

# Miyoshi Limited

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

## Second Quarter Financial Year 2018 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 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Note	Group			Group		
		3 months ended			6 months ended		
		28-Feb-18 \$'000	28-Feb-17 \$'000	Change %	28-Feb-18 \$'000	28-Feb-17 \$'000	Change %
<b>Revenue</b>	(i)	<b>12,784</b>	<b>12,126</b>	<b>5.4</b>	<b>26,559</b>	<b>25,326</b>	<b>4.9</b>
Other income	(ii)	102	117	(12.8)	106	485	(78.1)
Raw materials, consumables used and changes in inventories		(6,520)	(5,839)	11.7	(13,422)	(12,809)	4.8
Employee benefit expenses		(2,514)	(2,943)	(14.6)	(5,252)	(5,897)	(10.9)
Depreciation and amortisation expenses		(685)	(806)	(15.0)	(1,399)	(1,611)	(13.2)
Other operating expenses	(iii)	(2,480)	(2,134)	16.2	(4,983)	(4,327)	15.2
Finance costs		(67)	(130)	(48.5)	(184)	(270)	(31.9)
<b>Profit before income tax</b>		<b>620</b>	<b>391</b>	<b>0.6</b>	<b>1,425</b>	<b>897</b>	<b>58.9</b>
Income tax expense		(161)	(250)	(0.4)	(283)	(345)	(18.0)
<b>Profit for the period</b>		<b>459</b>	<b>141</b>	<b>225.5</b>	<b>1,142</b>	<b>552</b>	<b>106.9</b>
<b>Profit / (loss) attributable to:</b>							
Owners of the parent		564	172	227.9	1,310	496	164.1
Non-controlling interests		(105)	(31)	238.7	(168)	56	N.M
<b>Profit for the period</b>		<b>459</b>	<b>141</b>	<b>225.5</b>	<b>1,142</b>	<b>552</b>	<b>106.9</b>
<b>Other comprehensive income</b>							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(456)	(730)	(37.5)	(736)	1,429	N.M
<b>Total comprehensive income for the period</b>		<b>3</b>	<b>(589)</b>	<b>N.M</b>	<b>406</b>	<b>1,981</b>	<b>(79.5)</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the parent		81	(558)	N.M	523	1,899	(72.5)
Non-controlling interests		(78)	(31)	151.6	(117)	82	N.M
		<b>3</b>	<b>(589)</b>	<b>N.M</b>	<b>406</b>	<b>1,981</b>	<b>(79.5)</b>

**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 breakdown:

REVENUE	Group		Group	
	3 months ended		6 months ended	
	28-Feb-18 \$'000	28-Feb-17 \$'000	28-Feb-18 \$'000	28-Feb-17 \$'000
Sales of goods	12,108	11,696	25,234	24,419
Sales of scrap	428	205	776	458
Rental income	242	215	540	428
Interest income	6	10	9	21
	<b>12,784</b>	<b>12,126</b>	<b>26,559</b>	<b>25,326</b>

## 1(a)(ii) Other income includes the following:

OTHER INCOME	Group		Group	
	3 months ended		6 months ended	
	28-Feb-18 \$'000	28-Feb-17 \$'000	28-Feb-18 \$'000	28-Feb-17 \$'000
Gain on disposal of plant and equipment	57	46	61	332
Reversal of impairment of plant and equipment	-	-	-	48
Miscellaneous income	45	71	45	105
	<b>102</b>	<b>117</b>	<b>106</b>	<b>485</b>

## 1(a)(iii) Other operating expenses include the following:

OTHER OPERATING EXPENSES	Group		Group	
	3 months ended		6 months ended	
	28-Feb-18 \$'000	28-Feb-17 \$'000	28-Feb-18 \$'000	28-Feb-17 \$'000
Supplies and services	1,111	1,044	2,290	2,047
Utilities	431	464	895	950
Transportation and travelling	230	211	445	409
Professional fees	146	168	314	286
Repair and maintenance	106	153	240	319
Office and sundry expenses	121	10	250	99
Loss on foreign exchange, net	95	59	181	101
Allowance for inventory obsolescence	14	-	14	-
Others	226	25	354	116
	<b>2,480</b>	<b>2,134</b>	<b>4,983</b>	<b>4,327</b>

