



Miyoshi Limited

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

First Quarter Financial Year 2016 Financial Statements And Dividend Announcement

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

- 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 30 NOVEMBER 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Note	3 months ended		
		30-Nov-15 S\$'000	30-Nov-14 (Restated) S\$'000	Change %
Revenue		11,836	13,672	-13.4%
Other income	(i)	771	509	51.5%
Raw materials, consumables used and changes in inventories		(6,755)	(7,423)	-9.0%
Employee benefit expenses		(2,270)	(3,467)	-34.5%
Depreciation and amortisation expenses		(898)	(1,045)	-14.1%
Other operating expenses	(ii)	(2,211)	(3,084)	-28.3%
Finance costs		(100)	(96)	4.2%
Profit / (loss) before income tax		373	(934)	N.M
Income tax expense		(77)	(35)	120.0%
Profit / (loss) for the period	(iii)	296	(969)	N.M
Profit attributable to:				
Owners of the parent		426	(729)	N.M
Non-controlling interests		(130)	(240)	-45.8%
		296	(969)	N.M
Profit / (loss) for the period		296	(969)	N.M
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		79	2,008	-96.1%
Total comprehensive income for the period		375	1,039	-63.9%
Total comprehensive income attributable to:				
Owners of the parent		502	1,258	-60.1%
Non-controlling interests		(127)	(219)	-42.0%
		375	1,039	-63.9%

N.M. denotes not meaningful

Notes:

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

OTHER INCOME	3 months ended	
	30-Nov-15	30-Nov-14 (Restated)
	S\$'000	S\$'000
Gain on foreign exchange, net	92	-
Gain on disposal of plant and equipment	78	59
Income from sales of scrap	396	168
Interest income	13	49
Miscellaneous income	21	163
Reversal of impairment of property, plant and equipment	-	58
Rental income	171	12
	771	509

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

OTHER OPERATING EXPENSES	3 months ended	
	30-Nov-15	30-Nov-14 (Restated)
	S\$'000	S\$'000
Maintenance	154	162
Professional fees	116	182
Supplies and services	980	1,396
Transportation and travelling	221	243
Loss on foreign exchange, net	-	92
Plant and equipment written off	-	7
Utilities	461	683
Others	279	319
	2,211	3,084

1(a)(iii) Profit for the period is arrived at after charging/(crediting) the following:

OTHER CHARGES AND CREDITS	3 months ended	
	30-Nov-15	30-Nov-14 (Restated)
	S\$'000	S\$'000
Reversal of inventory obsolescence	-	(242)

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.

STATEMENTS OF FINANCIAL POSITION	Group		Company	
	As At		As At	
	30-Nov-15 S\$'000	31-Aug-15 S\$'000	30-Nov-15 S\$'000	31-Aug-15 S\$'000
ASSETS				
Current assets:				
Cash and bank balances	6,122	5,225	1,569	852
Fixed deposits	132	1,587	-	1,200
Trade receivables	11,598	13,292	3,841	4,491
Other receivables and prepayments	4,536	4,645	4,013	3,461
Inventories	8,710	7,321	152	180
Total current assets	31,098	32,070	9,575	10,184
Non-current assets:				
Subsidiaries	-	-	24,155	24,275
Available-for-sale financial assets	17	17	4	4
Property, plant and equipment	31,072	30,676	3,811	3,402
Investment properties	7,334	7,357	-	-
Intangible assets	1,299	1,150	216	-
Goodwill	1,733	1,733	-	-
Deferred tax assets	254	253	-	-
Other receivables	285	285	285	285
Total non-current assets	41,994	41,471	28,471	27,966
Total assets	73,092	73,541	38,046	38,150
LIABILITIES AND EQUITY				
Current liabilities:				
Trade payables	6,260	6,829	591	625
Other payables and accruals	1,854	1,832	682	522
Current income tax payable	58	56	-	-
Bank loans	3,418	3,381	1,090	1,055
Total current liabilities	11,590	12,098	2,363	2,202
Non-current liabilities:				
Bank loans	2,267	2,603	1,622	1,915
Provisions	358	336	-	-
Deferred tax liabilities	419	421	-	-
Total non-current liabilities	3,044	3,360	1,622	1,915
Total liabilities	14,634	15,458	3,985	4,117
Equity:				
Share capital	39,309	39,309	39,309	39,309
Revaluation reserve	687	687	-	-
Fair value reserve	(12)	(12)	-	-
Other reserve	727	727	-	-
Share options reserve	220	220	220	220
Currency translation reserve	(9,235)	(9,311)	(10,167)	(10,251)
Retained earnings	23,637	23,211	4,699	4,755
Equity attributable to owners of the parent	55,333	54,831	34,061	34,033
Non-controlling interests	3,125	3,252	-	-
Total equity	58,458	58,083	34,061	34,033
Total liabilities and equity	73,092	73,541	38,046	38,150

