



Miyoshi Limited

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

Second Quarter Financial Year 2017 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 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Note	Group 3 months ended			Group 6 months ended		
		28-Feb-17 S\$'000	29-Feb-16 S\$'000	Change %	28-Feb-17 S\$'000	29-Feb-16 S\$'000	Change %
Revenue		11,696	13,256	(11.8)	24,419	25,092	(2.7)
Other income	(i)	547	704	(22.3)	1,392	1,475	(5.6)
Raw materials, consumables used and changes in inventories		(5,839)	(7,546)	(22.6)	(12,809)	(14,301)	(10.4)
Employee benefit expenses		(2,943)	(2,789)	5.5	(5,897)	(5,059)	16.6
Depreciation and amortisation expenses		(806)	(901)	(10.5)	(1,611)	(1,798)	(10.4)
Other operating expenses	(ii)	(2,134)	(2,259)	(5.5)	(4,327)	(4,471)	(3.2)
Finance costs		(130)	(106)	22.6	(270)	(206)	31.1
Profit before income tax		391	359	8.9	897	732	22.5
Income tax expense		(250)	(142)	76.1	(345)	(219)	57.5
Profit for the period	(iii)	141	217	(35.0)	552	513	7.6
Profit attributable to:							
Owners of the parent		172	374	(54.0)	497	800	(37.9)
Non-controlling interests		(31)	(157)	(80.3)	55	(287)	N.M.
Profit for the period		141	217	(35.0)	552	513	7.6
Other comprehensive income							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(730)	(557)	31.1	1,429	(478)	N.M.
Total comprehensive income for the period		(589)	(340)	73.2	1,981	35	N.M.
Total comprehensive income attributable to:							
Owners of the parent		(558)	(168)	N.M.	1,901	334	N.M.
Non-controlling interests		(31)	(172)	(82.0)	80	(299)	N.M.
		(589)	(340)	73.2	1,981	35	N.M.

N.M. denotes not meaningful

Notes:

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

OTHER INCOME	Group		Group	
	3 months ended		6 months ended	
	28-Feb-17 S\$'000	29-Feb-16 S\$'000	28-Feb-17 S\$'000	29-Feb-16 S\$'000
Income from sales of scrap	205	321	458	717
Rental income	215	203	428	375
Gain on foreign exchange, net	-	3	-	95
Reversal of impairment of plant and equipment	-	-	48	-
Interest income	10	36	21	49
Gain on disposal of interest in associate	-	28	-	28
Gain on disposal of plant and equipment	46	8	332	87
Miscellaneous income	71	105	105	124
	547	704	1,392	1,475

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

OTHER OPERATING EXPENSES	Group		Group	
	3 months ended		6 months ended	
	28-Feb-17 S\$'000	29-Feb-16 S\$'000	28-Feb-17 S\$'000	29-Feb-16 S\$'000
Supplies and services	1,044	876	2,047	1,856
Utilities	464	499	950	960
Transportation and travelling	211	217	409	439
Maintenance	153	144	319	298
Professional fees	168	114	286	231
Loss on foreign exchange, net	59	-	101	-
Others	35	409	215	687
	2,134	2,259	4,327	4,471

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-17 S\$'000	31-Aug-16 S\$'000	28-Feb-17 S\$'000	31-Aug-16 S\$'000
ASSETS				
Current assets:				
Cash and bank balances	10,855	12,559	1,501	5,638
Trade and other receivables	12,861	14,065	3,814	4,430
Prepayments	148	96	37	21
Inventories	5,700	5,203	7	70
Total current assets	29,564	31,923	5,359	10,159
Non-current assets:				
Subsidiaries	-	-	20,314	19,839
Available-for-sale financial assets	9,287	9,031	9,273	9,017
Property, plant and equipment	28,640	28,883	4,671	4,598
Investment properties	7,563	7,503	-	-
Deferred tax assets	3	3	-	-
Other receivables	253	320	253	320
Total non-current assets	45,746	45,740	34,511	33,774
Total assets	75,310	77,663	39,870	43,933
LIABILITIES AND EQUITY				
Current liabilities:				
Trade & other payables	7,971	8,476	2,661	3,422
Current income tax payable	74	32	-	-
Bank loans	5,479	6,241	1,887	1,892
Total current liabilities	13,524	14,749	4,548	5,314
Non-current liabilities:				
Bank loans	4,073	5,009	1,374	2,276
Other loan	-	-	684	781
Other payable	667	824	-	-
Provisions	476	463	-	-
Deferred tax liabilities	409	427	-	-
Total non-current liabilities	5,625	6,723	2,058	3,057
Total liabilities	19,149	21,472	6,606	8,371
Equity:				
Share capital	39,309	39,309	39,309	39,309
Treasury shares	(200)	-	(200)	-
Revaluation reserve	666	666	-	-
Fair value reserve	(12)	(12)	-	-
Other reserve	823	823	-	-
Share options reserve	-	217	-	217
Currency translation reserve	(10,110)	(11,514)	(10,318)	(11,388)
Retained earnings	23,094	24,191	4,473	7,424
Equity attributable to owners of the parent	53,570	53,680	33,264	35,562
Non-controlling interests	2,591	2,511	-	-
Total equity	56,161	56,191	33,264	35,562
Total liabilities and equity	75,310	77,663	39,870	43,933

