A TOMORROW-FOCUSED MANUFACTURER

MIYOSHI LIMITED

ANNUAL REPORT 2019

Who We Are

Miyoshi Limited is a leading manufacturer in Asia with a global customer network of more than 18 countries across Asia Pacific, Europe and North America. In Asia, we operate through our head office in Singapore and manufacturing plants in the Philippines, Thailand, Malaysia, Singapore and various parts of China.

Miyoshi started its operations in Singapore in 1987. Since then, Miyoshi has grown organically and through a series of strategic acquisitions. Today, Miyoshi produces components for many Japanese brands in the data storage, consumer electronics and automotive segments.

Over the last three decades, generations of Miyoshi employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

At Miyoshi, we believe in being a responsible manufacturer and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate.

What We Do

Miyoshi provides a wide range of precision stamping, prototyping, metal finishing and automation for our customers with high quality solutions. Our technical hub is located in Wuxi, China. More specifically, our product offerings and capabilities include:

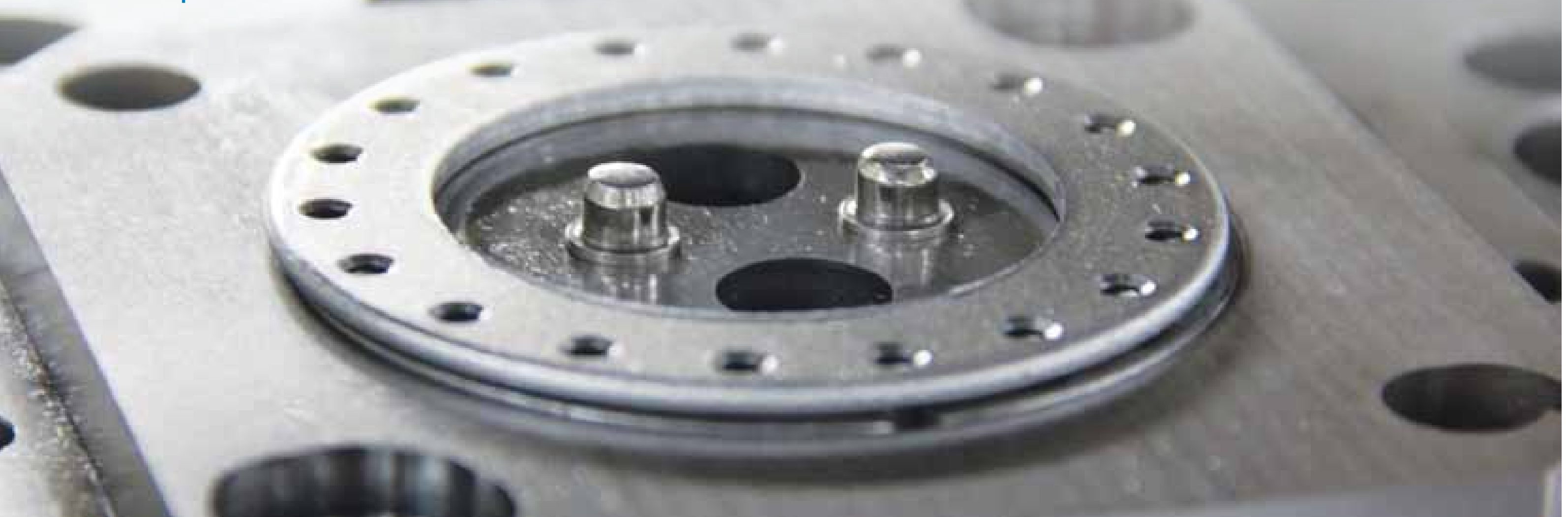
- Product design and prototyping for precision components and assemblies in the data storage, consumer electronics and automotive markets.
- Core manufacturing capabilities such as precision metal stamping, progressive cold forging, mechanical joining/laser welding, electroplating, manual assembly and testing.
- A regional network of manufacturing sites that have achieved numerous quality registrations, including ISO 9001, ISO/TS 16949 and ISO 14001.

Through our subsidiary, Miyoshi Optronics (S) Pte Ltd, we provide electronics solutions that have wide applications in homeland security, border control and law enforcements. We have entered into a joint marketing agreement with a Japanese multi-national company to jointly market a high-performance face-recognition surveillance related products in Singapore, Malaysia and other Asia Pacific region.

Through our investment in Core Power (Fujian) New Energy Automobile Co., Ltd, we manufacture electric cars in Fujian for both the Chinese and overseas markets.

Besides the above, Miyoshi is also developing our high-tech indoor hydroponics plant factory, using our domain knowledge of mechanical engineering and our Japanese heritage to bring sustainable farming to the region.

www.miyoshi.biz
www.optomiyoshi.com
www.openandeat.com
www.cpev.com



Vision

Our vision is to be a tomorrow-focused manufacturer with our multi-business strategy with engineering and technology as our core.