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-18 \$'000	31-Aug-17 \$'000	28-Feb-18 \$'000	31-Aug-17 \$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	6,577	8,830	456	1,545
Trade and other receivables	15,862	18,372	5,934	6,958
Prepayments	158	195	40	98
Inventories	5,175	5,449	2	-
Non-current assets held for sale	3,480	3,569	3,480	3,569
<b>Total current assets</b>	<b>31,252</b>	<b>36,415</b>	<b>9,912</b>	<b>12,170</b>
<b>Non-current assets:</b>				
Subsidiaries	-	-	27,130	27,758
Available-for-sale financial assets	8,754	8,978	8,754	8,978
Property, plant and equipment	29,562	27,504	3,091	931
Investment properties	6,394	6,584	-	-
Intangible assets	13	13	-	-
Deferred tax assets	20	20	-	-
Other receivables	113	103	-	-
<b>Total non-current assets</b>	<b>44,856</b>	<b>43,202</b>	<b>38,975</b>	<b>37,667</b>
<b>Total assets</b>	<b>76,108</b>	<b>79,617</b>	<b>48,887</b>	<b>49,837</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank overdraft	1,175	-	1,175	-
Trade and other payables	6,614	9,053	2,872	2,743
Current income tax payable	91	110	-	-
Finance lease	29	-	29	-
Bank loans	4,553	7,348	1,550	1,702
<b>Total current liabilities</b>	<b>12,462</b>	<b>16,511</b>	<b>5,626</b>	<b>4,445</b>
<b>Non-current liabilities:</b>				
Finance lease	104	-	104	-
Bank loans	4,863	2,665	948	642
Other payable	238	436	2,525	2,086
Provisions	359	368	-	-
Deferred tax liabilities	217	226	-	-
<b>Total non-current liabilities</b>	<b>5,781</b>	<b>3,695</b>	<b>3,577</b>	<b>2,728</b>
<b>Total liabilities</b>	<b>18,243</b>	<b>20,206</b>	<b>9,203</b>	<b>7,173</b>
<b>Equity:</b>				
Share capital	42,259	42,259	42,259	42,259
Treasury shares	(82)	(200)	(82)	(200)
Revaluation reserve	666	666	-	-
Fair value reserve	(12)	(12)	-	-
Other reserve	964	964	-	-
Share awards reserve	30	-	30	-
Currency translation reserve	(12,189)	(11,402)	(12,666)	(11,625)
Retained earnings	24,116	24,782	10,143	12,230
<b>Equity attributable to owners of the parent</b>	<b>55,752</b>	<b>57,057</b>	<b>39,684</b>	<b>42,664</b>
Non-controlling interests	2,113	2,354	-	-
<b>Total equity</b>	<b>57,865</b>	<b>59,411</b>	<b>39,684</b>	<b>42,664</b>
<b>Total liabilities and equity</b>	<b>76,108</b>	<b>79,617</b>	<b>48,887</b>	<b>49,837</b>

**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 2018 \$'000		As at 31 August 2017 \$'000	
Secured	Unsecured	Secured	Unsecured
5,086	671	6,676	672

**Amount repayable after one year**

As at 28 February 2018 \$'000		As at 31 August 2017 \$'000	
Secured	Unsecured	Secured	Unsecured
4,604	363	2,139	526

Detail of collaterals**Bank loans**

The Group's secured borrowings comprise bank loans and overdraft 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 2018 were \$3,911,000 and \$4,604,000 (31 August 2017: \$6,676,000 and \$2,139,000). The bank overdraft as at 28 February 2018 was \$1,175,000 (31 August 2017: Nil).

**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 28 February 2018 were \$29,000 and \$104,000 (31 August 2017: Nil). The net book value of the motor vehicle under this finance lease as at 28 February 2018 was \$212,000 (31 August 2017: Nil).