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

As At 30 November 2015 SS\$'000		As At 31 August 2015 SS\$'000	
Secured	Unsecured	Secured	Unsecured
3,418	-	3,381	-

Amount repayable after one year

As At 30 November 2015 SS\$'000		As At 31 August 2015 SS\$'000	
Secured	Unsecured	Secured	Unsecured
2,267	-	2,603	-

The Group's secured borrowings comprise bank loans.

Bank loans:

The Group's secured borrowing comprises bank loans of the Company and its subsidiaries, Miyoshi Precision Huizhou Co., Ltd, Wuxi Miyoshi Precision Co., Ltd and Miyoshi Precision (Malaysia) Sdn Bhd ("MPM"). The bank loans are secured against assets and properties of the Company and its subsidiaries. The Company provided a corporate guarantee and a letter of comfort for the bank loan to MPM. The current and non-current balances of the secured bank loans as at 30 November 2015 were S\$3,418,000 and S\$2,267,000 (31 August 2015: S\$3,381,000 and S\$2,603,000).

- 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	
	3 months ended	
	30-Nov-15 S\$'000	30-Nov-14 (Restated) S\$'000
Operating activities:		
Profit / (loss) before income tax	373	(934)
Adjustments for:		
Depreciation expense	898	1,045
Interest expense	100	96
Interest income	(13)	(49)
Gain on disposal of plant and equipment	(78)	(59)
Plant and equipment written off	-	7
Reversal of inventory obsolescence	-	(242)
Reversal of impairment of property, plant and equipment	-	(58)
Unrealised exchange differences	(55)	105
Operating cash flows before movements in working capital	1,225	(89)
Trade receivables	1,704	(841)
Other receivables and prepayments	113	(800)
Inventories	(1,389)	(394)
Trade payables	(563)	1,413
Other payables and accruals	105	(1,137)
Cash generated from / (used in) operations	1,195	(1,848)
Interest paid	(100)	(96)
Interest received	13	49
Income tax paid	(54)	-
Dividend paid	-	-
Net cash from / (used in) operating activities	1,054	(1,895)
Investing activities:		
Acquisition of subsidiary	-	(48)
Proceeds from disposal of plant and equipment	84	61
Addition of Intangible assets	(216)	-
Purchase of plant and equipment	(1,178)	(928)
Net cash used in investing activities	(1,310)	(915)
Financing activities:		
Proceeds from bank loans	-	1,063
Repayment of bank loans	(305)	(5)
Repayment of finance leases	-	(5)
Net cash (used in) / from financing activities	(305)	1,053
Effect of exchange rate changes on cash and cash equivalents	4	534
Decrease in cash and cash equivalents	(557)	(1,223)
Cash and cash equivalents at beginning of period	6,679	9,379
Cash and cash equivalents at end of period	6,122	8,156
Cash and cash equivalents at end of period includes the following:		
Cash and bank balances	6,122	5,924
Fixed deposits	132	2,955
Bank overdrafts	-	(574)
	6,254	8,305
Restricted cash	(132)	(149)
Cash and cash equivalents at end of period	6,122	8,156

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 QUARTER ENDED 30 NOVEMBER 2015	Share Capital	Revaluation Reserve	Fair Value Reserve	Other Reserve	Share Options Reserve	Currency Translation Reserve	Retained Earnings	Equity Attributable to Owners of the Parent	Non- Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01 September 2015	39,309	687	(12)	727	220	(9,311)	23,211	54,831	3,252	58,083
Profit for the period	-	-	-	-	-	-	426	426	(130)	296
Other comprehensive income for the period										
Foreign currency translation	-	-	-	-	-	76	-	76	3	79
Total comprehensive income for the period	-	-	-	-	-	76	426	502	(127)	375
Balance at 30 November 2015	39,309	687	(12)	727	220	(9,235)	23,637	55,333	3,125	58,458

