

Miyoshi Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 198703979K)

Third Quarter Financial Year 2020 Financial Statements And Dividend Announcement

The Singapore Exchange Regulation ("SGX RegCo") had on 9 January 2020 announced the removal of the market capitalisation threshold for quarterly reporting ("QR") of financial statements, and instead take a risk-based approach. The SGX RegCo will require QR for Companies whose auditors have issued a qualified opinion, disclaimer of opinion or adverse opinion and companies that have a material uncertainty relating to going concern as highlighted by their auditors, both based on their latest financial statements.

Under the amendments to the Catalist Rules, Miyoshi Limited was notified by the Singapore Exchange Securities Trading Limited that the Company will be required to continue to do QR with effect from 7 February 2020 in view of the modified opinion issued by the statutory auditor of the Company in the latest annual report for the financial year ended 31 August 2019 ("FY2019").

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.

Consolidated Statement of Comprehensive Income For the third quarter ended 31 May 2020

		Group Quarter			Group 9 Months		
	Note	May-20 \$'000	May-19 \$'000	Change %	May-20 \$'000	May-19 \$'000	Change %
Revenue	(i)	7,912	12,193	(35.1)	35,766	39,515	(9.5)
Other income	(ii)	78	20	290.0	159	4,052	(96.1)
Raw materials, consumables used & changes in inventories		(4,230)	(5,677)	(25.5)	(20,085)	(19,839)	1.2
Employee benefit expenses		(2,050)	(2,991)	(31.5)	(7,478)	(8,466)	(11.7)
Depreciation and amortisation expenses		(752)	(837)	(10.2)	(2,312)	(2,424)	(4.6)
Other operating expenses	(iii)	(4,638)	(2,638)	75.8	(9,285)	(7,494)	23.9
Finance costs		(89)	(93)	(4.3)	(277)	(309)	(10.4)
Share of results of associate		(407)	(111)	266.7	(1,442)	(419)	244.2
(Loss)/Profit before income tax		(4,176)	(134)	N.M.	(4,954)	4,616	N.M.
Income tax expense		(4)	(91)	(95.6)	(225)	(326)	(31.0)
(Loss)/Profit for the period		(4,180)	(225)	N.M.	(5,179)	4,290	N.M.
(Loss)/Profit attributable to:							
Owners of the parent		(4,158)	148	N.M.	(5,196)	4,716	N.M.
Non-controlling interests		(22)	(373)	(94.1)	17	(426)	N.M.
(Loss)/Profit for the period		(4,180)	(225)	N.M.	(5,179)	4,290	N.M.
Other comprehensive income							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		377	1,087	(65.3)	1,099	856	28.4
Total comprehensive income for the period		(3,803)	862	N.M.	(4,080)	5,146	N.M.
Total comprehensive income attributable to:							
Owners of the parent		(3,798)	1,205	N.M.	(4,113)	5,495	N.M.
Non-controlling interests		(5)	(343)	(98.5)	33	(349)	N.M.
		(3,803)	862	N.M.	(4,080)	5,146	N.M.

N.M. denotes not meaningful

*Throughout this report, all figures are in Singapore Dollars and Singapore Cents, unless otherwise stated.

Notes:**1(a)(i) Revenue**

	Group Quarter		Group 9 Months	
	May-20	May-19	May-20	May-19
	\$'000	\$'000	\$'000	\$'000
Sales of goods	7,306	11,511	33,483	37,245
Sales of scrap	259	320	1,252	1,293
Rental income	347	362	1,031	977
	7,912	12,193	35,766	39,515

1(a)(ii) Other income

	Group Quarter		Group 9 Months	
	May-20	May-19	May-20	May-19
	\$'000	\$'000	\$'000	\$'000
Gain on disposal of asset held for sale	-	-	-	3,888
Miscellaneous income	61	14	110	148
Gain on disposal of plant and equipment	-	-	27	1
Interest income	17	6	22	15
	78	20	159	4,052

