



Miyoshi Limited

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

Second Quarter FY2015 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 28 FEBRUARY 2015

| CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | Note | 3 months ended | | | 6 months ended | | |
|--|-------|----------------------|------------------------------------|--------------|----------------------|------------------------------------|---------------|
| | | 28-Feb-15 S\$'000 | 28-Feb-14 (Restated) S\$'000 | Change % | 28-Feb-15 S\$'000 | 28-Feb-14 (Restated) S\$'000 | Change % |
| Revenue | | 14,465 | 15,860 | -8.8% | 28,138 | 43,998 | -36.0% |
| Other income | (i) | 1,212 | 1,092 | 11.0% | 4,819 | 7,259 | -33.6% |
| Raw materials, consumables used and changes in inventories | | (8,206) | (9,354) | -12.3% | (15,630) | (26,458) | -40.9% |
| Employee benefit expenses | | (2,921) | (3,499) | -16.5% | (6,389) | (9,423) | -32.2% |
| Depreciation expense | | (993) | (1,164) | -14.7% | (2,039) | (2,572) | -20.7% |
| Other operating expenses | (ii) | (2,930) | (3,668) | -20.1% | (6,027) | (8,262) | -27.1% |
| Finance costs | | (109) | (66) | 65.2% | (205) | (164) | 25.0% |
| Share of results of associates | | - | 99 | N.M | - | 117 | N.M |
| Profit / (loss) before income tax | | 518 | (700) | N.M | 2,667 | 4,495 | -40.7% |
| Income tax expense | | (273) | (63) | 333.3% | (308) | (174) | 77.0% |
| Profit / (loss) for the period | (iii) | 245 | (763) | N.M | 2,359 | 4,321 | -45.4% |
| Profit attributable to: | | | | | | | |
| Owners of the parent | | 280 | (720) | N.M | 2,615 | 4,269 | -38.7% |
| Non-controlling interests | | (35) | (43) | -18.6% | (256) | 52 | N.M |
| | | 245 | (763) | N.M | 2,359 | 4,321 | -45.4% |
| Profit / (loss) for the period | | 245 | (763) | N.M | 2,359 | 4,321 | -45.4% |
| Other comprehensive income | | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | | | | |
| Loss on fair value change of available-for-sale financial assets | | - | - | N.M | - | (4) | N.M |
| Foreign currency translation, net of tax | | 2,611 | 321 | 713.4% | 4,603 | (461) | N.M |
| Total comprehensive income for the period | | 2,856 | (442) | N.M | 6,962 | 3,856 | 80.5% |
| Total comprehensive income attributable to: | | | | | | | |
| Owners of the parent | | 2,560 | (381) | N.M | 6,850 | 3,923 | 74.6% |
| Non-controlling interests | | 296 | (61) | N.M | 112 | (67) | N.M |
| | | 2,856 | (442) | N.M | 6,962 | 3,856 | 80.5% |

N.M. denotes not meaningful

Notes:

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

| OTHER INCOME | 3 months ended | | 6 months ended | |
|---|----------------|-------------------------|----------------|-------------------------|
| | 28-Feb-15 | 28-Feb-14 (Restated) | 28-Feb-15 | 28-Feb-14 (Restated) |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Gain on disposal of asset held for sale | - | - | - | 5,132 |
| Gain on foreign exchange, net | 39 | - | - | - |
| Gain on disposal of plant and equipment | 60 | - | 149 | - |
| Income from sales of scrap | 888 | 196 | 1,056 | 427 |
| Interest income | 60 | 30 | 108 | 61 |
| Miscellaneous income | 140 | 109 | 305 | 187 |
| Reversal of allowance for doubtful trade receivables | - | - | - | 11 |
| Reversal of impairment of property, plant and equipment | - | 709 | 3,162 | 709 |
| Reversal of impairment loss of disposal group | - | - | - | 643 |
| Rental income | 25 | 48 | 39 | 89 |
| | 1,212 | 1,092 | 4,819 | 7,259 |