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. (continued)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 NOVEMBER 2014	Share Capital	Fair Value Reserve	Other Reserve	Share Options Reserve	Currency Translation Reserve	Retained Earnings	Equity Attributable to Owners of the Parent S\$'000	Non- Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01 September 2014 (Restated)	37,389	(12)	753	379	(14,063)	22,506	46,952	2,020	48,972
Loss for the period	-	-	-	-	-	(729)	(729)	(240)	(969)
Other comprehensive income for the period									
Foreign currency translation	-	-	-	-	1,987	-	1,987	21	2,008
Total comprehensive income for the period	-	-	-	-	1,987	(729)	1,258	(219)	1,039
Contribution by and distribution to owners									
Acquisition of subsidiary	1,920	-	-	-	(11)	-	1,909	362	2,271
Total contribution by and distribution to owners	1,920	-	-	-	(11)	-	1,909	362	2,271
Balance at 30 November 2014 (Restated)	39,309	(12)	753	379	(12,087)	21,777	50,119	2,163	52,282

- 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 hold any treasury shares as at 30 November 2015.

On 28 November 2014, the Company issued 32,000,000 new ordinary shares as partial consideration for acquiring a subsidiary, Green Galaxy Limited ("GGL"). The share consideration of S\$1,920,000 is calculated based on S\$0.06 market price on date of acquisition.

The number of ordinary shares that may be issued upon exercise of all share options outstanding as at 30 November 2015 was 1,070,000 (31 August 2015: 1,070,000).

- 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 30 November 2015	As At 31 August 2015
Total number of issued shares	452,669,490	420,669,490
Add: New shares issued	-	32,000,000
Total number of shares excluding treasury shares	452,669,490	452,669,490

- 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.**

There were no treasury shares sold, transferred, disposed, cancelled and/or used as at the end of the current financial period reported on.

- 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).**

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 that of the audited financial statements for the year ended 31 August 2015.

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.**

Refer to note 4.

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	
	30-Nov-15	30-Nov-14 Restated
	Cents	Cents
(i) Based on weighted average /actual number of ordinary shares in issue	0.09	(0.17)
(ii) On a fully diluted basis	0.09	(0.17)
Weighted average number of ordinary share in issue for basic and diluted earnings per share	452,669,490	421,372,787

Earnings per ordinary share is calculated on the Group profit/(loss) for the financial periods attributable to owners of the parent divided by the weighted average number of ordinary share for 1Q2016 is 452,669,490 (1Q2015: 421,372,787).

Earnings per ordinary share (diluted basis) is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the period under review and adjusted to include all potential dilutive ordinary shares up to 30 November 2015. The Company has only one type of potential dilutive shares which are the share options granted under its share option schemes.

For the share options, the weighted average number of shares in issue is adjusted as if all share options that are dilutive were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration with no adjustment to earnings (numerator).

The share options did not have dilutive effect on the Group's earnings per share in the current and previous financial periods because the average market price per ordinary share of the Company was below the exercise price of the share option granted.

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 30 November 2015	12.22 cents	7.52 cents
As at 31 August 2015 (Restated)	12.11 cents	7.52 cents

Net asset value per share is calculated based on share capital of 452,669,490 ordinary shares in issue as at 30 November 2015 and 31 August 2015.

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.

A. Revenue

The Group recorded a 13.4% decrease in revenue from S\$13.7 million in 1Q2015 to S\$11.8 million in 1Q2016.

Business Segment Revenue

	1Q2016 S\$'million	% Revenue	1Q2015 S\$'million	% Revenue	% Change
Data Storage	4.4	37.3	7.4	54.0	(40.5)
Consumer Electronics	5.8	49.2	5.4	39.4	7.4
Automotive, Microshaft and Others	1.6	13.5	0.9	6.6	77.8
Total	11.8	100.0	13.7	100.0	(13.4)

Revenue from **Data Storage** decreased by 40.5% mainly due to fewer sales orders from hard disk drive customers.