Mission

Our mission is to make innovative and quality products for our customers while building a culture that supports our team members and creates sustainable long-term value for our shareholders.

Values

Integrity: We act with the highest ethical standards in our conduct. We are honest and trustworthy in our business dealings and relationships with others.

Teamwork: We work and overcome challenges together to provide greater value to our customers, employees, business partners and shareholders.

Innovation: We work in a way unbounded by mindset. We challenge with new ideas and have no fear of failure.

Quality: We provide the highest-possible quality in our deliverables. We pursue continuous improvement in our works.

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"), in accordance with Rule 226(2)(b) of the Singapore Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist.

The document has not been examined or approved by the SGX-ST and the SGX-ST assumes 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.

Contents

Where We Are

Financial Highlights

REVENUE
$53.5 million
▲ 4.2%

2018: $51.3 million

NET PROFIT MARGIN
(1.82)%
▼ n.m

2018: 1.98%

PROFIT/(LOSS) FOR THE PERIOD
($1.0) million
▼ n.m

2018: $1.0 million

EARNINGS PER SHARE
(0.13) cents
▼ n.m

2018: $0.24 cents

DIVIDEND PER SHARE
- cents
▼ n.m

2018: $0.20 cents

NET ASSETS PER SHARE
10.14 cents
▼ 1.8%

2018: $10.48 cents

RETURN ON EQUITY
(1.3)%
▼ n.m

2018: 2.1%

RETURN ON CAPITAL EMPLOYED
(0.6)%
▼ n.m

2018: 4.3%

NUMBER OF EMPLOYEES
954 employees
▲ 25.9%

2018: 758 employees

*n.m denotes not meaningful
Throughout this report, all figures are in Singapore Dollars and Singapore Cents, unless otherwise stated.

Board of Directors

From left to right: Thomas Pek Ee Perh, Lim Thean Ee, Wee Piew, Andrew Sin Kwong Wah, Masayoshi Taira

MR. LIM THEAN EE
Chairman, Non-Executive Independent Director

Date of first appointment as a director

9 January 2014

Date of last re-elected as a director

28 December 2018

Length of service as a director (at 31 August 2019)

5 years 8 months

Committee(s) served on:

- Nominating Committee (Chairman)
- Remuneration Committee (Chairman)
- Audit Committee (Member)

Academic and Professional Qualification(s)

- Diploma of Mechanical Engineering
- Associate Member, Society of Naval Architects and Marine Engineers, USA

Present Directorships (at 31 August 2019)

Listed companies
- Ezion Holdings Ltd

Non-listed companies
- All Construction Engineering Pte Ltd
- Coastal Engineering Services Pte Ltd
- Coastal Navigation Pte Ltd
- Yue Hua Food Court Pte Ltd
- Yue Hua 108 Pte Ltd
- Yue Hua 118 Pte Ltd
- Yue Hua Eating House

Major Appointments (other than Directorships)

- Telok Blangah Citizens' Consultative Committee (Honorary Chairman)
- TB CCC's Community Development and Welfare Fund Committee (Chairman)
- Telok Blangah CCMC Building Fund Committee (Chairman)
- Depot Estate Business Association (Chairman)
- West Coast Town Council (Councillor)

Past Directorships held over the preceding three years (from 1 September 2016 to 31 August 2019)

- Nil

Awards

- Public Service Medal (PBM) in 1998
- Public Star Medal (BBM) in 2012

MR. ANDREW SIN KWONG WAH
Chief Executive Officer, Executive Director

Date of first appointment as a director

24 September 1991

Date of last re-elected as a director

29 December 2017

Length of service as a director (at 31 August 2019)

28 years

Committee(s) served on:

- Nominating Committee (Member)

Academic and Professional Qualification(s)

- Bachelor of Science (First Class Honours), Japan National Defence Academy
- FSID – Fellow, Singapore Institute of Directors

Present Directorships (at 31 August 2019)

Non-listed companies
- Miyoshi FL Systems, Inc.
- Miyoshi Hi-Tech Co., Ltd
- Miyoshi Industry Co., Ltd
- Miyoshi International Philippines, Inc.
- Miyoshi Optronics (S) Pte Ltd
- Miyoshi Precision Huizhou Co., Ltd
- Miyoshi Precision (Malaysia) Sdn Bhd
- Hua-San Pte Ltd
- Miyoshi Technologies Phils., Inc.
- OE Aquitech (M) Sdn Bhd
- OE Aquitech (Singapore) Pte Ltd
- Wuxi Miyoshi Precision Co., Ltd
- Core Power (Fujian) New Energy Automobile Co., Ltd

Major Appointments (other than Directorships)

- Nil

Past Directorships held over the preceding three years (from 1 September 2016 to 31 August 2019)