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 2017 SS\$'000		As At 31 August 2016 SS\$'000	
Secured	Unsecured	Secured	Unsecured
4,805	674	5,566	675

Amount repayable after one year

As At 28 February 2017 SS\$'000		As At 31 August 2016 SS\$'000	
Secured	Unsecured	Secured	Unsecured
3,229	844	3,856	1,153

Detail of collaterals

The Group's secured borrowings comprise bank loans of the Company and its subsidiaries, Miyoshi Precision Huizhou Co., Ltd ("MPH"), Wuxi Miyoshi Precision Co., Ltd ("WMP"), Miyoshi Precision (Malaysia) Sdn Bhd ("MPM") and Miyoshi Technologies Phils, Inc. ("MTP"). 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 28 February 2017 were \$4,805,000 and \$3,229,000 (31 August 2016: \$5,566,000 and \$3,856,000).

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-17 S\$'000	29-Feb-16 S\$'000	28-Feb-17 S\$'000	29-Feb-16 S\$'000
Operating activities:				
Profit before income tax	391	359	897	732
Adjustments for:				
Depreciation and amortisation expenses	806	901	1,611	1,798
Interest expense	130	106	270	206
Interest income	(10)	(36)	(21)	(49)
Gain on disposal of plant and equipment	(46)	(8)	(332)	(87)
Gain on disposal of interest in associate	-	(28)	-	(28)
Allowance for inventory obsolescence	-	14	-	14
Reversal of impairment loss on plant and equipment	-	-	(48)	-
Unrealised exchange differences	48	16	176	(39)
Operating cash flows before movements in working capital	1,319	1,324	2,553	2,547
Trade and other receivables	2,021	(1,086)	1,455	727
Inventories	36	656	(401)	(733)
Trade and other payables	(1,206)	(874)	(1,101)	(1,333)
Cash generated from operations	2,170	20	2,506	1,208
Interest paid	(130)	(106)	(270)	(206)
Interest received	10	36	21	49
Income tax paid	(213)	(48)	(276)	(102)
Net cash from / (used in) operating activities	1,837	(98)	1,981	949
Investing activities:				
Proceeds from disposal of associate	-	28	-	28
Proceeds from disposal of plant and equipment	46	8	358	92
Addition of Intangible assets	-	(62)	-	(279)
Purchase of plant and equipment	(455)	(448)	(798)	(1,627)
Net cash used in investing activities	(409)	(474)	(440)	(1,786)
Financing activities:				
Purchase of treasury shares	(200)	-	(200)	-
Dividend payments	(1,811)	-	(1,811)	-
Repayment of bank loans	(1,065)	(774)	(1,923)	(1,074)
Net cash used in financing activities	(3,076)	(774)	(3,934)	(1,074)
Decrease in cash and cash equivalents	(1,648)	(1,346)	(2,393)	(1,911)
Effect of exchange rate changes on cash and cash equivalents	(15)	(34)	695	(26)
Cash and cash equivalents at beginning of period	12,387	6,122	12,422	6,679
Cash and cash equivalents at end of period	10,724	4,742	10,724	4,742
Cash and bank balances	10,855	4,876	10,855	4,876
Restricted cash	(131)	(134)	(131)	(134)
Cash and cash equivalents at end of period	10,724	4,742	10,724	4,742