1(a)(iii) Other operating expenses

	Group Quarter		Group 9 Months	
	May-20	May-19	May-20	May-19
	\$'000	\$'000	\$'000	\$'000
Supplies and services	771	1,321	3,016	3,582
Property, plant and equipment written off	2,912	-	2,912	-
Utilities	324	461	1,239	1,370
Transportation and travelling	103	235	540	623
Office and sundry expenses	135	109	440	398
Professional fees	100	129	396	439
Repair and maintenance	108	104	348	281
Others	134	131	339	434
Allowance for doubtful trade receivables	-	200	62	291
Allowance for doubtful other receivables	86	-	86	-
Reversal of impairment loss on plant and equipment	-	-	-	(10)
(Gain) / loss on foreign exchange, net	(35)	(52)	(93)	86
	4,638	2,638	9,285	7,494

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 As At		Company As At	
	31-May-20 \$'000	31-Aug-19 \$'000	31-May-20 \$'000	31-Aug-19 \$'000
ASSETS				
Current assets:				
Cash and bank balances	4,895	2,991	662	299
Fixed deposits	149	148	-	-
Trade and other receivables	8,331	13,867	1,445	2,545
Prepayments	369	185	9	32
Inventories	6,882	6,776	5	1
Total current assets	20,626	23,967	2,121	2,877
Non-current assets:				
Subsidiaries	-	-	30,367	29,741
Associate	17,198	18,640	20,985	20,433
Property, plant and equipment	31,353	34,543	2,719	2,810
Right-of-use asset	216	-	216	-
Investment properties	7,186	6,933	-	-
Intangible assets	40	39	-	-
Deferred tax assets	52	51	-	-
Other receivables	49	60	20	12
Total non-current assets	56,094	60,266	54,307	52,996
Total assets	76,720	84,233	56,428	55,873
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	8,075	11,097	4,934	4,327
Current income tax payable	-	112	-	-
Finance lease	29	29	29	29
Bank borrowings	4,673	6,145	281	782
Lease liability	91	-	91	-
Total current liabilities	12,868	17,383	5,335	5,138
Non-current liabilities:				
Finance lease	39	60	39	60
Bank borrowings	2,967	2,105	1,000	187
Lease liability	128	-	128	-
Other payable	-	-	3,425	3,180
Provisions	913	829	-	-
Deferred tax liabilities	351	332	-	-
Total non-current liabilities	4,398	3,326	4,592	3,427
Total liabilities	17,266	20,709	9,927	8,565
Equity:				
Share capital	49,079	49,079	49,079	49,079
Treasury shares	(253)	(253)	(253)	(253)
Revaluation reserve	666	666	-	-
Other reserve	880	851	-	-
Share awards reserve	34	24	34	24
Currency translation reserve	(9,576)	(10,655)	(9,792)	(11,029)
Retained earnings	16,697	21,918	7,433	9,487
Equity attributable to owners of the parent	57,527	61,630	46,501	47,308
Non-controlling interests	1,927	1,894	-	-
Total equity	59,454	63,524	46,501	47,308
Total liabilities and equity	76,720	84,233	56,428	55,873

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

As at 31 May 2020 \$'000		As at 31 August 2019 \$'000	
Secured	Unsecured	Secured	Unsecured
4,702	-	6,174	-

Amount repayable after one year

As at 31 May 2020 \$'000		As at 31 August 2019 \$'000	
Secured	Unsecured	Secured	Unsecured
2,006	1,000	2,165	-

Detail of collaterals**Bank borrowings**

The Group's secured borrowings comprise bank borrowings 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 borrowings 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 borrowings to MPM. The current and non-current balances of the secured bank borrowings as at 31 May 2020 were \$4,673,000 and \$1,967,000 (31 August 2019: \$5,730,000 and \$2,105,000). Included in the current balances of the secured bank borrowings as at 31 May 2020 was a bank overdraft of \$Nil (31 August 2019: \$415,000).