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-18 \$'000	28-Feb-17 \$'000	28-Feb-18 \$'000	28-Feb-17 \$'000
<b>Operating activities:</b>				
Profit before income tax	620	391	1,425	897
Adjustments for:				
Depreciation and amortisation expenses	685	806	1,399	1,611
Interest expense	67	130	184	270
Interest income	(6)	(10)	(9)	(21)
Gain on disposal of plant and equipment	(57)	(46)	(61)	(332)
Allowance for inventory obsolescence	14	-	14	-
Reversal of impairment loss on plant and equipment	-	-	-	(48)
Share awards expenses	118	-	118	-
Unrealised exchange differences	263	48	341	176
<b>Operating cash flows before changes in working capital</b>	<b>1,704</b>	<b>1,319</b>	<b>3,411</b>	<b>2,553</b>
Trade and other receivables	354	2,021	1,940	1,455
Inventories	819	36	219	(401)
Trade and other payables	(1,695)	(1,206)	(2,600)	(1,101)
<b>Cash generated from operations</b>	<b>1,182</b>	<b>2,170</b>	<b>2,970</b>	<b>2,506</b>
Interest paid	(67)	(130)	(184)	(270)
Interest received	6	10	9	21
Income tax paid	(164)	(213)	(234)	(276)
<b>Net cash from operating activities</b>	<b>957</b>	<b>1,837</b>	<b>2,561</b>	<b>1,981</b>
<b>Investing activities:</b>				
Proceeds from disposal of plant and equipment	95	46	116	358
Purchase of plant and equipment	(2,374)	(455)	(3,527)	(798)
<b>Net cash used in investing activities</b>	<b>(2,279)</b>	<b>(409)</b>	<b>(3,411)</b>	<b>(440)</b>
<b>Financing activities:</b>				
Proceeds from bank loans	1,085	-	1,085	-
Purchase of treasury shares	-	(200)	-	(200)
Dividend payments	(1,976)	(1,811)	(1,976)	(1,811)
Dividends paid to non-controlling interests	(124)	-	(124)	-
Repayment of bank loans	(843)	(1,065)	(1,681)	(1,923)
Repayment of finance leases	(27)	-	(32)	-
<b>Net cash used in financing activities</b>	<b>(1,885)</b>	<b>(3,076)</b>	<b>(2,728)</b>	<b>(3,934)</b>
Decrease in cash and cash equivalents	(3,207)	(1,648)	(3,578)	(2,393)
Effect of exchange rate changes on cash and cash equivalents	83	(15)	139	695
Cash and cash equivalents at beginning of period	8,382	12,387	8,697	12,422
<b>Cash and cash equivalents at end of period</b>	<b>5,258</b>	<b>10,724</b>	<b>5,258</b>	<b>10,724</b>

**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 2018	Share Capital	Treasury Shares	Revaluation Reserve	Fair Value 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	\$'000
Balance at 1 September 2017	42,259	(200)	666	(12)	964	-	(11,402)	24,782	57,057	2,354	59,411
Profit/(loss) for the period	-	-	-	-	-	-	-	746	746	(63)	683
<b>Other comprehensive income for the period</b>											
Foreign currency translation	-	-	-	-	-	-	(304)	-	(304)	24	(280)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	(304)	746	442	(39)	403
<b>Contributions by and distributions to owners</b>											
Dividends	-	-	-	-	-	-	-	(1,976)	(1,976)	-	(1,976)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	(1,976)	(1,976)	-	(1,976)
Balance at 30 November 2017	42,259	(200)	666	(12)	964	-	(11,706)	23,552	55,523	2,315	57,838
Profit / (loss) for the period	-	-	-	-	-	-	-	564	564	(105)	459
<b>Other comprehensive income for the period</b>											
Foreign currency translation	-	-	-	-	-	-	(483)	-	(483)	27	(456)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	(483)	564	81	(78)	3
<b>Transactions with owners of the parent recognised directly in equity</b>											
Share-based payments	-	118	-	-	-	30	-	-	148	-	148
<b>Total transactions with owners of the parent recognised directly in equity</b>	-	118	-	-	-	30	-	-	148	-	148
<b>Transactions with non-controlling interests</b>											
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(124)	(124)
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	-	-	-	-	(124)	(124)
Balance at 28 February 2018	42,259	(82)	666	(12)	964	30	(12,189)	24,116	55,752	2,113	57,865