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 PERIOD ENDED 28 FEBRUARY 2017	Share Capital	Treasury Shares	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
GROUP	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 September 2016	39,309	-	666	(12)	823	217	(11,514)	24,191	53,680	2,511	56,191
Profit for the period	-	-	-	-	-	-	-	325	325	86	411
Other comprehensive income for the period											
Foreign currency translation	-	-	-	-	-	-	2,134	-	2,134	25	2,159
Total comprehensive income for the period	-	-	-	-	-	-	2,134	325	2,459	111	2,570
Contributions by and distributions to owners											
Dividends	-	-	-	-	-	-	-	(1,811)	(1,811)	-	(1,811)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	(1,811)	(1,811)	-	(1,811)
Balance at 30 November 2016	39,309	-	666	(12)	823	217	(9,380)	22,705	54,328	2,622	56,950
Profit / (loss) for the period	-	-	-	-	-	-	-	172	172	(31)	141
Other comprehensive income for the period											
Foreign currency translation	-	-	-	-	-	-	(730)	-	(730)	-	(730)
Total comprehensive income for the period	-	-	-	-	-	-	(730)	172	(558)	(31)	(589)
Transactions with owners of the parent recognised directly in equity											
Share options lapsed	-	-	-	-	-	(217)	-	217	-	-	-
Total transactions with owners of the parent recognised directly in equity	-	-	-	-	-	(217)	-	217	-	-	-
Contributions by and distributions to owners											
Purchase of treasury shares	-	(200)	-	-	-	-	-	-	(200)	-	(200)
Total contributions by and distributions to owners	-	(200)	-	-	-	-	-	-	(200)	-	(200)
Balance at 28 February 2017	39,309	(200)	666	(12)	823	-	(10,110)	23,094	53,570	2,591	56,161

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 PERIOD ENDED 29 FEBRUARY 2016	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
GROUP	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 September 2015	39,309	687	(12)	727	220	(9,311)	23,211	54,831	3,252	58,083
Profit / (loss) 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
Profit / (loss) for the period	-	-	-	-	-	-	374	374	(157)	217
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	(542)	-	(542)	(15)	(557)
Total comprehensive income for the period	-	-	-	-	-	(542)	374	(168)	(172)	(340)
Balance at 29 February 2016	39,309	687	(12)	727	220	(9,777)	24,011	55,165	2,953	58,118

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.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2017	Share Capital	Treasury Shares	Share Options Reserve	Currency Translation Reserve	Retained Earnings	Total Equity
COMPANY	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 September 2016	39,309	-	217	(11,388)	7,424	35,562
Loss for the period	-	-	-	-	(901)	(901)
Other comprehensive income for the period						
Foreign currency translation	-	-	-	1,573	-	1,573
Total comprehensive income for the period	-	-	-	1,573	(901)	672
Contributions by and distributions to owners						
Dividends	-	-	-	-	(1,811)	(1,811)
Total contributions by and distributions to owners	-	-	-	-	(1,811)	(1,811)
Balance at 30 November 2016	39,309	-	217	(9,815)	4,712	34,423
Loss for the period	-	-	-	-	(239)	(239)
Other comprehensive income for the period						
Foreign currency translation	-	-	-	(503)	-	(503)
Total comprehensive income for the period	-	-	-	(503)	(239)	(742)
Transactions with owners of the parent recognised directly in equity						
Share options lapsed	-	-	(217)	-	-	(217)
Total transactions with owners of the parent recognised directly in equity	-	-	(217)	-	-	(217)
Contributions by and distributions to owners						
Purchase of treasury shares	-	(200)	-	-	-	(200)
Total contributions by and distributions to owners	-	(200)	-	-	-	(200)
Balance at 28 February 2017	39,309	(200)	-	(10,318)	4,473	33,264

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.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 29 FEBRUARY 2016	Share Capital	Share Options Reserve	Currency Translation Reserve	Retained Earnings	Total Equity
COMPANY	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 September 2015	39,309	220	(10,251)	4,755	34,033
Loss for the period	-	-	-	(56)	(56)
Other comprehensive income for the period					
Foreign currency translation	-	-	84	-	84
Total comprehensive income for the period	-	-	84	(56)	28
Balance at 30 November 2015	39,309	220	(10,167)	4,699	34,061
Loss for the period	-	-	-	(430)	(430)
Other comprehensive income for the period					
Foreign currency translation	-	-	(120)	-	(120)
Total comprehensive income for the period	-	-	(120)	(430)	(550)
Balance at 29 February 2016	39,309	220	(10,287)	4,269	33,511