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

| OTHER OPERATING EXPENSES | 3 months ended | | 6 months ended | |
|---------------------------------|----------------|-------------------------|----------------|-------------------------|
| | 28-Feb-15 | 28-Feb-14 (Restated) | 28-Feb-15 | 28-Feb-14 (Restated) |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Maintenance | 219 | 188 | 382 | 500 |
| Professional fees | 145 | 189 | 327 | 540 |
| Supplies and services | 1,287 | 1,289 | 2,682 | 3,301 |
| Transportation and travelling | 340 | 267 | 583 | 658 |
| Loss on foreign exchange, net | - | 199 | 53 | 148 |
| Plant and equipment written off | - | 2 | 7 | 5 |
| Utilities | 655 | 653 | 1,339 | 1,856 |
| Others | 284 | 881 | 654 | 1,254 |
| | 2,930 | 3,668 | 6,027 | 8,262 |

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

| OTHER CHARGES AND CREDITS | 3 months ended | | 6 months ended | |
|--|----------------|-------------------------|----------------|-------------------------|
| | 28-Feb-15 | 28-Feb-14 (Restated) | 28-Feb-15 | 28-Feb-14 (Restated) |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Allowance for doubtful other receivables | 9 | - | 9 | - |
| Allowance for / (reversal of) inventory obsolescence | 7 | 188 | (235) | 27 |
| Loss on disposal of plant and equipment | - | 217 | - | 226 |

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 | |
| | 28-Feb-15 S\$'000 | 31-Aug-14 (Restated) S\$'000 | 28-Feb-15 S\$'000 | 31-Aug-14 (Restated) S\$'000 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and bank balances | 7,601 | 10,118 | 1,715 | 3,643 |
| Trade receivables | 13,507 | 12,303 | 4,500 | 4,660 |
| Other receivables and prepayments | 3,008 | 2,974 | 2,394 | 2,160 |
| Inventories | 9,385 | 6,807 | 185 | 412 |
| Non-current assets held for sale | 2,094 | 1,924 | - | - |
| Total current assets | 35,595 | 34,126 | 8,794 | 10,875 |
| Non-current assets: | | | | |
| Investment in associates | - | - | - | - |
| Investment in joint venture | - | - | - | - |
| Subsidiaries | - | - | 25,866 | 20,221 |
| Available-for-sale financial assets | 19 | 18 | 4 | 4 |
| Property, plant and equipment | 32,585 | 25,864 | 2,725 | 2,513 |
| Intangible assets | 171 | - | 171 | - |
| Goodwill | 2,478 | - | - | - |
| Deferred tax assets | 5 | 5 | - | - |
| Loans receivable | - | - | 2,481 | 2,291 |
| Total non-current assets | 35,258 | 25,887 | 31,247 | 25,029 |
| Total assets | 70,853 | 60,013 | 40,041 | 35,904 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Bank overdrafts | - | 588 | - | - |
| Trade payables | 9,969 | 6,696 | 1,011 | 886 |
| Other payables and accruals | 2,110 | 3,728 | 662 | 886 |
| Current income tax payable | 50 | 20 | - | - |
| Finance leases | 22 | 21 | 22 | 21 |
| Bank loans | 2,116 | 1,352 | - | - |
| Total current liabilities | 14,267 | 12,405 | 1,695 | 1,793 |
| Non-current liabilities: | | | | |
| Finance leases | 13 | 24 | 13 | 24 |
| Bank loans | 836 | 947 | - | - |
| Other loan | 147 | 332 | - | - |
| Provisions | 314 | 262 | - | - |
| Total non-current liabilities | 1,310 | 1,565 | 13 | 24 |
| Total liabilities | 15,577 | 13,970 | 1,708 | 1,817 |
| Capital and reserves: | | | | |
| Share capital | 39,309 | 37,389 | 39,309 | 37,389 |
| Fair value reserve | (12) | (12) | - | - |
| Other reserve | 753 | 753 | - | - |
| Share options reserve | 296 | 379 | 296 | 379 |
| Currency translation reserve | (9,929) | (14,154) | (11,384) | (14,488) |
| Retained earnings | 22,358 | 19,660 | 10,112 | 10,807 |
| Equity attributable to owners of the parent | 52,775 | 44,015 | 38,333 | 34,087 |
| Non-controlling interests | 2,501 | 2,028 | - | - |
| Total equity | 55,276 | 46,043 | 38,333 | 34,087 |
| Total liabilities and equity | 70,853 | 60,013 | 40,041 | 35,904 |