**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 Share Reserve	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	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 September 2016</b>	39,309	-	666	(12)	823	217	(11,514)	24,191	53,680	2,511	56,191
Profit for the period	-	-	-	-	-	-	-	325	325	86	411
<b>Other comprehensive income for the period</b>											
Foreign currency translation	-	-	-	-	-	-	2,134	-	2,134	25	2,159
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	2,134	325	2,459	111	2,570
<b>Distribution to owners</b>											
Dividends	-	-	-	-	-	-	-	(1,811)	(1,811)	-	(1,811)
<b>Total distribution to owners</b>	-	-	-	-	-	-	-	(1,811)	(1,811)	-	(1,811)
<b>Balance at 30 November 2017</b>	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
<b>Other comprehensive income for the period</b>											
Foreign currency translation	-	-	-	-	-	-	(730)	-	(730)	-	(730)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	(730)	172	(558)	(31)	(589)
<b>Transactions with owners of the parent recognised directly in equity</b>											
Share options lapsed	-	-	-	-	-	(217)	-	217	-	-	-
<b>Total transactions with owners of the parent recognised directly in equity</b>	-	-	-	-	-	(217)	-	217	-	-	-
<b>Contribution by and distribution to owners</b>											
Purchase of treasury shares	-	(200)	-	-	-	-	-	-	(200)	-	(200)
<b>Total contribution by and distribution to owners</b>	-	(200)	-	-	-	-	-	-	(200)	-	(200)
<b>Balance at 28 February 2017</b>	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.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2018	Share Capital	Treasury Shares	Share Awards Reserve	Currency Translation Reserve	Retained Earnings	Total Equity
COMPANY	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 September 2017</b>	42,259	(200)	-	(11,625)	12,230	42,664
Loss for the period	-	-	-	-	(571)	(571)
<b>Other comprehensive income for the period</b>						
Foreign currency translation	-	-	-	(289)	-	(289)
<b>Total comprehensive income for the period</b>	-	-	-	(289)	(571)	(860)
<b>Contributions by and distributions to owners</b>						
Dividends	-	-	-	-	(1,976)	(1,976)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	(1,976)	(1,976)
<b>Balance at 30 November 2017</b>	42,259	(200)	-	(11,914)	9,683	39,828
Profit for the period	-	-	-	-	460	460
<b>Other comprehensive income for the period</b>						
Foreign currency translation	-	-	-	(752)	-	(752)
<b>Total comprehensive income for the period</b>	-	-	-	(752)	460	(292)
<b>Transactions with owners of the parent recognised directly in equity</b>						
Share-based payments	-	118	30	-	-	148
<b>Total transactions with owners of the parent recognised directly in equity</b>	-	118	30	-	-	148
<b>Balance at 28 February 2018</b>	42,259	(82)	30	(12,666)	10,143	39,684



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

- 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.**

As at 31 August 2017, the Company held 3,640,000 treasury shares and the total number of ordinary shares in the capital of the Company (excluding treasury shares) was 494,029,490 shares. On 13 February 2018, 2,145,500 treasury shares ("PSP Shares") were transferred to certain employees of the group pursuant to the Miyoshi Limited Performance Share Plan 2016. After such transfer, the Company held 1,494,500 treasury shares as at 28 February 2018 and the total number of issued shares (excluding treasury shares) was 496,174,992 shares.

On 15 March 2018, 19 March 2018 and 23 March 2018, the Company purchased 710,000, 687,000 and 705,000 shares respectively by way of market acquisition.

Save for the above, there were no changes in the Company's share capital since the end of the previous period reported on 30 November 2017.

There were no outstanding share options as at 28 February 2018 and 28 February 2017.