Non-listed companies
- Nil

Board of Directors

MR. WEE PIEW

Non-Executive and Independent Director

Date of first appointment as a director

1 May 2014

Date of last re-elected as a director

28 December 2018

Length of service as a director (at 31 August 2019)

5 years 4 months

Committee(s) served on:

- Audit Committee (Chairman)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Academic and Professional Qualification(s)

- Bachelor of Accountancy (Honours), National University of Singapore

Present Directorships (at 31 August 2019)

Listed companies

- Beijing Gas Blue Sky Holdings Limited
- Hosen Group Ltd (Chairman)

Major Appointments (other than Directorships)

- Nil

Past Directorships held over the preceding three years (from 1 September 2016 to 31 August 2019)

Listed companies

- PSL Holdings Limited

MR. MASAYOSHI TAIRA

Non-Executive and Non-Independent Director

Date of first appointment as a director

24 September 1991

Date of last re-elected as a director

29 December 2017

Length of service as a director (at 31 August 2019)

28 years

Committee(s) served on:

- Audit Committee (Member)
- Remuneration Committee (Member)

Academic and Professional Qualification(s)

- Bachelor of Business Administration, Hosei University (Japan)

Present Directorships (at 31 August 2019)

Non-listed companies

- Miyoshi Industry Co., Ltd
- Niigata Miyoshi Industry Co., Ltd
- Tohoku Miyoshi Industry Co., Ltd

Major Appointments (other than Directorships)

- Nil

Past Directorships held over the preceding three years (from 1 September 2016 to 31 August 2019)

- Nil

Note: The Company has received a letter from Mr Masayoshi Taira that he does not wish to seek re-election and will retire at the close of this Annual General Meeting. Mr Taira will relinquish all his positions in the Board Committees.

MR. THOMAS PEK EE PERH

Non-Executive and Non-Independent Director

Date of first appointment as a director

27 October 2014

Date of last re-elected as a director

23 December 2016

Length of service as a director (at 31 August 2019)

4 year 10 months

Committee(s) served on:

Nil

Academic and Professional Qualification(s)

- Diploma of Business Management

Present Directorships (at 31 August 2019)

Non-listed companies

- Cheng Chuan Holdings Pte Ltd
- Food Corporation (S) Pte Ltd
- Tai Hua Food Industries Pte Ltd

Major Appointments (other than Directorships)

- Singapore Chinese Chamber of Commerce and Industry (Chairman, General Affairs Committee)
- Singapore Noodles Manufacturers' Association (Life Honorary President)
- Telok Blangah Community Club Management Committee (Patron)
- Clementi Town Secondary School Advisory Committee (Chairman)
- Kwan-In Welfare Society Singapore (Life Honorary President)
- Peh Clan Association (Vice-President)

Past Directorships held over the preceding three years (from 1 September 2016 to 31 August 2019)

- Nil

Awards

- Public Service Medal (PBM) in 2006
- Service to Education Award (Silver) in 2009
- Public Star Medal (BBM) in 2016

Letter from the Chairman

“Revenue grew by 4.2% in FY2019 to $53.5 million, with strong showing in the consumer electronics and automotive segments. Group revenue was $51.3 million in FY2018. The strong revenue growth was a result of management’s vision to continue to expand its operations, particularly in the Philippines.”

Lim Thean Ee
Chairman

$53.5 mil
Revenue

$1.0 mil
Loss after Tax

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Miyoshi’s annual report for the year ended 31 August 2019 (“FY2019”).

Strong Revenue Growth

Revenue grew by 4.2% in FY2019 to $53.5 million, with strong showing in the consumer electronics and automotive segments. Group revenue was $51.3 million in FY2018. The strong revenue growth was a result of management’s vision to continue to expand its operations, particularly in the Philippines.

Despite the increase in revenue in FY2019, the Group suffered a loss of $1.0 million.

Diversification of Current Core Business

Our current core business consists of providing integrated engineering services such as precision stamping, which involves tooling, wire cutting, prototyping, surface treatment processes and factory automation for sub-assembly operations.

As disclosed in the annual report of the Company for FY2017, the Group’s business model involves raising the performance of the current core business and developing new businesses, which includes investing in the Electric Vehicle Business and incubating the Optoelectronic Business and Indoor Farming Business. The Group is desirous of expanding, on a material scale, the current core business to include that of the new businesses.

The rationale for pursuing new businesses is to seek growth that is in line with our mission statement of being a ‘Tomorrow-focused Manufacturer’.

The diversification of current core business to include the new business of electric vehicles, optronics and industrial farming, was approved by the Company’s shareholders on 28 December 2018 at the Extraordinary General Meeting.

Corporate Culture

A sound corporate culture is a vital factor in a company’s success and in Miyoshi, the CEO is the owner and driver of our corporate culture. Having been the CEO of Miyoshi for the last 28 years, Mr. Andrew Sin has set the vision, mission and values for the Group to take us forward to the new disruptive age.