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

On 16 February 2017, the Company purchased 3,640,000 of its ordinary shares by way of on-market purchases. Accordingly, the Company held 3,640,000 treasury shares as at 28 February 2017 (29 February 2016: Nil). There was no subsidiary holdings as at 28 February 2017 (29 February 2016: Nil). The percentage of the aggregate number of treasury shares held against the total number of shares outstanding in a class that is listed as at 28 February 2017 is 0.8% (29 February 2016: Nil).

Save for the above, there were no changes in the Company's share capital arising from rights issue, bonus issue, 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 30 November 2016.

For the quarter ended 28 February 2017, 1,044,000 share options were cancelled (29 February 2016: Nil). The number of ordinary shares that may be issued upon exercise of all share options outstanding as at 28 February 2017 was Nil (29 February 2016: 1,070,000).

The total number of issued shares excluding treasury shares of the Company as at 28 February 2017 was 449,029,490 (29 February 2016: 452,669,490).

- 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.**

Company	As At 28 February 2017	As At 31 August 2016
Total number of issued shares	452,669,490	452,669,490
Less: Treasury shares	(3,640,000)	-
Total number of issued shares excluding treasury shares	449,029,490	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.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no subsidiary holdings 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.

Saved as disclosed in paragraph 5, 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 period ended 31 August 2016.

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.

The Group has adopted all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 September 2016. The adoption of these new and revised FRS and INT FRS, did not result in any substantial changes of the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

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-17	29-Feb-16	28-Feb-17	29-Feb-16
	Cents	Cents	Cents	Cents
Based on weighted average /actual number of ordinary shares in issue	0.04	0.08	0.11	0.18
On a fully diluted basis	0.04	0.08	0.11	0.18
Weighted average number of ordinary share in issue for basic and diluted earnings per share	452,143,712	452,669,490	452,408,054	452,669,490

Earnings per ordinary share is calculated on the Group profit for the financial periods attributable to owners of the parent divided by the weighted average number of ordinary share for 2Q2017 is 452,143,712 (2Q2016: 452,669,490) and for 6 months ended 28 February 2017 is 452,408,054 (29 February 2016: 452,669,490).

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 2017. The Company has only one type of potential dilutive shares which are the share options granted under its share option schemes. As at 28 February 2017, the share options of 1,044,000 were cancelled.

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 28 February 2017	11.93 cents	7.41 cents
As at 31 August 2016	11.86 cents	7.86 cents

Net asset value per share is calculated based on share capital of 449,029,490 and 452,669,490 ordinary shares in issue, excluding treasury shares, as at 28 February 2017 and 31 August 2016 respectively.

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

2Q2017

The Group recorded a 11.8% decrease in revenue from \$13.3 million in 2Q2016 to \$11.7 million in 2Q2017. The decrease was mainly due to fewer orders from consumer electronics customers.

1H2017

The Group recorded a 2.7% decrease in revenue from \$25.1 million in 1H2016 to \$24.4 million in 1H2017. The decrease was mainly due to fewer orders from consumer electronics customers.

B. Other Income

2Q2017

Other income decreased by \$0.2 million from \$0.7 million in 2Q2016 to \$0.5 million in 2Q2017. The decrease was mainly due to lower income from sales of scrap of \$0.1 million.

1HQ2017

Other income decreased by \$0.1 million from \$1.5 million in 1H2016 to \$1.4 million in 1H2017. The decrease was mainly due to lower income from sales of scrap of \$0.3 million, offset by an increase in gain on disposal of plant and equipment of \$0.2 million.

C. Total Costs and Expenses

2Q2017

Total costs and expenses decreased by \$1.7 million from \$13.6 million in 2Q2016 to \$11.9 million in 2Q2017, in line with the decrease in revenue. The decrease was mainly due to decrease in raw materials and consumables used of \$1.7 million.

