



MIYOSHI LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 198703979K

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL

Introduction

Miyoshi Limited (the “Company”, and together with its subsidiaries, the “Group”) was placed on the Watch-List pursuant to Rule 1311 of the Singapore Exchange Securities Trading Limited’s (“SGX-ST”) Listing Manual on 4 December 2013.

Pursuant to Rule 1313(2) of the Listing Manual of SGX-ST, the Board of Directors (the “Board”) of the Company wishes to provide the following updates in respect to the unaudited consolidated financial statements of the Company and its subsidiaries for the financial quarter ended 29 February 2016.

Update on unaudited Financial Position as at 29 February 2016

The Group recorded a 10.8% decrease in revenue from S\$28.1 million in 1H2015 to S\$25.1 million in 1H2016, mainly due to fewer sales orders from hard disk drive customers.

Total costs and expenses decreased by S\$4.5 million from S\$30.3 million in 1H2015 to S\$25.8 million in 1H2016. This was mainly due to decreases in other operating expenses of S\$1.6 million, employee benefit expenses of S\$1.3 million and raw materials and consumables used of S\$1.3 million.

Other income decreased by S\$0.1 million from S\$1.6 in 1H2015 million to S\$1.5 million in 1H2016 due to decreases in income from sales of scrap of S\$0.3 million offset by an increase in rental income of S\$0.3 million.

Profit before income tax increased by S\$1.3 million from a loss of S\$0.6 million in 1H2015 to a profit S\$0.7 million in 1H2016. This was mainly due to decrease in total costs and expenses of S\$4.5 million, offset by a decrease in other income of S\$0.1 million and a lower revenue of S\$3.0 million.

Current assets decreased by S\$1.9 million from S\$32.1 million as at 31 August 2015 to S\$30.2 million as at 29 February 2016. This was mainly due to decreases in cash and bank balances and fixed deposits of S\$1.9 million, decrease in trade receivables of S\$0.6 million, offset by increases in inventories of S\$0.7 million.

Current liabilities decreased by S\$1.7 million from S\$12.1 million as at 31 August 2015 to S\$10.4 million as at 29 February 2016. This was mainly due to decreases in trade and other payables of S\$1.3 million and decrease in bank loans of S\$0.5m.

Total equity attributable to owners of the parent increased to S\$55.2 million as at 29 February 2016, 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\$0.8 million. The increased in translation reserve of S\$0.5m (debit balance) was mainly due to weaker USD and RMB against SGD.

Update on unaudited Financial Position as at 29 February 2016 (con't)

Cash and cash equivalents decreased by S\$1.9 million from S\$6.7 million as at 31 August 2015 to S\$4.7 million as at 29 February 2016. Cash and cash equivalents comprised of cash and bank balances, fixed deposits and excluding restricted cash.

Net cash from operating activities for 1H2016 amounted to S\$0.9 million. The cash from operations of S\$2.5 million before movements in working capital were reduced by an increased in inventory of S\$0.7m and lower trade payables of S\$1.0 million, offset by lower trade receivables of S\$0.6 million.

Net cash used in investing activities for 1H2016 amounted to S\$1.8 million. This is mainly due to capital expenditure of S\$1.6 million.

Net cash used in financing activities for 1H2016 amounted to S\$1.1 million mainly due to repayment of bank loans.

For more details on the consolidated financial statements of the Group for the quarter ended 29 February 2016, please refer to our separate announcement on the unaudited results released on 13 April 2016.

Update on Recent Developments

On 4 February 2016, an indirectly wholly-owned subsidiary of the Company incorporated in the People's Republic of China has on 28 January 2016 dissolved Huizhou Miyoshi Green Galaxy Trading Co., Ltd.

On 15 February 2016, the Company intends to undertake the proposed transfer of the listing of the Company from the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") to the Catalist Board of the SGX-ST.

On 29 February 2016, the Company has received a notification from the SGX-ST that the Exchange has granted the Company an extension of time to 1 September 2016 to comply with Listing Rule 1311(2).

On 15 March 2016, the Company has established a wholly-owned subsidiary in Singapore, known as Miyoshi Optoelectronics (S) Pte Ltd. The registered capital of the New Subsidiary is S\$2, and its principal activities include the development and manufacturing of portable power equipment, tele-surveillance systems and communication electronics.

On 30 March 2016, the Company had on 30 March 2016 exercised an option granted by Acez Instruments (S) Pte Ltd to acquire the property located at 28D Penjuru Close, #01-07 Singapore 609132. The Company intends to use the Property for its engineering and optoelectronics businesses.

On 11 April 2016, the Company has received approval-in-principle in relation to the proposed transfer of the listing of the Company from the Main Board of the SGX-ST to the Catalist Board of the SGX-ST.

Update on Future Direction

Saved as disclosed, there are no material developments that may have a significant impact on the financial position of the Group.

The Board will update shareholders on material developments in due course and the Company will make further announcements as and when there are subsequent development hereafter.

BY ORDER OF THE BOARD

Sin Kwong Wah Andrew
Executive Chairman and CEO
13 April 2016