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 2015 SS\$'000 | | As At 31 August 2014 SS\$'000 | |
|--|------------------|--|------------------|
| Secured | Unsecured | Secured | Unsecured |
| 2,138 | - | 1,373 | - |

Amount repayable after one year

| As At 28 February 2015 SS\$'000 | | As At 31 August 2014 SS\$'000 | |
|--|------------------|--|------------------|
| Secured | Unsecured | Secured | Unsecured |
| 849 | 147 | 971 | 332 |

The Group's secured borrowings comprise 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 current and non-current balance of these finance leases as at 28 February 2015 were S\$22,000 and S\$13,000 respectively (31 August 2014: S\$21,000 and S\$24,000); and the net book value of the plant and machinery under these finance leases as at 28 February 2015 was S\$Nil (31 August 2014: S\$27,000).

Short-term bank loans:

Short-term bank loans of the Group consist of secured and unsecured borrowings. The Group's secured borrowing comprises short-term bank loans from Miyoshi Precision Huizhou Co., Ltd and Wuxi Miyoshi Precision Co., Ltd. The bank loans are secured against a properties of the subsidiaries. The balance of the secured short-term loans as at 28 February 2015 were S\$1,985,000 (31 August 2014: S\$1,220,000).

The Group's unsecured borrowing comprises other loan from non-controlling shareholder of Miyoshi Hi-Tech Co., Ltd, a subsidiary of the Company. The balances of other loan as at 28 February 2015 was S\$147,000 (31 August 2014: S\$332,000).

Long-term bank loans:

Long-term bank loans of the Group are secured by a legal charge over the freehold land and buildings of subsidiaries, a corporate guarantee and a letter of comfort from the Company. The current and non-current balances of these long-term bank loans as at 28 February 2015 were S\$131,000 and S\$836,000 respectively (31 August 2014: S\$132,000 and S\$947,000).

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 | | Group | |
|--|----------------------|------------------------------------|----------------------|------------------------------------|
| | 3 months ended | | 6 months ended | |
| | 28-Feb-15 S\$'000 | 28-Feb-14 (Restated) S\$'000 | 28-Feb-15 S\$'000 | 28-Feb-14 (Restated) S\$'000 |
| Operating activities: | | | | |
| Profit / (loss) before income tax | 518 | (700) | 2,667 | 4,495 |
| Adjustments for: | | | | |
| Allowance for doubtful other receivables | 9 | - | 9 | - |
| Depreciation expense | 993 | 1,164 | 2,039 | 2,572 |
| Interest expense | 109 | 66 | 205 | 164 |
| Interest income | (60) | (30) | (108) | (61) |
| Gain on disposal of asset held for sale | - | - | - | (5,132) |
| (Gain) / loss on disposal of plant and equipment | (60) | 217 | (149) | 226 |
| Plant and equipment written off | - | 2 | 7 | 5 |
| Reversal of impairment loss of disposal group | - | - | - | (643) |
| Reversal of allowance for doubtful trade receivables | - | - | - | (11) |
| Allowance for / (reversal of) inventory obsolescence | 7 | 188 | (235) | 27 |
| Reversal of impairment of property, plant and equipment | - | (709) | (3,162) | (709) |
| Share of results of associates | - | (99) | - | (117) |
| Operating cash flows before movements in working capital | 1,516 | 99 | 1,273 | 816 |
| Trade receivables | (103) | 644 | (709) | 904 |
| Other receivables and prepayments | 1,100 | (653) | 483 | (993) |
| Inventories | (1,575) | 756 | (1,969) | 431 |
| Trade payables | 1,569 | (874) | 3,138 | (845) |
| Other payables and accruals | (1,070) | (402) | (2,247) | (617) |
| Cash generated from / (used in) operations | 1,437 | (430) | (31) | (304) |
| Interest paid | (109) | (66) | (205) | (164) |
| Interest received | 60 | 30 | 108 | 61 |
| Income tax paid | (39) | (89) | (39) | (111) |
| Dividend paid | - | (1,683) | - | (1,683) |
| Net cash from / (used in) operating activities | 1,349 | (2,238) | (167) | (2,201) |
| Investing activities: | | | | |
| Acquisition of subsidiary (Note 1) | - | - | (48) | - |
| Disposal of subsidiary, net of cash disposed (Note 2) | - | - | - | (4,926) |
| Proceeds from disposal of asset held for sale | - | - | - | 7,200 |
| Proceeds from disposal of plant and equipment | (137) | 245 | (77) | 901 |
| Purchase of plant and equipment | (1,876) | (815) | (2,804) | (1,325) |
| Net cash (used in) / from investing activities | (2,013) | (570) | (2,929) | 1,850 |
| Financing activities: | | | | |
| Proceeds from bank loans | - | - | 1,063 | - |
| Proceeds from disposal of treasury shares | - | - | - | 32 |
| Repayment of bank loans | (410) | (537) | (416) | (3,297) |
| Repayment of finance leases | (5) | (29) | (11) | (87) |
| Net cash (used in) / from financing activities | (415) | (566) | 636 | (3,352) |
| Effect of exchange rate changes on cash and cash equivalents | 377 | 42 | 536 | 25 |
| Decrease in cash and cash equivalents | (702) | (3,332) | (1,924) | (3,678) |
| Cash and cash equivalents at beginning of period | 8,157 | 13,934 | 9,379 | 14,280 |
| Cash and cash equivalents at end of period | 7,455 | 10,602 | 7,455 | 10,602 |
| Cash and cash equivalents at end of period includes the following: | | | | |
| Cash and bank balances | 7,601 | 11,323 | 7,601 | 11,323 |
| Bank overdrafts | - | (576) | - | (576) |
| | 7,601 | 10,747 | 7,601 | 10,747 |
| Restricted cash | (146) | (145) | (146) | (145) |
| Cash and cash equivalents at end of period | 7,455 | 10,602 | 7,455 | 10,602 |