Finance Lease

The finance lease is secured against a motor vehicle of the Company. The current and non-current balances of the finance lease as at 31 May 2020 were \$29,000 and \$39,000 (31 August 2019: \$29,000 and \$60,000). The net book value of the motor vehicle under this finance lease as at 31 May 2020 was \$113,000 (31 August 2019: \$147,000).

The Group's unsecured borrowing comprises of a temporary bridging loan from United Overseas Bank Limited to the Company. The temporary bridging loan is a government assisted financing scheme as announced during the Singapore budget 2020 on 6 April 2020. The unsecured borrowing is repayable on monthly instalment in year two from date of the disbursement of loan.

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 Quarter		Group 9 Months	
	May-20 \$'000	May-19 \$'000	May-20 \$'000	May-19 \$'000
Operating activities:				
(Loss) / profit before income tax	(4,176)	(134)	(4,954)	4,616
Adjustments for:				
Allowance for doubtful trade receivables	-	200	62	291
Allowance for doubtful other receivables	86	-	86	-
Depreciation and amortisation expenses	752	837	2,312	2,424
Interest expense	89	93	277	309
Interest income	(17)	(6)	(22)	(15)
Gain on disposal of asset held for sale	-	-	-	(3,888)
Gain on disposal of plant and equipment	-	-	(27)	(1)
Property, plant and equipment written off	2,912	-	2,912	-
Allowance for inventory obsolescence	265	31	271	22
Reversal of impairment loss on plant and equipment	-	-	-	(10)
Share awards expenses	3	10	10	122
Share of results of associate	407	111	1,442	419
Unrealised exchange differences	(9)	(50)	(162)	86
Operating cash flows before changes in working capital	312	1,092	2,207	4,375
Trade and other receivables	5,726	608	6,036	24
Prepayments	162	49	(187)	5
Inventories	(57)	(1,323)	(218)	(2,541)
Trade and other payables	(4,448)	708	(3,594)	672
Cash generated from operations	1,695	1,134	4,244	2,535
Interest paid	(89)	(93)	(277)	(309)
Interest received	17	6	22	15
Income tax paid	(39)	(124)	(359)	(376)
Net cash from operating activities	1,584	923	3,630	1,865
Investing activities:				
Investment in associate	-	(302)	-	(2,900)
Proceeds from disposal of asset held for sale	-	-	-	5,929
Proceeds from disposal of plant and equipment	-	-	53	9
Purchase of plant and equipment	(301)	(1,483)	(1,085)	(4,885)
Net cash used in investing activities	(301)	(1,785)	(1,032)	(1,847)
Financing activities:				
Proceeds from bank borrowings	1,990	1,791	2,787	4,346
Purchase of treasury shares	-	-	-	(153)
Dividend payments	-	-	-	(1,211)
Dividends paid to non-controlling interests	-	-	-	(64)
Repayment of bank borrowings	(1,157)	(1,637)	(2,982)	(4,221)
Repayment of finance leases	(7)	(7)	(22)	(22)
Repayment of obligation under lease	(22)	-	(67)	-
Net cash from / (used in) financing activities	804	147	(284)	(1,325)
Increase / (decrease) in cash and cash equivalents	2,087	(715)	2,314	(1,307)
Effect of exchange rate changes on cash and cash equivalents	101	325	2	427
Cash and cash equivalents at beginning of period	2,707	3,135	2,579	3,625
Cash and cash equivalents at end of period	4,895	2,745	4,895	2,745
Cash and bank balances	5,044	2,938	5,044	2,938
Bank overdraft	-	(47)	-	(47)
Restricted cash	(149)	(146)	(149)	(146)
Cash and cash equivalents at end of period	4,895	2,745	4,895	2,745

