,389	(55)	773	(12)	(6,645)	47,267	78,717	10,270	88,987

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 period ended 28 February 2010.

The number of ordinary shares that may be issued upon exercise of all share options outstanding as at 28 February 2010 was 5,809,000 (28 February 2009: 6,064,000).

As at 28 February 2010, the Company holds 499,000 treasury shares (28 February 2009: 499,000 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.

	As At 28 February 2010	As At 31 August 2009
Total number of issued shares	420,669,490	420,669,490
Less: Treasury shares	499,000	499,000
Total number of shares excluding treasury shares	420,170,490	420,170,490

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.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

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).

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

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 financial information have been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the last financial year, except for the adoption of the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") which became effective for the current financial year. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies.

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

	3 months ended		6 months ended	
	28-Feb-10 Cents	28-Feb-09 Cents	28-Feb-10 Cents	28-Feb-09 Cents
(i) Based on weighted average number of ordinary shares in issue	0.44	(0.02)	1.56	0.69
(ii) On a fully diluted basis	0.44	(0.02)	1.56	0.69

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

	Group	Company
As at 28 February 2010	18.73 cents	12.96 cents
As at 31 August 2009	17.75 cents	12.99 cents

Net asset per share is calculated based on the existing number of shares in issue of 420,170,490 (31 August 2009: 420,170,490).

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 affected 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.

Revenue

Low sales volumes and revenue since the second quarter of the last financial year (2QFY2009), due to the global financial crisis, had bottomed out by the third quarter with improved market sentiments, before staging a mild recovery in the fourth quarter. The recovery continued into the first quarter (1QFY2010) and second quarter (2QFY2010) of the current financial year.

During 1QFY2010, the Company acquired a controlling interest in Giken Sakata (S) Limited ("Giken") under an investment agreement entered into during FY2008. The results of Giken are therefore consolidated with the Group's results for the first time starting from 1QFY2010. For the purposes of segmental analyses, Giken's consumer electronic products are included in the existing Consumer Electronics ("CE") business segment; its microshaft products are included in Automotive, Microshaft & Others ("AMO") (previously Automotive and Others or "AO"); while its medical products are included in a newly created Medical ("MED") segment. None of Giken's revenue is included in Data Storage ("DS"). Giken is listed on SGX-Catalist.

Total Group revenue for the current half-year ended in February 2010 (1HFY2010) was \$75.55m (including Giken's \$24.02m) as compared with \$51.12m for the same period last year (1HFY2009); a rise of \$24.43m or 47.79%. Excluding Giken, Group revenue rose by \$0.41m or 0.80%. While all business segments registered revenue growth, only DS and AMO grew on stronger external demand; with the revenues of CE and MED increasing primarily from consolidating Giken's revenues.

For 1HFY2010, DS revenue grew by \$4.65m (17.91%) with stronger end-customer demand in line with industry trends. CE revenue increased by \$7.26m (35.07%) including Giken, but declined by \$6.04m (29.18%) excluding Giken. A significant reason for the fall in CE revenue (excluding Giken's) is a re-alignment and consolidation by a major customer of its contract manufacturers, resulting in lower sales order allocation to the Group. AMO revenue grew \$9.20m (206.28%) including Giken's microshaft products, but grew \$1.81m (40.58%) excluding Giken.

Profit

Profit after tax attributable to equity shareholders of the Company ("profit") for 1HFY2010 rose by \$3.62m or 124.11% to \$6.54m as compared with \$2.92m for last year. Current period profit includes a one-off gain of \$1.11m negative goodwill arising from the acquisition of equity shares in Giken (see "Other Operating Income"); and Giken's profit of \$0.33m.

Excluding negative goodwill and Giken's profit, Group profit for 1HFY2010 rose by \$2.18m or 74.66% to \$5.10m; significantly higher than the 0.80% revenue growth. The better profitability is largely due to improved margins on new DS products launched; and higher value-add achieved through additional in-house integrated process for DS.

In 1HFY2010, there was a loss on translation differences relating to financial statements of foreign subsidiaries of \$1.23m as compared with a gain of \$5.22m last year reflecting a weaker USD against the SGD, THB and MYR as compared with last year.