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)

Note 1:

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

| Acquisition of subsidiary | 3 months ended | | 6 months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 28-Feb-15 S\$'000 | 28-Feb-14 S\$'000 | 28-Feb-15 S\$'000 | 28-Feb-14 S\$'000 |
| Other receivables | - | - | 417 | - |
| Inventories | - | - | 374 | - |
| Cash and bank balances | - | - | 952 | - |
| Property, plant and equipment | - | - | 12 | - |
| Trade payables | - | - | (257) | - |
| Other payables | - | - | (694) | - |
| Non-controlling interests | - | - | (362) | - |
| Net identifiable assets acquired | - | - | 442 | - |
| Goodwill on acquisition | - | - | 2,478 | - |
| Purchase consideration by issuance of new shares | - | - | (1,920) | - |
| Less: Cash and bank balances | - | - | (952) | - |
| Cash flow on acquisition, net of cash acquired | - | - | 48 | - |

The Group has yet to obtain an independent valuation of Green Galaxy Limited ("GGL") as at acquisition date for the purpose of accounting for the business combination. In view that the fair values as at acquisition date are not available pending the completion of the valuation, the carrying amounts as at acquisition date have been used as provisional amounts in the measurement of identifiable assets acquired and liabilities assumed and the resulting goodwill on acquisition.

Note 2:

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

| Disposal of subsidiary | 3 months ended | | 6 months ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 28-Feb-15 S\$'000 | 28-Feb-14 S\$'000 | 28-Feb-15 S\$'000 | 28-Feb-14 S\$'000 |
| Trade receivables | - | - | - | 13,140 |
| Other receivables | - | - | - | 428 |
| Inventories | - | - | - | 5,347 |
| Cash and bank balances | - | - | - | 4,926 |
| Property, plant and equipment | - | - | - | 4,790 |
| Trade payables | - | - | - | (11,344) |
| Other payables | - | - | - | (3,455) |
| Finance leases and term loan | - | - | - | (2,057) |
| Impairment of disposal group recognised in FY2013 | - | - | - | (2,100) |
| Non-controlling interests | - | - | - | (4,107) |
| Net assets deconsolidated | - | - | - | 5,568 |
| Remaining equity interest of associates | - | - | - | (3,055) |
| Add: Reversal of impairment loss of disposal group | - | - | - | 643 |
| Less: Gain on disposal | - | - | - | - |
| Less: Proceed from placement of share by disposal group | - | - | - | (3,156) |
| Less: Cash and bank balances | - | - | - | (4,926) |
| Net cash inflow/(outflow) | - | - | - | (4,926) |

The dilution of the Company's equity interest in Giken Sakata (S) Limited ("Giken") is considered a deemed disposal of its interest in Giken.