Revenue from **Consumer Electronics** increased by 7.4% mainly due to new and more orders from customers in the photo imaging business.

Revenue from **Automotive, Microshaft and Others** increased by 77.8% mainly due to more orders from automotive customers in 1Q2016.

B. Other Income

Other income increased by S\$0.3 million from S\$0.5 million in 1Q2015 to S\$0.8 million in 1Q2016 due to increases in income from sales of scrap of S\$0.2 million.

C. Total Costs and Expenses

Total costs and expenses decreased by S\$2.9 million from S\$15.1 million in 1Q2015 to S\$12.2 million in 1Q2016. This was mainly due to decreases in employee benefit expenses of S\$1.2m, other operating expenses of S\$0.9 million, raw materials and consumables used of S\$0.7 million.

D. Profit / (loss) before Income Tax

Profit before income tax increased by S\$1.3 million from a loss before income tax of S\$0.9 million in 1Q2015 to a profit before income tax of S\$0.4 million in 1Q2016. This was mainly due to decrease in total costs and expenses of S\$2.9 million, increase in other income of S\$0.3 million, offset by a lower revenue of S\$1.9 million.

E. Foreign Currency Translation, net of tax

The gain on foreign currency translation, net of tax, was S\$0.1 million in 1Q2016 and S\$2.0 million in 1Q2015. The gain was from the appreciation of the US dollar against the Singapore dollar of 0.2% in 1Q2016 and 4.4% in 1Q2015.

F Assets and Liabilities

Current assets decreased by S\$1.0 million from S\$32.1 million as at 31 August 2015 to S\$31.1 million as at 30 November 2015. This was mainly due to decreases in cash and bank balances and fixed deposits of S\$0.6 million, decrease in trade receivables of S\$1.7 million, offset by increases in inventories of S\$1.4 million.

Current liabilities decreased by S\$0.5 million from S\$12.1 million as at 31 August 2015 to S\$11.6 million as at 30 November 2015. This was mainly due to decreases in trade payables of S\$0.6 million.

Non-current assets increased by S\$0.5 million from S\$41.5 million as at 31 August 2015 to S\$42.0 million as at 30 November 2015. This was mainly due to increases in property, plant and equipment of S\$0.4 million.

G. Equity

Total equity attributable to owners of the parent increased to S\$55.3 million as at 30 November 2015, from S\$54.8 million as at 31 August 2015. This was mainly due to increase in profit attributable to owners of the parent of S\$0.4 million.

H. Cash Flows

Cash and cash equivalents decreased by S\$0.6 million from S\$6.7 million as at 31 August 2015 to S\$6.1 million as at 30 November 2015. Cash and cash equivalents comprised of cash and bank balances, fixed deposits, bank overdrafts and excluding restricted cash.

Net cash from operating activities for 1Q2016 amounted to S\$1.1 million. The cash from operations of S\$1.2 million before movements in working capital were reduced by an increased in inventory of S\$1.4m and lower trade payable of S\$0.6 million, offset by lower trade receivables of S\$1.7 million.

Net cash used in investing activities for 1Q2016 amounted to S\$1.3 million. This is mainly due to capital expenditure of S\$1.2 million.

Net cash used in financing activities for 1Q2016 amounted to S\$0.3 million mainly due to repayment of bank loans.

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

No forecast had been issued for the financial period under review.

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.**

In the near term, our operating landscape remains challenging as sluggish global demand weighed on the manufacturing sector.

Our focus on managing costs and improving productivity has yielded positive results. Rental income from our investment properties in the Philippines and Malaysia have also contributed to Group's profitability.

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 recommended by the Board.

13. Interested Person Transactions

Name of interested person	Aggregate Value of all interested person transactions during the financial year 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 year under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Total	Nil	Nil

Note: There were interested person transactions occurring during the 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 Masayoshi Taira, being two directors of Miyoshi 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 first quarter ended 30 November 2015 to be false or misleading.

15. Confirmation by the Board pursuant to Rule 720(1) of the Listing Manual

The Company hereby confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7.7.

On Behalf of the Board of Directors,

Sin Kwong Wah, Andrew
Executive Chairman and CEO

Masayoshi Taira
Director

11 January 2016