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	Share Capital	Treasury Shares	Revaluation Reserve	Other Reserve	Share Awards Reserve	Currency Translation Reserve	Retained Earnings	Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Equity
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 September 2019	49,079	(253)	666	851	24	(10,655)	21,918	61,630	1,894	63,524
(Loss) / profit for the period	-	-	-	-	-	-	(1,038)	(1,038)	39	(999)
Other comprehensive income for the period										
Foreign currency translation	-	-	-	4	-	719	-	723	(1)	722
Total comprehensive income for the period	-	-	-	4	-	719	(1,038)	(315)	38	(277)
Transactions with owners of the parent recognised directly in equity										
Share-based payments	-	-	-	-	6	-	-	6	-	6
Total transactions with owners of the parent recognised directly in equity	-	-	-	-	6	-	-	6	-	6
Balance at 29 February 2020	49,079	(253)	666	855	30	(9,936)	20,880	61,321	1,932	63,253
Loss for the period	-	-	-	-	-	-	(4,158)	(4,158)	(22)	(4,180)
Other comprehensive income for the period										
Foreign currency translation	-	-	-	-	-	360	-	360	17	377
Total comprehensive income for the period	-	-	-	-	-	360	(4,158)	(3,798)	(5)	(3,803)
Transactions with owners of the parent recognised directly in equity										
Statutory reserve by a subsidiary	-	-	-	25	-	-	(25)	-	-	-
Share-based payments	-	-	-	-	4	-	-	4	-	4
Total transactions with owners of the parent recognised directly in equity	-	-	-	25	4	-	(25)	4	-	4
Balance at 31 May 2020	49,079	(253)	666	880	34	(9,576)	16,697	57,527	1,927	59,454

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	Share Capital	Treasury Share Reserve	Revaluation Reserve	Other Reserve	Share Awards Reserve	Currency Translation Reserve	Retained Earnings	Equity Attributable to Owners of the Parent	Non-Controlling Interests	Total Equity
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 September 2018	49,079	(203)	666	1,073	6	(10,851)	24,055	63,825	2,008	65,833
Profit / (loss) for the period	-	-	-	-	-	-	4,568	4,568	(53)	4,515
Other comprehensive income for the period										
Foreign currency translation	-	-	-	-	-	(278)	-	(278)	47	(231)
Total comprehensive income for the period	-	-	-	-	-	(278)	4,568	4,290	(6)	4,284
Transactions with owners of the parent recognised directly in equity										
Share-based payments	-	-	-	-	111	-	-	111	-	111
Total transactions with owners of the parent recognised directly in equity	-	-	-	-	111	-	-	111	-	111
Contribution by and distribution to owners										
Dividends	-	-	-	-	-	-	(1,211)	(1,211)	-	(1,211)
Purchase of treasury shares	-	(153)	-	-	-	-	-	(153)	-	(153)
Total contribution by and distribution to owners	-	(153)	-	-	-	-	(1,211)	(1,364)	-	(1,364)
Transactions with non-controlling interests										
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(63)	(63)
Total transactions with non-controlling interests	-	-	-	-	-	-	-	-	(63)	(63)
Balance at 28 February 2019	49,079	(356)	666	1,073	117	(11,129)	27,412	66,862	1,939	68,801
Profit / (loss) for the period	-	-	-	-	-	-	148	148	(373)	(225)
Other comprehensive income for the period										
Foreign currency translation	-	-	-	-	-	1,057	-	1,057	30	1,087
Total comprehensive income for the period	-	-	-	-	-	1,057	148	1,205	(343)	862
Transactions with owners of the parent recognised directly in equity										
Share-based payments	-	103	-	-	(98)	-	-	5	-	5
Total transactions with owners of the parent recognised directly in equity	-	103	-	-	(98)	-	-	5	-	5
Balance at 31 May 2019	49,079	(253)	666	1,073	19	(10,072)	27,560	68,072	1,596	69,668