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 SECOND QUARTER ENDED 28 FEBRUARY 2014 | Share Capital | 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 |
| Balance at 01 December 2014 | 39,309 | (12) | 753 | 379 | (12,209) | 21,995 | 50,215 | 2,205 | 52,420 |
| Profit / (loss) for the period | - | - | - | - | - | 280 | 280 | (35) | 245 |
| Other comprehensive income for the period | | | | | | | | | |
| Foreign currency translation | - | - | - | - | 2,280 | - | 2,280 | 331 | 2,611 |
| Total comprehensive income for the period | - | - | - | - | 2,280 | 280 | 2,560 | 296 | 2,856 |
| Transactions with owners of the parent recognised directly in equity | | | | | | | | | |
| Share options lapsed | - | - | - | (83) | - | 83 | - | - | - |
| Total transactions with owners of the parent recognised directly in equity | - | - | - | (83) | - | 83 | - | - | - |
| Total transactions with owners of the parent | - | - | - | (83) | - | 83 | - | - | - |
| Balance at 28 February 2015 | 39,309 | (12) | 753 | 296 | (9,929) | 22,358 | 52,775 | 2,501 | 55,276 |

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 SECOND QUARTER ENDED 28 FEBRUARY 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 December 2013 (Restated) | 37,389 | (12) | 710 | 474 | (13,819) | 27,156 | 51,898 | 2,655 | 54,553 |
| Loss for the period | - | - | - | - | - | (720) | (720) | (43) | (763) |
| Other comprehensive income for the period | | | | | | | | | |
| Foreign currency translation | - | - | - | - | 339 | - | 339 | (18) | 321 |
| Total comprehensive income for the period | - | - | - | - | 339 | (720) | (381) | (61) | (442) |
| Transactions with owners of the parent recognised directly in equity | | | | | | | | | |
| Share options lapsed | - | - | - | (95) | - | 95 | - | - | - |
| Total transactions with owners of the parent recognised directly in equity | - | - | - | (95) | - | 95 | - | - | - |
| Transactions with non-controlling interests | | | | | | | | | |
| Dividend to non-controlling interests | - | - | - | - | - | (1,683) | (1,683) | - | (1,683) |
| Balance at 28 February 2014 (Restated) | 37,389 | (12) | 710 | 379 | (13,480) | 24,848 | 49,834 | 2,594 | 52,428 |

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 PERIOD ENDED 28 FEBRUARY 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 | (14,154) | 19,660 | 44,015 | 2,028 | 46,043 |
| Profit / (loss) for the period | - | - | - | - | - | 2,615 | 2,615 | (256) | 2,359 |
| Other comprehensive income for the period | | | | | | | | | |
| Foreign currency translation | - | - | - | - | 4,236 | - | 4,236 | 367 | 4,603 |
| Total comprehensive income for the period | - | - | - | - | 4,236 | 2,615 | 6,851 | 111 | 6,962 |
| Transactions with owners of the parent recognised directly in equity | | | | | | | | | |
| Share options lapsed | - | - | - | (83) | - | 83 | - | - | - |
| Total transactions with owners of the parent recognised directly in equity | - | - | - | (83) | - | 83 | - | - | - |
| Change in ownership interest in a subsidiary | | | | | | | | | |
| Acquisition of subsidiary | 1,920 | - | - | - | (11) | - | 1,909 | 362 | 2,271 |
| Balance at 28 February 2015 | 39,309 | (12) | 753 | 296 | (9,929) | 22,358 | 52,775 | 2,501 | 55,276 |