Image: The ribbon-cutting ceremony at the opening of our new Tradehub office

Letter from the Chairman

(0.13) cents
Earnings per share

10.14 cents
Net asset value per share

With the CEO placing a strong emphasis on good corporate governance practice, he has helped to drive behavioural change and long-term thinking which influenced how Miyoshi does its business and engages with stakeholders positively on a sustainable basis.

Corporate governance rankings

The Group has been recognised for its commendable standards in corporate governance, disclosure and transparency.

Our standards of corporate governance continued to improve, with our score under the Singapore Governance and Transparency Index 2019 ("SGTI 2019") at a record high of 87 points. Our ranking on the SGTI 2019 also improved significantly from 164th place in 2017 to 40th place in 2019.

We are proud that our corporate culture promotes good corporate governance practices and transparency across the Group. The above recognition motivates us to push the boundaries of excellence in governance and transparency, as we continue to aim high to set the benchmark for the industry.

Singapore Corporate Awards

One of the highlights of the year was to receive a merit award at the inaugural 'Best Risk Management Award' for companies with market capitalisation less than $300 million at the annual Singapore Corporate Awards 2019. This is the first win for the Group at the prestigious annual Singapore Corporate Awards, which recognises leading SGX-listed companies for their exemplary corporate governance. This award recognises Miyoshi's commitment to continually improve on corporate governance and risk management to support the growth of the Group.

The rigorous short-listing process comprises three (3) stages, with the winner of the Best Risk Management Award chosen by a panel of judges who reviewed and evaluated short-listed companies against a detailed list of criteria, taking into account the quality and presentation of information such as materiality assessment, risk awareness and transparency, which actionable operations on key risk issues.

We are deeply honoured to receive this inaugural award in recognition of management's sustained efforts to progress our risk management practices and good corporate governance practices.

Sustainability

We are glad to be reporting on sustainability against the Global

"One of the highlights of the year was to receive a merit award at the inaugural 'Best Risk Management Award' for companies with market capitalisation less than $300 million at the annual Singapore Corporate Awards 2019."

Reporting Initiatives ("GRI") Standards to ensure Miyoshi's ambition and programs are aligned with well-established international standards. We are looking to take a more sustainable approach to how we do business. This year, we look at various economic, social and environmental systems that we intimately have a business connection with. Specifically, we seek to create a sustainable ethos, setting goals and targets across the Group and involving the local community, to achieve sustainable growth.

Dividends

Miyoshi has been providing returns to our shareholders with annual dividends. In FY2019, the Board has, after much deliberation, adopted a prudent approach to conserve cash amidst the current challenging environment. As such, no final dividend will be proposed at the forthcoming Annual General Meeting on 27 December 2019.

FY2020 Outlook

Global economic outlook remains challenging with impact of general economic and business conditions arising from the US-China trade war. Notwithstanding the foregoing, we expect core revenue growth, with the higher growth in revenue from automotive and consumer electronics segments to offset the decline in revenue from the data storage segment.

The construction of two industrial buildings in the Philippines puts us in good position to leverage on the continued growth for the Philippines. These initiatives will enable us to forge ahead in our quest to sustainable growth and strive to achieve better returns for our shareholders.

The business outlook for our investment in the electrical vehicles business is expected to remain challenging due to among others, volatile macro economic conditions and changes in government policies in China.

The Group continues to explore new opportunities in new geographical locations and new market segments, while also continue to rationalize and consolidate its operations to achieve better economies of scale.

Acknowledgements

On behalf of the Board, I would like to thank our customers, advisors, bankers, suppliers and business partners for their support as we continue to grow our footprint in both our core business and growth drivers.

I also want to thank the concerted effort and determination of our team of dedicated employees. When cost increases at a faster pace than revenue growth, it means that each employee has to work harder and more productively. To continue achieving this takes a lot of dedication and drive. I would like to thank all our employees for growing Miyoshi and embracing the Miyoshi culture.

Last but not least, we would like to thank both our existing and new shareholders for your faith in us and for supporting our various corporate initiatives.

Yours sincerely,

LIM THEAN EE
Chairman
Miyoshi Limited

Images from left to right:
1. Directors and management at the Singapore Corporate Awards
2. CEO sharing his experience with students on indoor industrial farming

CEO's Review

> "FY2019 will be remembered for its many high points. We have achieved a healthy revenue growth of 4.2% year-on-year despite the challenging business environment."

Andrew Sin Kwong Wah
Executive Director and CEO

FY2019 will be remembered for its many high points. We have achieved a healthy revenue growth of 4.2% year-on-year despite the challenging business environment. Revenue growth was attributable to our consumer electronics and automotive business segments, and rental income increased year-on-year too. We have also achieved our best ever points total and ranking in the annual corporate governance ranking in the SGTI 2019. We were awarded the inaugural 'Best Risk Management Award' for companies with market capitalisation less than $300 million at the annual Singapore Corporate Awards 2019.