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

Company	Share Capital	Treasury Shares	Share Awards Reserve	Currency Translation Reserve	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 September 2019	49,079	(253)	24	(11,029)	9,487	47,308
Loss for the period	-	-	-	-	(1,647)	(1,647)
Other comprehensive income for the period						
Foreign currency translation	-	-	-	586	-	586
Total comprehensive income for the period	-	-	-	586	(1,647)	(1,061)
Transactions with owners of the parent recognised directly in equity						
Share-based payments	-	-	6	-	-	6
Total transactions with owners of the parent recognised directly in equity	-	-	6	-	-	6
Balance at 29 Feb 2020	49,079	(253)	30	(10,443)	7,840	46,253
Loss for the period	-	-	-	-	(407)	(407)
Other comprehensive income for the period						
Foreign currency translation	-	-	-	651	-	651
Total comprehensive income for the period	-	-	-	651	(407)	244
Transactions with owners of the parent recognised directly in equity						
Share-based payments	-	-	4	-	-	4
Total transactions with owners of the parent recognised directly in equity	-	-	4	-	-	4
Balance at 31 May 2020	49,079	(253)	34	(9,792)	7,433	46,501

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	Share Capital	Treasury Shares	Share Awards Reserve	Currency Translation Reserve	Retained Earnings	Total Equity
Company	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 September 2018 (Restated)	49,079	(203)	6	(11,192)	13,369	51,059
Profit for the period	-	-	-	-	3,096	3,096
Other comprehensive income for the period						
Foreign currency translation	-	-	-	(692)	-	(692)
Total comprehensive income for the period	-	-	-	(692)	3,096	2,404
Transactions with owners of the parent recognised directly in equity						
Share-based payments	-	-	111	-	-	111
Total transactions with owners of the parent recognised directly in equity	-	-	111	-	-	111
Contributions by and distribution to owners						
Dividends	-	-	-	-	(1,211)	(1,211)
Purchase of treasury shares	-	(153)	-	-	-	(153)
Total contribution to owners	-	(153)	-	-	(1,211)	(1,364)
Balance at 28 February 2019 (Restated)	49,079	(356)	117	(11,884)	15,254	52,210
Loss for the period	-	-	-	-	(641)	(641)
Other comprehensive income for the period						
Foreign currency translation	-	-	-	860	-	860
Total comprehensive income for the period	-	-	-	860	(641)	219
Transactions with owners of the parent recognised directly in equity						
Share-based payments	-	103	(98)	-	-	5
Total transactions with owners of the parent recognised directly in equity	-	103	(98)	-	-	5
Balance at 31 May 2019 (Restated)	49,079	(253)	19	(11,024)	14,613	52,434

- 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.**

There were no 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 29 February 2020 to 31 May 2020.

There were no outstanding share options or convertibles as at 31 May 2020 and 31 May 2019.

As at 31 May 2020, the Company did not have any subsidiary holdings and held 5,065,900 treasury shares which represented approximately 0.8% of the total issued shares (excluding treasury shares and subsidiary holdings) comprising 607,603,590 shares. As at 31 May 2019, the Company did not have any subsidiary holdings and held 5,065,900 treasury shares which represented approximately 0.8% of the total issued shares (excluding treasury shares and subsidiary holdings) comprising 607,603,590 shares.

- 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 31 May 2020	As at 31 August 2019
Total number of issued shares	612,669,490	612,669,490
Less: Treasury shares	(5,065,900)	(5,065,900)
Total number of issued shares excluding treasury shares	607,603,590	607,603,590

- 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 sale, transfer, cancellation and/or use of treasury shares as 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.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

As disclosed in the Company's annual report for FY2019, the Group's independent auditors, BDO LLP (the "Auditors"), have included a qualified opinion on the financial statements of the Group for FY2019 which arose mainly in connection with the accounting and audit issues of Group's and Company's investment in Core Power (Fujian) New Energy Automobile Co., Ltd ("Core Power"), a foreign associate.

