



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 30 November 2015.

Update on unaudited Financial Position as at 30 November 2015

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

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.

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

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.

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.

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.

Update on unaudited Financial Position as at 30 November 2015 (con't)

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.

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.

For more details on the consolidated financial statements of the Group for the quarter ended 30 November 2015, please refer to our separate announcement on the unaudited results released on 11 January 2016.

Update on Recent Developments

On 30 October 2015, the Company has submitted an application to the SGX-ST for an extension of a further twelve (12) months to apply for its removal from the Watch-List.

On 3 December 2015, the Company has received a notification from the SGX-ST that the Company will be granted a 12 month extension, till 3 December 2016, to meet the requirements to exit from the Watch-List which set out under Listing Rule 1314.

On 10 December 2015, the Company has entered into a sales and purchase agreement with Lee Wee Kiat, Gerald, in respect of the disposal by the Company of 255,000 ordinary shares in Inovuus Technologies Pte. Ltd. The consideration payable by the Purchaser for the Sale Shares is S\$28,000, payable in cash, in 24 monthly instalments. The Group's carrying amount of its cost of investment in Inovuus is zero as at 31 August 2015. Further to the completion of the Disposal, the Company has ceased to hold any Shares in Inovuus, and Inovuus has ceased to be an associated company of the Company.

On 14 December 2015, Miyoshi Investment (Yingtian) Co., Ltd. ("MIY"), an indirectly wholly-owned subsidiary of the Company incorporated in the People's Republic of China, has been dissolved on 11 December 2015. Following its dissolution, MIY ceases to be a subsidiary of the Company with effect from 11 December 2015.

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

11 January 2016