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 PERIOD ENDED 28 FEBRUARY 2014 | Share Capital | Treasury Share Reserve | 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 | S\$'000 |
| Balance at 01 September 2013 (Restated) | 37,389 | (55) | (8) | 1,063 | 474 | (13,024) | 21,828 | 47,667 | 6,769 | 54,436 |
| Profit for the period | - | - | - | - | - | - | 4,269 | 4,269 | 52 | 4,321 |
| Other comprehensive income for the period | | | | | | | | | | |
| Loss on fair value change of available-for-sale financial assets | - | - | (4) | - | - | - | - | (4) | - | (4) |
| Foreign currency translation | - | - | - | - | - | (341) | - | (341) | (120) | (461) |
| Total comprehensive income for the period | - | - | (4) | - | - | (341) | 4,269 | 3,924 | (68) | 3,856 |
| Contribution by and distribution to owners | | | | | | | | | | |
| Disposal of treasury shares | - | 55 | - | - | - | (9) | (14) | 32 | - | 32 |
| Total contribution by and distribution to owners | - | 55 | - | - | - | (9) | (14) | 32 | - | 32 |
| Transactions with owners of the parent recognised directly in equity | | | | | | | | | | |
| Share options lapsed | - | - | - | - | (95) | - | 95 | - | - | - |
| Total transactions with owners of the parent recognised directly in equity | - | - | - | - | (95) | - | 95 | - | - | - |
| Transactions with non-controlling interests | | | | | | | | | | |
| Dividend to non-controlling interests | - | - | - | - | - | - | (1,683) | (1,683) | - | (1,683) |
| Change in ownership interest in a subsidiary | | | | | | | | | | |
| Disposal of subsidiary | - | - | - | (353) | - | (106) | 353 | (106) | (4,107) | (4,213) |
| Balance at 28 February 2014 (Restated) | 37,389 | - | (12) | 710 | 379 | (13,480) | 24,848 | 49,834 | 2,594 | 52,428 |

- 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 had on 20 November 2013 sold its entire 499,000 treasury shares for cash. Following the sale, the Company did not hold any treasury shares as at 28 February 2015 (31 August 2014: Nil).

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 28 February 2015 was 1,771,000 (31 August 2014: 2,775,000).

- 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 28 February 2015 | As At 31 August 2014 |
|--|-----------------------------------|---------------------------------|
| Total number of issued shares | 420,669,490 | 420,669,490 |
| Add: New shares issued | 32,000,000 | - |
| Total number of shares excluding treasury shares | 452,669,490 | 420,669,490 |

- 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.**

Other than the sale of treasury shares mentioned in 1(d)(ii) above, no treasury shares were 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 2014, except for the adoption of the following accounting standard (including its consequential amendments) applicable for the financial year beginning 1 September 2014.

FRS 110 Consolidated Financial Statements

FRS 110 establishes a single control model as the basis for determining the entities that will be consolidated. It also requires management to exercise significant judgement to determine which investees are controlled, and therefore are required to be consolidated by the Group. The Group has re-evaluated its involvement with investees under the new control model. Based on its assessment, the Group is required under FRS 110 to consolidate Miyoshi International Philippines, Inc. In accordance with FRS 110, this change in accounting policy was applied retrospectively.

Accordingly, the effects in the Group's financial statements arising from the adoption of FRS 110 are as follows:

| | Group | |
|--|--|--|
| | 2014 \$'000 Increase/(Decrease) | 2013 \$'000 Increase/(Decrease) |
| <u>Balance sheet as at 1 September</u> | | |
| Retained earnings | 199 | 194 |
| Translation reserves | (189) | (184) |
| Total equity | 10 | 10 |
| <u>Balance sheet as at 31 August</u> | | |
| Property, plant & equipment | - | 2,189 |
| Investment in associate | - | 17 |
| Loan receivable | - | (2,313) |
| Cash and cash equivalents | - | 25 |
| Other current assets | - | 96 |
| Total assets | - | 14 |
| Other current liabilities | - | 4 |
| Total liabilities | - | 4 |
| Net assets | - | 10 |

| | Group 2014 \$'000 Increase/(Decrease) |
|---|--|
| <u>Income statement for the period ended 28 February 2014</u> | |
| Other operating income | (862) |
| Other operating expense | 759 |
| Share of results of associates (net of tax) | 36 |
| Loss attributable to owners of the Company | (67) |
| Decrease in basic earnings per share (cents) | -0.01 |
| Decrease in diluted earnings per share (cents) | -0.01 |

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 | | 6 months ended | |
|---|----------------|-------------|----------------|-------------|
| | 28-Feb-15 | 28-Feb-14 | 28-Feb-15 | 28-Feb-14 |
| | Cents | Cents | Cents | Cents |
| (i) Based on weighted average /actual number of ordinary shares in issue | 0.06 | (0.17) | 0.60 | 1.02 |
| (ii) On a fully diluted basis | 0.06 | (0.17) | 0.60 | 1.02 |
| Weighted average number of ordinary share in issue for basic and diluted earnings per share | 452,669,420 | 420,669,420 | 436,934,683 | 420,448,938 |

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 2Q2015 is 452,669,490 (2Q2014: 420,669,490) and for 1H2015 is 436,934,683 (1H2014: 420,448,938) respectively.