Other Operating Income

Other operating income for 1HFY2010 was \$3.14m as compared with \$2.05m last year; an increase of \$1.09m. Other operating income includes a one-off gain of \$1.11m from negative goodwill arising from the acquisition of 46,382,189 new equity shares in Giken under an investment agreement entered into in FY2008. With the acquisition, the Company increased its stake in Giken from 27.64% to 53.16% during 1QFY2010, making it a subsidiary of the Company.

Changes in Inventories of Finished Goods and Work-in-Process

Inventories of finished goods and work-in-progress in the statement of comprehensive income decreased by \$0.25m during the current half-year as a result of the continuous effort in inventory control.

Operating Expenses

Raw materials and consumables used in manufacturing increased by \$9.90m (32.53%); employee benefit expenses increased by \$6.27m (83.11%); and other operating expenses ("OOE") increased by \$4.11m (47.75%) reflecting the higher level of business activity, and as well as from the consolidation of Giken's operating expenses. Additionally, OOE expense in the current period includes a provision for inventory obsolescence of \$0.58m as compared with \$1.19m for the same period last year (1HFY2009).

Statement of Financial Position

Net assets attributable to equity shareholders of the Company ("net asset") (represented by Total Capital and Reserves in the Statement of Financial Position) grew \$4.12m to \$78.72m as at 28 February 2010 as compared with \$74.60m as at 31 August 2009. Profit for 1HFY2010 contributed \$6.54m to net asset growth, while an increase in the exchange translation reserve (debit) balance, due largely to a weaker USD exchange rate against the SGD, THB and MYR reduced net assets by \$1.13m.

Trade receivables, trade payables and inventory balances grew by \$11.02m, \$6.43m and \$4.91m respectively as compared with 31 August 2009. Apart from Giken's balances included as at 28 February 2010 (but not as at 31 August 2009); other increases are attributable mainly to the higher level of business activity for DS during the current period.

As at the end of 1HFY2010, cash (cash & bank and fixed deposits, net of bank overdrafts) balance was \$32.23m compared with \$26.57m as at 31 August 2009. Borrowings (bank loans, other loans and finance leases) stood at \$18.11m with the corresponding balance last year at \$9.96m. The significant increase in borrowings of \$8.15m is due to the consolidation of Giken's borrowings since it became a subsidiary of the Company during the current period. It should be noted that neither the Company nor any of the subsidiaries of the Group is a guarantor for Giken's borrowings. Net cash (cash net of borrowings) as at the end of the current and last year were \$14.12m and \$16.61m respectively.

Investment in associates decreased by \$2.79m, as the Company's interest in Giken, previously accounted for as an associate in 1QFY2009, is now accounted for as a subsidiary following the increase of its equity interest to 53.16%.

Statement of Cash Flows

Cash and cash equivalents (cash & bank and fixed deposits, net of bank overdrafts and restricted cash) increased by \$5.66m during the 6 months to 28 February 2010. \$8.33m of cash was generated from operating activities. \$3.87m of cash was generated from investing activities, mainly from inflows of net cash acquired in the Giken investment and outflows from the acquisition of production machinery at our Thailand and Singapore operations. \$3.98m of cash was used in financing activities, mainly to reduce the level of borrowings. Cash and cash equivalents in SGD terms decreased by \$2.56m as a result of currency translation due to a weaker USD against the SGD, THB and MYR.

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

In our previous announcement for the quarter ended 30 November 2009, we had maintained a cautious outlook on business prospects considering the uncertainties of customer demand; and, that some underlying risk factors of the global financial crisis still persist. Actual performance have come in within our expectations.

- 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 positive market sentiments starting in 3QFY2009 was reflected in a mild recovery of revenue and profit during 4QFY2009; and which continued into the current 1HFY2010. Considering the uncertainty of customer demand; and, that some underlying risk factors of the global financial crisis still persist; we continue to maintain a cautious outlook for the next 12 months.

- 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/recommended, a statement to that effect.**

No dividend has been declared/recommended by the Board.

- 13. Interested Person Transactions**

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 during the financial period under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Total	Nil	Nil

Note: There were interested person transactions occurring during the financial period under the shareholders' mandate but the individual transactions were less than S\$100,000.

14. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

We, Sin Kwong Wah, Andrew and Gan Yoke Fong, Karen, being two directors 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 2nd quarter ended 28 February 2010 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
13 April 2010