



Miyoshi Precision Limited

Incorporated in the Republic of Singapore
Company Registration No. 198703979K

DISPOSAL OF NON-CORE ASSET

1. Introduction

The Group owns a factory cum office building located at PLO 122, Jalan Cyber 5, Senai III Industrial Estate 81400 Senai Johor Malaysia.

The Board of Directors of Miyoshi Precision Limited ("the Company") wishes to announce that the Group has entered into a Sale & Purchase Agreement on 9 July 2014 (the "SPA") with an unrelated Purchaser.

2. The Property

The Property is owned by the Company's wholly owned subsidiary Miyoshi Precision (Malaysian) Sdn. Bhd. ("MPM"). Currently, the Property is not occupied. The Property comprises a 30 years lease (with effect from 23 August 1995 expiring on 22 August 2025; which can be extended for another 30 years and expiring on 22 August 2055), a factory cum office building with gross land measuring approximately 0.5666 hectare located at PLO 122, Jalan Cyber 5, Senai III Industrial Estate 81400 Senai Johor Malaysia.

3. The Sale Consideration

The sale consideration for the Property is RM4.7 million (equivalent approximately S\$1.8 million for cash (the "Sale Consideration").

The Sale Consideration was arrived at after arms' length negotiations between MPM and the Purchaser, and on a "willing-buyer, willing-seller" basis, after taking into account comparable market transactions.

4. Rationale

The property is a non-core asset of the Group and has accordingly been identified for divestment.

5. Payment Terms

- 1) a sum of RM235,000 has been paid by the Purchaser to the Vendor prior to the execution of this Agreement;
- 2) a further deposit of RM235,000 paid by the Purchaser to the Vendor's Solicitors as stakeholders upon the execution of the Agreement.
- 3) the balance of RM4,230,000 shall be payable upon the completion of the Transaction.

6. Use of Proceeds

The proceeds from the Sale of the Property will be used for working capital and funding of Group's future business plans.

7. Financial Effects

(a) Earnings

Assuming that the Proposed Disposal had been completed on 1 September 2012 and based on the latest announced audited consolidated financial statements of the Group for FY2013, the *proforma* financial effects on the consolidated earnings of the Group are as follows:

	Before Transaction	After Transaction
Loss per share (cents)	(1.17)	(1.20)

(b) Net Tangible Assets ("NTA")

Assuming that the Transaction had been completed on 31 August 2013 and based on the Group's audited consolidated financial statements for FY 2013, the *proforma* effects on the consolidated NTA of the Group are as follows:

As at 31 August 2013	Before Transaction	After Transaction
NTA (S\$'000)	47,657	45,692
NTA per share (cents)	11.34	10.87

8. Relative Figures for Computation of the Type of Transaction

For the purpose of Rule 1006 of the Listing Manual of the SGX-ST, the Transaction is not a major transaction based on the following tests:

Rule 1006	Bases	Relative Figures (%)	Threshold
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value, for FY 2013	4.1%	Below the threshold of 20%
(b)	Net loss attributable to the assets disposed of, compared with the Group's net loss	3.2%	Below the threshold of 20%
(c)	Aggregate value of the consideration received, compared with the Company's market capitalization as of 7 July 2014	6.8%	Below the threshold of 20%
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable	Not applicable

9. Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transaction.

10. Document for Inspection

A copy of the Sales & Purchase Agreement is available for inspection during normal business hours at the Company's place of business at No.5 Second Chin Bee Road, Singapore 618772 for a period of 3 months from the date of this announcement.

BY ORDER OF THE BOARD

Sin Kwong Wah Andrew
Director

9 July 2014