FY2019 Financial Performance

Our revenue in FY2019 grew by 4.2% compared with FY2018. Except for the data storage segment, revenue from all other segments increased. The decline in revenue from the data storage segment was within our expectations.

Revenue from our largest business segment, the consumer electronics segment, came in at $22.6 million in FY2019, an increase of 5.2% from $21.5 million in FY2018.

Revenue from the automotive segment grew by $1.3 million, or 8.4% to $16.6 million in FY2019 on more orders for automotive components, especially in vehicle dynamics (powertrain, chassis and safety). We deliver to more than 18 geographical locations for the automotive segment, including various cities in the Philippines and China, Mexico, Thailand, Germany, Hungary and India.

Revenue from rental of industrial properties also grew by 23.8% to $1.3 million in FY2019. Rental income was $1.0 million in FY2018. During the financial year, we recognised additional rental income from our industrial property in the Philippines.

$22.6 mil
Consumer Electronics

$16.6 mil
Automotive

$12.9 mil
Data Storage

$1.3 mil
Rental

Image: Photo with Deputy Prime Minister, Mr. Heng Swee Kiat at the Singapore Corporate Awards

CEO's Review

"We have also achieved our best ever points total and ranking in the annual corporate governance ranking in the SGTI 2019. We were awarded the inaugural 'Best Risk Management Award' at the annual Singapore Corporate Awards 2019."

Share of loss from associate of $1.7 million in FY2019 reflects the share of results of Core Power that is in a loss making position. The business is affected by among others, the scale back of subsidy support for electric vehicle makers in China.

The Group reported a net loss attributable to owners of the parent of $0.8 million, compared to net profit attributable to owners of the parent of $1.3 million in FY2018. The one-off gain on disposal of property at 5 Second Chin Bee Road of $3.9 million was offset by impairment of other receivables of $3.6 million, impairment of property, plant and equipment of $0.3 million and provision for trade receivables of $0.2 million.

Re-Tooling for the Future

Currently, our plant capacity utilization rate is well below our target, which results in a sizable amount of unabsorbed overhead expenses that impacted our Group's cost structure for FY2019. Fundamentally, addressing capacity utilization will require reducing our manufacturing footprint to more appropriately reflect the foreseeable demand trends across our markets and leveraging our overall improved plant performance. The sale of our industrial properties in Singapore in 2014 and 2018 is in line with this objective and has helped to improve our cost structure.

Where needed, we have also increased our production capacities in the recent years, such as the purchase of our Wuxi factory (January 2014), the Optronics laboratory (May 2016), our third Philippines property (August 2017) and Tradehub21 (February 2018). Besides the above, we have also constructed four industrial buildings in the Philippines in the last three years.

During FY2018, we have also invested in automation in our various secondary processes to improve our operational efficiency and productivity. We have also invested in various secondary processes such as plating in certain manufacturing locations. These activities will help us improve our overall margins in the years ahead. While we are pleased with our efforts, we are not resting on our laurels and are constantly seeking to further improve on our operational efficiencies.

We have also improved our prototyping capability with the purchase of the 6-axis cutting robot arm. This greatly reduced the cost to our customer as quality prototypes can be cut with minimal time and cost. We have also invested in stamping machines, additional surface treatment lines and other equipment to cater to the growing demand in the Philippines.

Sustainability

Last year, we have dedicated a significant portion of this report to the Group's sustainability efforts. We are expanding programs and initiatives to implement sustainable business practices. More information about these actions can be found in our 2019 Sustainability Report.

Increasingly, the line between our sustainability efforts and our business activities is becoming harder to distinguish. In fact, these two missions complement and reinforce each other, as what is good for our business is good for advancing sustainable business practices, and vice versa. When we find ways to reduce the power and water consumption of our operations, we save money and achieve progress toward our sustainability goals.

A Renewed Confidence

We have tremendous opportunities to make significantly greater progress over the next several years with both our core business and growth drivers.

Our people have demonstrated that they can meet and overcome difficult business challenges faced by our Group. Regardless of the pace of economic growth across our global markets, our people are prepared to continue delivering cutting edge customer solutions, steady improvement in all of our operations, and financial results that reward shareholders' confidence in Miyoshi.

Thank you

I am proud of our team for delivering a resilient performance in what was a very challenging year in FY2019, both operationally and financially, while continuing to promote our values of integrity, teamwork, innovation and quality. These values will put us in good stead to face the challenges that FY2020 will bring.

On behalf of our entire team, I extend our deepest appreciation to you for your support this past year. We are committed to sustaining our leadership for you and all the Group's stakeholders, and I look forward to keeping you apprised of our progress.

