



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 31 May 2015.

Update on unaudited Financial Position as at 31 May 2015 and for 9M2015

The Group recorded a 26.7% decrease in revenue from S\$56.8 million in 9M2014 to S\$41.6 million in 9M2015. 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.

Total costs and expenses decreased by S\$17.3 million from S\$61.2 million in 9M2014 to S\$43.9 million in 9M2015. This was mainly due to decreases in raw materials and consumables used of S\$10.0 million, employee benefits of S\$3.4 million, other operating expenses of S\$2.7 million and depreciation of S\$1.2 million.

Other income decreased by S\$2.4 million from S\$8.1 million in 9M2014 to S\$5.7 million in 9M2015. This was mainly due to the gain on disposal of asset held for sale of S\$5.1 million, gain on disposal of interest in associate of S\$0.6 million, reversal of impairment loss of disposal group of S\$0.6 million in 9M2014, offset by the reversal of impairment of property, plant and equipment of S\$3.2 million and gain on disposal of plant and equipment of S\$0.6 million in 9M2015.

Profit before income tax decreased by S\$0.5 million from S\$3.9 million for 9M2014 to S\$3.4 million for 9M2015. The decreases in revenue of S\$15.2 million and other income of S\$2.4m are offset by decreases in total costs and expenses of S\$17.3 million.

Current assets decreased by S\$2.3 million from S\$34.1 million as at 31 August 2014 to S\$31.8 million as at 31 May 2015. This was mainly due to decreases in cash and bank balances of S\$2.6 million.

Current liabilities decreased by S\$1.0 million from S\$12.4 million as at 31 August 2014 to S\$11.4 million as at 31 May 2015. This was mainly due to decreases in other payables and accruals of S\$1.0 million, trade payables of S\$0.9 million, bank overdrafts of S\$0.6 million, offset by increases in bank loans of S\$1.4 million.

Update on unaudited Financial Position as at 31 May 2015 and for 9M2015 (con't)

Non-current assets increased by S\$10.2 million from S\$25.9 million as at 31 August 2014 to S\$36.1 million as at 31 May 2015. This was mainly due to capital expenditure of S\$4.4 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\$2.0 million from property, plant and equipment, intangible assets of S\$0.3 million, offset by depreciation charge for the period of S\$2.4 million.

Total equity attributable to owners of the parent increased to S\$52.9 million as at 31 May 2015, from S\$44.0 million as at 31 August 2014. This was mainly due to reduction in currency translation reserve (debit balance) of S\$3.6 million and increase in profit attributable to owners of the parent of S\$3.4 million and the issue of 32 million new shares amounting to S\$1.9 million as partial consideration of the newly acquired subsidiary.

Cash and cash equivalents decreased by S\$2.0 million from S\$9.4 million as at 31 August 2014 to S\$7.4 million as at 31 May 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 9M2015 amounted to S\$0.4 million. The cash from operations of S\$2.1 million before movements in working capital were reduced by lower other payables and accruals of S\$1.6 million and trade payables of S\$1.4 million, higher inventories of S\$0.2 million, offset by decreases in trade and other receivables of S\$1.6 million.

Net cash used in investing activities for 9M2015 amounted to S\$4.1 million. This is mainly due to capital expenditure of S\$4.4 million offset by proceeds from disposal of plant and equipment of S\$0.4 million.

Net cash from financing activities for 9M2015 amounted to S\$1.2 million mainly due to proceeds from bank loans of S\$1.7 million, offset by repayment of bank loans of S\$0.5 million.

For more details on the consolidated financial statements of the Group for the 9 months ended 31 May 2015 please refer to our separate announcement on the unaudited results released on 3 July 2015.

Update on Recent Developments

On 15 April 2015, the Company announced that it has on 14 April 2015 filed a Notice of Discontinuance to discontinue the Claim against the Contractor.

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
3 July 2015