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 28 February 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).

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 2015 | 11.66 cents | 8.47 cents |
| As at 31 August 2014 (Restated) | 10.46 cents | 8.10 cents |

Net asset value per share is calculated based on share capital of 452,669,490 ordinary shares in issue as at 28 February 2015 and 420,669,490 ordinary shares in issue as at 31 August 2014.

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

2Q2015

The Group recorded a 8.8% decrease in revenue from S\$15.9 million in 2Q2014 to S\$14.5 million in 2Q2015.

Business Segment Revenue

| | 2Q2015 S\$'million | % Revenue | 2Q2014 S\$'million | % Revenue | % Change |
|-----------------------------------|-----------------------|--------------|-----------------------|--------------|-------------|
| Data Storage | 7.3 | 50.3 | 9.5 | 59.7 | (23.1) |
| Consumer Electronics | 6.0 | 41.4 | 5.5 | 34.6 | 9.1 |
| Medical | - | - | - | - | N.M. |
| Automotive, Microshaft and Others | 1.2 | 8.3 | 0.9 | 5.7 | 33.3 |
| Total | 14.5 | 100.0 | 15.9 | 100.0 | (8.8) |

N.M. denotes not meaningful.

Revenue from **Data Storage** decreased by 23.1% mainly due to weaker sales orders from hard disk drive customers.

Revenue from **Consumer Electronics** increased by 9.1% mainly due to new and more orders from customers in the photo imaging business.

Revenue from **Automotive, Microshaft and Others** increased by 33.3% mainly due to the low base in 2Q2014.

1H2015

The Group recorded a 36.0% decrease in revenue from S\$44.0 million in 1H2014 to S\$28.1 million in 1H2015. The significant decrease was mainly due to dilution of shareholding interest and subsequent disposal of principal subsidiary, Giken Sakata (S) Limited ("Giken") in the last financial year.

Business Segment Revenue

| | 1H2015 S\$'million | % Revenue | 1H2014 S\$'million | % Revenue | % Change |
|-----------------------------------|-----------------------|--------------|-----------------------|--------------|-------------|
| Data Storage | 14.6 | 51.9 | 19.8 | 45.0 | (26.3) |
| Consumer Electronics | 11.4 | 40.6 | 19.0 | 43.2 | (40.0) |
| Medical | - | - | 0.7 | 1.6 | N.M. |
| Automotive, Microshaft and Others | 2.1 | 7.5 | 4.5 | 10.2 | (53.3) |
| Total | 28.1 | 100.0 | 44.0 | 100.0 | (36.0) |

Revenue from **Data Storage** decreased by 26.3% mainly due to weaker sales orders from hard disk drive customers.

Revenue from **Consumer Electronics** decreased by 40.0% mainly due to the dilution of shareholding interest and subsequent disposal of Giken in the last financial year. Revenue from **Medical** in 1H2014 was only from Giken.

Revenue from **Automotive, Microshaft and Others** decreased by 53.3% mainly due to dilution of shareholding interest and subsequent disposal of Giken in the last financial year.

B. Other Income2Q2015

There was a slight increase in other income from S\$1.1 million in 2Q2014 to S\$1.2 million in 2Q2015. Other income in 2Q2015 was mainly due to scrap sales from operations of S\$0.9 million while other income in 2Q2014 was mainly due to reversal of impairment of plant, property and equipment.

1H2015

Other income decreased by S\$2.4 million from S\$7.2 million in 1H2014 to S\$4.8 million in 1H2015. This was mainly due to the gain on disposal of asset held for sale of S\$5.1 million in 1H2014, offset by the reversal of impairment of property, plant and equipment of S\$3.2 million in 1H2015.