Sincerely,

ANDREW SIN KWONG WAH
CEO and Executive Director
Miyoshi Limited

Images from left to right:
1. Assembly line at Core Power, Fujian
2. CEO receives the 'Best Risk Management' award

Key Management Team

ANDREW SIN KWONG WAH
Chief Executive Officer

KAREN GAN YOKE FONG
Senior Vice President, Corporate Development

MICHAEL NG CHEONG KIAT
Vice President, Optronics

JAYCE TAN GUIK HIANG
Group Finance Manager

WEE SOON GHEE
Vice President, Operations
General Manager, Miyoshi Thailand

TOMOAKI HINOKI (TOMMY)
Corporate Marketing Manager

LIN RUONING
General Manager, Miyoshi Wuxi

JOHNNY TAN TIONG SOON
General Manager, Miyoshi Huizhou
General Manager, Miyoshi Philippines

ANDREW SIN KWONG WAH
Chief Executive Officer

Mr Andrew Sin Kwong Wah, 66, is the Chief Executive Officer and has been its Executive Director since 24 September 1991 and has 29 years experience in the metal stamping industry. He has the overall responsibility for the Group's business. Andrew joined Miyoshi in 1990 as Operations Manager.

From 1974 to 1990, Andrew served with the Singapore Armed Forces and was an officer with the Singapore Combat Engineers.

Andrew sits on the boards of Miyoshi Industry Co., Ltd, Japan as a non-executive director and key subsidiaries of the Miyoshi Group. He was Executive Chairman of Miyoshi from 10 December 2014 to 21 October 2016.

Andrew holds a Bachelor of Science degree (First Class Honours) in Management from Japan National Defence Academy.

KAREN GAN YOKE FONG
Senior Vice President, Corporate Development

Ms Karen Gan Yoke Fong, 56, is the Vice President for Corporate Development with 31 years of experience in metal stamping industry.

She assists in strategic planning and facilitates staff developmental plans in transformation so as to meet the evolving corporate direction and objectives as new business ventures are embarked on.

Karen sits on the board of Miyoshi Hi-Tech Co., Ltd, Thailand and was a director of the Miyoshi Group from 6 December 1995 to 16 July 2013. She joined Miyoshi in 1988 as a Management Trainee.

Karen holds a Bachelor of Science degree in Physics and Mathematics from National University of Singapore.

MICHAEL NG CHEONG KIAT
Vice President, Optronics

Mr Michael Ng, 58, is the Vice President for the Optronics business with more than 30 years of experience in wireless and digital signal processing. He was appointed VP Optronics on 2 October 2014. He has the overall responsibility for the Group's optronics business.

Prior to joining Miyoshi, Michael was Corporate Vice-President of STL Co., Ltd. He was Regional Director at Philips TDS, Seoul GSM site manager for Motorola-TTPCom and was GM of Wearnes Electronics.

Michael holds a MSEE from Purdue University and MBA from UCLA and National University of Singapore.

JAYCE TAN GUIK HIANG
Group Finance Manager

Ms Jayce Tan Guik Hiang, 44, is Group Finance Manager. She assumed this role on 16 June 2008 and is responsible for the full spectrum of group consolidation, management reporting and internal audit functions.

Jayce has over 23 years of experience in finance and joined Miyoshi on 26 September 2005 as Assistant Accountant. Prior to joining Miyoshi, Jayce handling full set of accounts for various companies.

Jayce graduated with a Diploma in Management and Accounting from PSB Singapore and completed her ACCA with Singapore Academy of Accountancy in 2006. She is a member of the ISCA and Association of Chartered Certified Accountant, United Kingdom.

WEE SOON GHEE
Vice President, Operations
General Manager, Miyoshi Thailand

Mr Wee Soon Ghee, 51, is the Vice President for Operations since 16 November 2016. He has over 29 years of experience in the metal stamping industry and is responsible for the coordination and management of Group's operations and heads our operations in Thailand.

Wee joined Miyoshi in 1 August 1990 as a Tool Maker and he rose through the ranks of technician, supervisor, engineer and manager, and was appointed General Manager of our Thailand operations from 1 March 2015.

Wee holds a Diploma in Industrial Engineering from National Productivity Board.

TOMOAKI HINOKI (TOMMY)
Corporate Marketing Manager, Miyoshi Philippines

Mr Tomoaki Hinoki, 37 is the Corporate Marketing Manager of Miyoshi Philippines with over 15 years of experience in metal stamping and plastic injection. He was appointed General Manager of Miyoshi Philippines on 2 February 2015.

Tommy first joined Miyoshi Philippines on 2 January 2008 as our Sales and Marketing Executive and was promoted to Assistant General Manager on 1 October 2014.

Prior to joining Miyoshi, Tommy was with PTON, Co., Global Metal Tech, Co. and Furukawa Sangyo Kaisha Philippines Incorporated.

Tommy holds a Bachelor of Business Administration from Ritsumeikan Asia Pacific University, Beppu City, Japan.