As at 28 February 2018, the Company did not have any subsidiary holdings and held 1,494,500 treasury shares which represented approximately 0.3% of the total issued shares (excluding treasury shares and subsidiary holdings) comprising 496,174,992 shares. As at 28 February 2017, the Company did not have any subsidiary holdings and held 3,640,000 treasury shares which represented 0.8% of the total issue shares (excluding treasury shares and subsidiary holdings) comprising 494,029,490 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.**

<b>Company</b>	<b>As at 28 February 2018</b>	<b>As at 31 August 2017</b>
Total number of issued shares	497,669,490	497,669,490
Less: Treasury shares	(1,494,500)	(3,640,000)
Total number of issued shares excluding treasury shares	496,174,992	494,029,490

- 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.**

<b>Treasury Shares</b>	<b>3 months ended</b>	<b>6 months ended</b>
	<b>28-February-18</b>	<b>28-February-18</b>
Balance at beginning of financial period	3,640,000	3,640,000
Transferred on award of PSP Shares	(2,145,500)	(2,145,500)
Balance as at end of financial period	1,494,500	1,494,500

- 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 2017.

**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 2017. 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-18	28-Feb-17	28-Feb-18	28-Feb-17
	Cents	Cents	Cents	Cents
Based on weighted average /actual number of ordinary shares in issue	0.11	0.04	0.26	0.11
On a fully diluted basis	0.11	0.04	0.26	0.11
Weighted average number of ordinary share in issue for basic and diluted earnings per share	494,410,912	452,143,712	494,219,147	452,408,054

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 shares for 2Q2018 is 494,410,912 (2Q2017: 452,143,172) and for 1H2018 is 494,219,147 (1H2017: 452,408,054).

The basic and diluted earnings per ordinary share are the same as the Company did not have any outstanding dilutive equity instruments during these financial periods.

**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 2018	11.24 cents	8.00 cents
As at 31 August 2017	11.55 cents	8.64 cents

Net asset value per share is calculated based on share capital of 496,174,990 and 494,029,490 ordinary shares in issue, excluding treasury shares, as at 28 February 2018 and 31 August 2017 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**

##### 2Q2018

Revenue increased by \$0.7 million or 5.4% from \$12.1 million in 2Q2017 to \$12.8 million in 2Q2018. The increase was mainly due to more orders from automotive customers.

##### 1H2018

Revenue increased by \$1.3 million or 4.9% from \$25.3 million in 1H2017 to \$26.6 million in 1H2018. The increase was mainly due to more orders from automotive customers.

#### **B. Other Income**

##### 2Q2018

Other income remained unchanged at \$0.1 million for both 2Q2017 and 2Q2018.

##### 1H2018

Other income decreased by \$0.4 million. The decrease was mainly due to lower gain on disposal of property, plant and equipment of \$0.3 million, miscellaneous income of \$60,000 and reversal of impairment of plant and equipment of \$48,000 in 1H2017 which was non-recurrent in 1H2018.

#### **C. Total Costs and Expenses**

##### 2Q2018

Total costs and expenses increased by \$0.5 million from \$11.8 million in 2Q2017 to \$12.3 million in 2Q2018. The increase was mainly due to increases in raw material and consumables used of \$0.7 million and other operating expenses of \$0.4 million, in line with the increase in revenue, offset by the decrease of employee benefit expenses of \$0.4 million and depreciation expense of \$0.1 million. The increase in raw materials and decrease in employee benefit expense is mainly due to the shift in product mix from data storage segment to automotive segment.

##### 1H2018

Total costs and expenses increased by \$0.3 million from \$24.9 million in 1H2017 to \$25.2 million in 1H2018. The increase was mainly due to increases in raw material and consumables used of \$0.6 million and other operating expenses of \$0.7 million, in line with the increase in revenue, offset by the decrease of employee benefit expenses of \$0.7 million and depreciation expense of \$0.2 million. The increase in raw materials and decrease in employee benefit expense is mainly due to the shift in product mix from data storage segment to automotive segment.