Outstanding audit issues of Core Power

As at date of this announcement, the management of the Company has had numerous discussions via telephone with Core Power on the outstanding audit issues. However, the Company is still not able to resolve the issues due to current travel restrictions. The Company will continue to follow up and look for alternative solutions in resolving the issues, and to consider the potential risks and implications while taking into account the best interests of the Group and the shareholders.

The Board confirms that the impact of the outstanding audit issues on the financial statements have been adequately disclosed.

- 4. Whether the same accounting policies and 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 2019.

- 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 SFRS(I) 16 Leases with effect from this current financial period beginning on 1 September 2019 using the modified retrospective method in accordance with the transitional provisions, where comparative amounts for the year prior to first adoption will not be restated. Under SFRS(I) 16, the Group is required to recognise on the balance sheet a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group is also required to separately recognise the interest expense on the lease liability and depreciation expense on the right-of-use asset.

The adoption has resulted in increases in total assets and total liabilities. Prior to adoption for SFRS(I) 16, lease payments relating to rental expense were recognised as other operating expenses. Subsequent to the adoption, such lease payments were represented on the income statement as interest expense on lease liabilities as part of finance expense and depreciation on the right-of-use asset as part of depreciation expense.

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.

	Quarter ended		9 months ended	
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
	Cents	Cents	Cents	Cents
Based on weighted average number of ordinary shares in issue	(0.68)	0.02	(0.86)	0.78
On a fully diluted basis	(0.68)	0.02	(0.86)	0.78
Weighted average number of ordinary share in issue for basic earnings per share	607,603,590	607,603,590	607,603,590	607,669,599
Weighted average number of ordinary share in issue for diluted earnings per share	608,817,290	608,817,290	608,817,290	608,410,002

Earnings/(Loss) per ordinary share is calculated based on the Group's profit/(loss) for the financial periods attributable to owners of the parent divided by the weighted average number of ordinary shares for 3Q2020 of 607,603,590 (3Q2019: 607,603,590) and for 9M2020 of 607,603,590 (9M2019: 607,669,599).

Earnings/(Loss) per ordinary share (diluted basis) is calculated based on the Group's profit/(loss) for the financial periods attributable to owners of the parent divided by the weighted average number of ordinary shares and adjusted to include all dilutive ordinary shares up to 31 May 2020. The adjusted weighted average number of ordinary shares for 3Q2020 is 608,817,290 (3Q2019: 608,817,290) and for 9M2020 of 608,817,290 (9M2019: 608,410,002).

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the shares conversion would be to decrease the loss per share.

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.

Net asset value ("NAV")	Group	Company
NAV per share as at 31 May 2020	9.47 cents	7.65 cents
NAV per share as at 31 August 2019	10.14 cents	7.79 cents

Net asset value per share is calculated based on share capital of 607,603,590 ordinary shares in issue, excluding treasury shares and subsidiary holdings, as at 31 May 2020 and 31 August 2019.

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

3Q2020

Business Segment Revenue (\$'000)	3Q2020	3Q2019	Change %
Consumer electronics	3,035	4,846	(37.4)
Automotive	2,774	3,627	(23.5)
Data storage	1,756	3,358	(47.7)
Rental	347	362	(4.1)
Total	7,912	12,193	(35.1)

Revenue decreased by \$4.3 million or 35.1% from \$12.2 million in 3Q2019 to \$7.9 million in 3Q2020. The overall decrease was mainly due to slow down in business volume arising from the COVID-19 pandemic. The lower rental income was mainly due to expiry of tenancy in industrial property in Singapore.