LIN RUONING
General Manager, Miyoshi Wuxi

Mr Lin Ruoning, 44, is the General Manager of Wuxi Miyoshi Precision Co., Ltd with over 23 years of experience in the metal stamping and tool manufacturing. He leads our operations in Wuxi, China since 2013.

Lin joined Miyoshi Singapore in 1996 as a Tool Maker. He was promoted through the ranks of Supervisor, Manager and Senior Manager (Engineering), prior to his appointment as General Manager.

Lin holds a Diploma in Business Administration from Jiangnan University.

JOHNNY TAN TIONG SOON
Vicepresident, Marketing
General Manager, Miyoshi Huizhou
General Manager, Miyoshi Philippines

Mr Johnny Tan Tiong Soon, 58, with over 32 years of experience in the metal stamping and plastic injection, heads our operations in Huizhou, China since 14 April 2014. Johnny joined Miyoshi on 15 April 2012 as Senior Manager, Supply Chain Management.

Prior to joining Miyoshi, Johnny was with Sony Precision (Huizhou) as head of various departments. From 1987 to 2004, Johnny worked for Sony Precision Engineering Center (Singapore).

Johnny holds a Diploma in Business Management from Singapore Institute of Management.

Investor Relations

At Miyoshi, we are committed to building investor confidence and trust, enhancing our corporate transparency through effective communication and regular interaction with our shareholders and the investment community.

In the context of constantly evolving requirements of disclosure, transparency and corporate governance, we aim to provide investors with an timely, accurate, coherent and balanced account of the Group's performance. Miyoshi has a investor relations ("**IR**") team that promotes and facilitates communications with existing and potential investors, financial analysts and shareholders through multiple platforms and channels. These include group briefings to analysts, potential investors and media, as well as the IR section of our corporate website.

Proactive communication with the investment community

As part of our comprehensive IR programme, Miyoshi continues to build on its relationships with the financial and investment communities through a variety of platforms.

These interactions provided opportunities for investors to gain greater clarity and deeper insights about Miyoshi's business, as well as provide management with useful information on investor perceptions, market sentiments and industry trends for strategy planning and decision-making. Management and IR team also met with both print and electronic media during the year to discuss Miyoshi's business strategy, operational and financial performance. We keep a close watch on analyst and media reports in our efforts to continuously improve our disclosure and IR practices.

Research and inputs from media, analysts and key stakeholders continue to be circulated to the management

Image: AGM at Warren Country Club, December 2017

and the Board, ensuring that they are apprised of the latest news and developments.

Miyoshi's Annual General Meeting ("**AGM**") on 28 December 2018 at the Warren Golf and Country Club saw a turnout of 54 shareholders and proxies. The AGM allowed the Miyoshi Board and management to share the latest corporate updates and to respond to shareholders' queries.

We believe that our sustained IR efforts have contributed to a better appreciation of Miyoshi's core business and its growth drivers by the investment community. We will continue to enhance our IR practices and disclosures as we work towards becoming a more sustainable company.

Investor Relation Resources

Our IR website (www.miyoshi.biz) is a key resource for corporate information, financial data and significant business developments. Investors are encouraged to visit the website for Miyoshi's stock exchange announcements, quarterly financial results and annual reports, and investor presentation slides. Investors who would like to get in touch with the IR team may email investorrelations@sg.miyoshi.biz.

Miyoshi makes available for investor relations, materials which include, amongst others, annual reports, SGX-ST financial results announcements, presentation slides and links to our released SGX-ST announcements.

All new material announcements are posted on the IR website immediately following its release to SGX to ensure fair, equal and prompt dissemination of information.

Corporate Governance and Sustainability

In recognition of our commitment towards better corporate governance, corporate responsibility and sustainable business practices, Miyoshi continued to improve on Singapore Governance and Transparency Index 2019 ("**SGTI 2019**") with a record high of 87 points. We were ranked 40th out of a total of 578 listed companies on the SGTI 2019. We were ranked 46th in SGTI 2018.

We were included in the inaugural list of companies on the SGX Fast Track programme launched in April 2018 to recognise Singapore listed companies that have a good corporate governance standing and compliance track record. Companies on the Fast Track programme will have prioritised clearance for selected corporate action submissions to SGX RegCo.

Shareholder Diversity

As at 25 November 2019, there were 2,807 registered shareholders (22 November 2018: 2,836), where institutions formed 39.8% of our shareholder base, while retail investors accounted for the remaining 60.2%. Shareholders in Singapore held approximately 91.5% of our issued capital, while those in Japan held 8.3%.

Share Performance

Miyoshi shares achieved an average daily turnover value of approximately $55,000 in FY2019. The share price reached a high of 5.7 cents and recorded a low of 3.6 cents in FY2019.

Miyoshi's share price recorded a weak performance in FY2019, closing at 3.5 cents as at 30 August 2019, a 34.0% decrease from the start of the financial year.

As at 25 November 2019, Miyoshi's market capitalisation totalled $21.3 million, based on the closing share price of 3.5 cents.