1H2017

Total costs and expenses decreased by \$0.9 million from \$25.8 million in 1H2016 to \$24.9 million in 1H2017, in line with the decrease in revenue. The decrease was mainly due to decrease in raw materials and consumables used of \$1.5 million, other operating expenses of \$0.1 million and depreciation and amortisation expenses of \$0.2 million, offset by an increase in employee benefit expenses of \$0.8 million. The decrease in raw materials and consumables used and increase in employee benefit expenses are mainly due to changes in product mix which required a lower component of raw materials and a higher component of labour in the production process.

D. Profit After Income Tax

2Q2017

Profit after income tax decreased slightly by \$0.1 million from \$0.2 million in 2Q2016 to \$0.1 million in 2Q2017.

1H2017

Profit after income tax increased slightly by \$0.1 million from \$0.5 million in 1H2016 to \$0.6 million in 1H2017.

E. Assets and Liabilities

Current assets decreased by \$2.3 million from \$31.9 million as at 31 August 2016 to \$29.6 million as at 28 February 2017. This was mainly due to decrease in cash and bank balances of \$1.7 million and trade and other receivables of \$1.2 million due to faster collections, offset by an increase in inventories of \$0.5 million.

Current liabilities decreased by \$1.2 million from \$14.7 million as at 31 August 2016 to \$13.5 million as at 28 February 2017. This was due to decreases in bank loans of \$0.8 million and trade and other payables of \$0.5 million.

Non-current assets remained unchanged at \$45.7 million as at 31 August 2016 and 28 February 2017.

Non-current liabilities decreased by \$1.1 million from \$6.7 million as at 31 August 2016 to \$5.6 million as at 28 February 2017, mainly due to repayment of bank loans.

F. Equity

Equity attributable to owners of the parent decreased by \$0.1 million from \$53.7 million as at 31 August 2016 to \$53.6 million as at 28 February 2017. The profit attributable to owners of the parent of \$0.5 million and exchange translation of foreign operations of \$1.4 million due to stronger USD and RMB against the SGD, and were offset by dividends paid of \$1.8 million in 2Q2017.

G. Cash Flows

Cash and cash equivalents decreased by \$1.7 million from \$12.4 million as at 31 August 2016 to \$10.7 million as at 28 February 2017. Cash and cash equivalents comprised of cash and bank balances, fixed deposits and excluding restricted cash.

Net cash from operating activities for 1H2017 amounted to \$2.0 million. The cash from operations of \$2.6 million before movements in working capital were reduced by lower trade and other payables of \$1.1 million, higher inventories of S\$0.4 million, interest paid of \$0.3 million and income tax paid of \$0.3 million, offset by lower trade and other receivables of \$1.5 million.

Net cash used in investing activities for 1H2017 amounted to \$0.4 million. This is mainly due to capital expenditure of \$0.8 million, partially offset by proceeds from disposal of plant and equipment of \$0.4 million.

Net cash used in financing activities for 1H2017 amounted to \$3.9 million mainly due to repayment of bank loans of \$1.9 million, dividend payments of \$1.8 million and purchased of treasury shares of \$0.2 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 or prospect statement had been previously disclosed to shareholders 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.

The global economic environment continues to present challenges as the Group faced business headwinds.

Against this backdrop, the focus of the Group will be to develop new customers, streamline costs and improve capacity utilisation for the Group's operations. Going forward, the Group hopes to benefit from enhanced operational efficiencies and margin improvements.

Revenue from data storage and consumer electronics are expected to be sluggish. The investment properties of the Group, comprising of industrial properties in the Philippines and Malaysia, will continue to provide a recurrent income stream.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No

(b) (i) Amount per share (cents)

Not applicable

(b) (ii) Previous corresponding period (cents)

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) Date payable

Not applicable

(e) 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. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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 interest 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 Pek Ee Perh, Thomas, being two directors of Miyoshi Limited (the "Company"), do hereby confirm on behalf of the directors of the Company (the "Board") that, to the best of their knowledge, nothing has come to the attention of the Board, which may render the financial statements for the second quarter ended 28 February 2017 to be false or misleading in any material aspect.

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 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules, such format as revised by the SGX-ST on 21 January 2016.

On Behalf of the Board,

Sin Kwong Wah, Andrew
Executive Director and CEO
 07 April 2017

Pek Ee Perh, Thomas
Director

This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore branch ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this document.

The document has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Ken Lee, Associate Director, Investment Banking. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.