C. Total Costs and Expenses2Q2015

Total costs and expenses decreased by S\$2.6 million from S\$17.7 million in 2Q2014 to S\$15.1 million in 2Q2015. This was mainly due to decreases in (1) raw materials and consumables used of S\$1.1 million, (2) employee benefits of S\$0.6 million and (3) other operating expenses of S\$0.7 million. The above reduction in total costs and expenses was in line with the lower revenue in 2Q2015.

1H2015

Total costs and expenses decreased by S\$16.6 million from S\$46.9 million in 1H2014 to S\$30.3 million in 1H2015. This was mainly due to decreases in (1) raw materials and consumables used of S\$10.8 million, (2) employee benefits of S\$3.0 million and (3) other operating expenses of S\$2.3 million. The above reduction in total costs and expenses was in line with the lower revenue in 1H2015.

D. Profit / (loss) for the Period2Q2015

Profit for the period increased by S\$1.2 million from a loss of S\$0.7 million in 2Q2014 to a profit of S\$0.5 million in 2Q2015. This was mainly due to the decrease in other operating expenses of S\$0.7 million.

1H2015

Profit for the period decreased by S\$1.8 million from S\$4.5 million in 1H2014 to S\$2.7 million in 1H2015. This was mainly due to gain on disposal of asset held for sale of S\$5.1 million in 1H2014 and reversal of impairment of property, plant and equipment of S\$3.2m in 1H2015.

E. Assets and Liabilities

Current assets increased by S\$1.5 million from S\$34.1 million as at 31 August 2014 to S\$35.6 million as at 28 February 2015. This was mainly due to increases in inventories of S\$2.6 million and trade receivables of S\$1.2 million, offset by a decrease in cash and bank balances of S\$2.5 million.

Current liabilities increased by S\$1.9 million from S\$12.4 million as at 31 August 2014 to S\$14.3 million as at 28 February 2015. This was mainly due to increases in trade payables of S\$3.3 million and bank loans of S\$0.8 million, offset by decreases in bank overdrafts of S\$0.6m and other payables and accruals of S\$1.6 million.

Non-current assets increased by S\$9.4 million from S\$25.9 million as at 31 August 2014 to S\$35.2 million as at 28 February 2015. This was mainly due to capital expenditure of S\$2.8 million, reversal of impairment of plant and equipment of S\$3.2 million, goodwill on acquisition of a subsidiary of S\$2.5 million, currency realignment of S\$2.6 million from property, plant and equipment, offset by depreciation charge for the period of S\$2.0 million.

F. Equity

Total equity attributable to owners of the parent increased to S\$52.8 million as at 28 February 2015, from S\$44.0 million as at 31 August 2014. This was mainly due to the issue of 32 million new shares amounting to S\$1.9 million as partial consideration of the newly acquired subsidiary, reduction in currency translation reserve (debit balance) of S\$4.2 million and increase in profit attributable to owners of the parent of S\$2.6 million.

G. Cash Flow

Cash and cash equivalents decreased by S\$1.9 million from S\$9.4 million as at 31 August 2014 to S\$7.5 million as at 28 February 2015. Cash and cash equivalents comprised of cash and bank balances, fixed deposits, bank overdrafts and excluding restricted cash.

Net cash used in operating activities in 1H2015 amounted to S\$0.2 million. The cash from operations of S\$1.3 million before movements in working capital were reduced by higher inventories of S\$2.0 million, lower other payables and accruals of S\$2.2 million, offset by increased in trade payables of S\$3.1 million.

Net cash used in investing activities in 1H2015 amounted to S\$2.9 million. This is mainly due to capital expenditure of S\$2.8 million.

Net cash from financing activities in 1H2015 amounted to S\$0.6 million mainly due to proceeds from bank loans of S\$1.1 million, offset by repayment of bank loans of S\$0.4 million.

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 a result of competitive pressures in the integrated engineering services industry. Our focus on managing costs and improving productivity has begun to yield results. We will continue to drive operational efficiencies and reduce costs.

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 second quarter ended 28 February 2015 to be false or misleading.

On Behalf of the Board of Directors,

Sin Kwong Wah, Andrew
Executive Chairman and CEO

Masayoshi Taira
Director

10 April 2015