#### **D. Profit After Income Tax**

##### 2Q2018

Profit after income tax increased by \$0.4 million from \$0.1 million in 2Q2017 to \$0.5 million in 2Q2018. The increase was mainly due to an increase in revenue of \$0.7 million and decrease in finance costs and income tax expense of \$0.1 million each, offset by the increase in total cost of \$0.5 million.

##### 1H2018

Profit after income tax increased by \$0.6 million from \$0.6 million in 1H2017 to \$1.1 million in 1H2018. The increase was mainly due to an increase in revenue of \$1.3 million, offset by the decrease in other income of \$0.4 million and increase in total cost of \$0.3 million.

## **E. Assets and Liabilities**

Current assets decreased by \$5.1 million from \$36.4 million as at 31 August 2017 to \$31.3 million as at 28 February 2018. This was mainly due to decrease in trade and other receivables from prompt customer collections of \$2.5 million, decreases in cash and bank balances of \$2.2 million and inventories of \$0.3 million.

Current liabilities decreased by \$4.0 million from \$16.5 million as at 31 August 2017 to \$12.5 million as at 28 February 2018. This was due to decreases in trade and other payables from payment of suppliers of \$2.4 million and bank loans of \$2.8 million, offset by an increase in bank overdraft of \$1.2 million.

Non-current assets increased by \$1.7 million from \$43.2 million as at 31 August 2017 to \$44.9 million as at 28 February 2018, mainly due to an increase in property, plant and equipment (“PPE”) of \$2.1 million, offset by the decreases in available-for-sale financial assets and investment properties of \$0.2 million each as a result of currency translation differences. The increase in PPE was mainly due to the acquisition of industrial property in Singapore of \$1.6 million, which was completed on 21 February 2018.

Non-current liabilities increased by \$2.1 million from \$3.7 million as at 31 August 2017 to \$5.8 million as at 28 February 2018, due to increase in bank loans of \$2.2 million.

## **F. Equity**

Equity attributable to owners of the parent decreased by \$1.3 million from \$57.1 million as at 31 August 2017 to \$55.8 million as at 28 February 2018. The decrease was mainly due to dividend payment of \$2.0 million and loss in foreign currency translation of \$0.7 million due to weaker USD against SGD, offset by an increase in profit attributable to owners of the parent of \$1.3 million.

## **G. Cash Flows**

Cash and cash equivalents decreased by \$3.4 million from \$8.7 million as at 31 August 2017 to \$5.3 million as at 28 February 2018. 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 1H2018 amounted to \$2.6 million. The cash from operations of \$3.4 million before changes in working capital were reduced by lower trade and other payables of \$2.6 million, interest paid of \$0.2 million, income tax paid of \$0.2 million, offset by lower trade and other receivables of \$1.9 million and inventories of \$0.2 million.

Net cash used in investing activities for 1H2018 amounted to \$3.4 million. This is mainly due to purchase of property in Singapore of \$1.6 million and plant and equipment of \$1.8 million, mainly in the Philippines.

Net cash used in financing activities for 1H2018 amounted to \$2.7 million mainly due to repayment of bank loans of \$1.7 million and dividends payment of \$2.0 million, offset by proceeds from bank loans of \$1.1 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 face business headwinds, especially with the continuing decrease in revenue from the data storage segment. At the same time, geopolitical uncertainty and policy direction of the US and China will have a bearing on Asia's economic growth.

Against this backdrop, the focus of the Group is to increase our revenue from other business segments, especially from the automotive and consumer electronics segments, 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.

The proposed sales of our industrial property will provide our Group with additional funds for business opportunities, reducing borrowings and working capital requirements.

Following the Group's announcement on 2 April 2018 in relation to Core Power to jointly-develop new all-electric vehicle with Jiangxi Changhe, the Group seeks to employ a strategy for the diversification of its business mix to identify and developing new businesses as it strives to build a business model that is both profitable and sustainable for the long-term.

**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)**

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.**

There is no dividend declared in this quarter.

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)
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

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 second quarter ended 28 February 2018 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, such format as revised by the SGX-ST on 21 January 2016.

**BY ORDER OF THE BOARD**

Sin Kwong Wah, Andrew  
Executive Director and CEO  
6 April 2018

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*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.*