9M2020

Business Segment Revenue (\$'000)	9M2020	9M2019	Change %
Consumer electronics	14,931	15,904	(6.1)
Automotive	12,061	12,462	(3.2)
Data storage	7,743	10,172	(23.9)
Rental	1,031	977	5.5
Total	35,766	39,515	(9.5)

Revenue decreased by \$3.7 million or 9.5% from \$39.5 million in 9M2019 to \$35.8 million in 9M2020. The overall decrease across all the business segments were mainly due to slow down in business volume arising from the COVID-19 pandemic. The revenue was partially offset by an increase in rental income from renewed tenancy agreement for our investment properties in the Philippines.

B. Other Income

3Q2020

Other income increased by \$58,000 from \$20,000 in 3Q2019 to \$78,000 in 3Q2020, mainly due to government support scheme received in 3Q2020 as part of relief for business disruption from the COVID-19 pandemic.

9M2020

Excluding the one-off gain on disposal of our industrial property in Singapore at 5 Second Chin Bee Road, other income in 9M2020 remained around the same level as recorded in 9M2019.

C. Total Costs and Expenses

3Q2020

Total costs and expenses decreased by \$0.5 million from \$12.2 million in 3Q2019 to \$11.7 million in 3Q2020. The decrease was mainly due to decreases in employee benefit expenses of \$0.9 million, raw material consumables used of \$1.5 million. Total costs and expenses were offset by an impairment in inventory of \$0.3 million and a write-off of property, plant and equipment of \$2.9 million ("One-off-expenses") in 3Q2020 due to a fire incident at the Group's production plant in the Philippines in May 2020. Excluding the One-off-expenses of \$3.2 million, the decrease in total costs and expenses of \$3.7 millions is in line with the decrease in revenue.

9M2020

Total costs and expenses increased by \$0.9 million from \$38.5 million in 9M2019 to \$39.4 million in 9M2020. Excluding the One-off-expenses of \$3.2 million, the decrease of \$2.3 million was mainly due to the decreased in employee benefit expenses of \$1.0 million and other operating expenses of \$1.1 million and depreciation of \$0.1 million, in line with the decrease in revenue.

D. Profit / (loss) after Income Tax

3Q2020

Loss after income tax increased by \$4.0 million from \$0.2 million in 3Q2019 to \$4.2million in 3Q2020. The higher loss was mainly due to the One-off-expenses of \$3.2 million, lower revenue of \$4.3 million and a higher share of loss from associate of \$0.4 million which reflects the loss making position in Core Power, offset by lower total costs and expenses of \$3.7 million.

9M2020

Loss after income tax increased by \$9.5 million from a profit after income tax of \$4.3 million in 9M2019 to a loss after income tax of \$5.2 million in 9M2020. The higher losses was mainly due to the absence of the gain on disposal in 9M2019 relating our industrial property in Singapore at 5 Second Chin Bee Road of \$3.9 million which was non-recurring in 9M2020, the lower revenue of \$3.7 million, the One-off expenses of \$3.2 million and the higher share of loss from Core Power of \$1.0 million, offset by lower total costs and expenses of \$2.3 million.

E. Assets and Liabilities

Current assets decreased by \$3.4 million from \$24.0 million as at 31 August 2019 to \$20.6 million as at 31 May 2020. This was mainly due to the decrease of trade and other receivables of \$5.5 million from the lower revenue arising from the COVID-19 pandemic, offset by the increase in cash and bank balances of \$1.9 million from the proceeds of bank borrowings, prepayment of \$0.2 million and inventories of \$0.1 million due to slow down in business operations in the Philippines and China.

Current liabilities decreased by \$4.5 million from \$17.4 million as at 31 August 2019 to \$12.9 million as at 31 May 2020, mainly due to the decrease in trade and other payables of \$3.0 million mainly attributable to the lower purchase orders due to slow down in business operations arising from the COVID 19 pandemic and lower bank borrowings of \$1.5 million.

Non-current assets decreased by \$4.2 million from \$60.3 million as at 31 August 2019 to \$56.1 million as at 31 May 2020. Mainly due to the write off of property, plant and equipment of \$2.9 million attributable to the fire incident, share of loss of associate in relation to Core Power of \$1.4 million, offset by the recognition of right-of-use asset of \$0.2 million which take effect from this financial year arising from the adoption of SFRS(I) 16 Leases.

Non-current liabilities increased by \$1.1 million from \$3.3 million as at 31 August 2019 to \$4.4 million as at 31 May 2020, mainly due proceed from bank loan of \$1.0 million and the recognition of lease liability of \$0.1 million arising from the adoption of SFRS(I) 16 Leases, offset by the repayment of bank borrowings of \$0.1 million.

F. Equity

Equity attributable to owners of the parent decreased by \$4.1 million from \$61.6 million as at 31 August 2019 to \$57.5 million as at 31 May 2020. The decrease was mainly due to the loss attributable to owners of the parent of \$5.2 million, partially offset by the gain in foreign currency translation of \$1.1 million due to stronger USD against SGD.

G. Cash Flows

Cash and cash equivalents increased by \$2.3 million from \$2.6 million as at 31 August 2019 to \$4.9 million as at 31 May 2020. Cash and cash equivalents comprised of cash and bank balances, fixed deposits, less bank overdraft and fixed deposit pledged for bank borrowings.

Net cash from operating activities for 9M2020 amounted to \$3.6 million. The cash from operations of \$2.2 million before changes in working capital increased mainly as a result of lower trade and other receivables of \$6.0 million, partially offset by lower trade and other payables of \$3.6 million, higher inventories of \$0.2 million, higher prepayments of \$0.2 million, income tax paid of \$0.4 million and interest paid of \$0.3 million.

Net cash used in investing activities for 9M2020 amounted to \$1.0 million. This was mainly due to purchase of plant and equipment of \$1.1 million, mainly by our subsidiaries in the Philippines and China, offset by proceeds from disposal of plant and equipment of \$53,000.

Net cash used in financing activities for 9M2020 amounted to \$0.3 million mainly due to repayment of bank loans of \$3.0 million, repayment of lease obligation of \$67,000 and finance lease of \$22,000, offset by the proceeds from bank loans of \$2.8 million by the Company and subsidiaries in China.

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 on-going COVID-19 pandemic has resulted in disruptions in the operations of the Group's factories in China, the Philippines and Malaysia due to the respective country's movement restrictions. As a result, the Group's production capacity was reduced significantly. As at the date of this announcement, some of the Group's operations have gradually resumed. The Group expects its business performance and financial outlook to remain negative for the next 12 months.

On 28 May 2020, the Company announced the incident of fire at the Group's production plant in the Philippines. The management has been working and monitoring the recovery process at the affected areas. The financial impact from the incident has been recognised in this financial period as mentioned in paragraph 8. The management estimates that the operations in the affected areas will resume in the coming months. The Company is currently working with its insurer to assess the amount which may be recovered through insurance compensation.

During the review of outstanding audit issues as mentioned in paragraph 3A, the Company has been informed that Core Power has reduced its registered share capital. Accordingly, the Group's shareholding in Core Power has been increased from 32% to 42.11%. Core Power remains an associate company of the Group. The reduction in registered share capital of Core Power does not have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 August 2020.

11. Dividend

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

No

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

Not applicable

(ii) Previous corresponding period (cents)

Not applicable

(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 and the reason(s) for the decision.

After deliberation, the board has adopted a prudent approach to conserve cash amidst the current challenging business environment. As such, no interim dividend has been declared for 3Q2020.

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 \$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 \$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 \$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 third quarter ended 31 May 2020 to be false or misleading in any material aspect.

On Behalf of the Board,

Sin Kwong Wah, Andrew
Executive Director and CEO

Pek Ee Perh, Thomas
Director

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.

On Behalf of the Board,

Sin Kwong Wah, Andrew
Executive Director and CEO
14 July 2020

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") in accordance with Rule 226(2)(b) of the Catalist Rules.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Ken Lee, Associate Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.