Image: AGM at Warren Country Club, December 2018

Key IR Activities/Features in FY2019	
26 October 2018	Full-year results announcement FY2018
19 November 2018	Investor-One: Miyoshi Optronics providing solutions for security and law enforcement
28 December 2018	Annual General Meeting for FY2018
11 January 2019	1Q2019 results announcement
17 January 2019	Business Times: 'Critical report on Catalist sparks a lively debate'
17 January 2019	Zaobao: 'On Miyoshi's transfer to Catalist and enters electric vehicles industry'
21 January 2019	The Edge: 'Recommendation to disallow companies to downgrade to Catalist kicks up a storm'
5 April 2019	2Q2019 results announcement
5 July 2019	3Q2019 results announcement
23 July 2019	Channel News Asia news coverage: Miyoshi bags Best Risk Management award at the Singapore Corporate Awards
7 August 2019	Straits Times: CFO featured in 'Identifying the road to success'
30 October 2019	Full-year results announcement FY2019

Our Business Model

> "Vision always comes first in any business transformation. We had a clear vision "to be a tomorrow-focused manufacturer with our multi-business strategy with engineering and technology as our core" and we eventually attracted the right strategy."
>
> **Sin Kwong Wah, Andrew**

Getting the right strategic vision is critical

Vision always comes first in any business transformation. We had a clear vision "to be a tomorrow-focused manufacturer with our multi-business strategy with engineering and technology as our core" and we eventually attracted the right strategy.

Our Strategy

Raising the Performance of our Core Business (Integrated Engineering Services)

Our strategy for raising the performance our core business is to strengthen our marketing strategies and improve the profitability of our core business.

Our marketing plan includes having our Heads of Sub-units ("HOS") to lead the business development efforts, meet more regularly, set specific business goals and keeping track of the metrics or key performance indicators. We seek to drive long-term sustainable business growth while continuing to promote our values of integrity, teamwork, innovation and quality.

On improving the profitability of our core business, we seek to innovate, adapt and evolve with our customers' needs. We do this by continuously building key capabilities, such as the increased use of robots in our production process, investments in production equipment and development of our human capital. Our HOS meet periodically to identify patterns and trends, share information and to think creatively by generating alternatives, visualizing new possibilities and challenging assumptions.

Revenue from our core business accounted for 97.5% of revenue in FY2019 (FY2018: 97.3%).

Proposed Diversification of Core Business

At the recently concluded Extraordinary General Meeting ("EGM") on 28 December 2018, the Group obtained shareholders' approval to expand, on a material scale, the current core business to include the following New Business, as and when opportunities arise:

(a) the electric vehicle business, involving the development, manufacturing, assembling and selling of electric vehicles and other infrastructure projects, such as fabrication and installation of charging stations (the "Electric Vehicle Business");

(b) the optronics business, involving the provision of electronic solutions with wide applications in homeland security, border control and law enforcements, and the provision of high-performance face-recognition surveillance related products (the "Optronics Business"); and

(c) the indoor farm business, through research, production trials and the development of the Group's high-tech indoor farm factory and domain knowledge of the operating of indoor farming (the "Indoor Farm Business").

Rationale for the Proposed Diversification of Core Business

(a) The Board sees the proposed diversification of core business as a means to sustainable revenue.

The development of new businesses were very much driven by the decline in revenue from our core business, specifically, demand for data storage products that has been in decline since 2010. We produce dampers and top covers, and electro-plating of actuator arms for the hard disk drive industry.

The Electric Vehicle Business, through Core Power, has grown to 100 distributorships across China since August 2016, while the Optronics Business has grown from strength-to-strength in Southeast Asia since March 2016, alongside small successes in Europe and Middle East. With the Group's extensive experience with engineering and manufacturing, the development of the Indoor Farm Business since December 2016 will similarly be a profitable extension of its business. The global shortage of arable land, increasing populations, climate change, and demand for high quality and stable food supply has placed the Indoor Farm Business in position as a potential growth portfolio.

(b) The proposed diversification of core business will provide the Group with the opportunity to expand its portfolio across different markets. Given the uncertainties prevailing in the current global economic outlook and the slow-down in the hard disk drive industry, the Group believes that it is prudent to take active steps to reduce reliance on the Current Core Business. The inclusion of the New Business is thus envisaged to provide a continued source of sustainable revenue for the Group and to cushion the effects of weakened demand and prospects in the hard disk drive industry.

(c) The proposed diversification of core business would enable the Group to participate in the long term growth prospects of the global green energy industry, in particular in ASEAN and the PRC.

The Board believes that demand for green energy and services related to green energy will continue to grow as governments' worldwide step up efforts to cut carbon emissions and rein in pollution. Europe, France and the United Kingdom separately announced plans in July 2017 to ban the sale of new petrol and diesel cars by 2040[1], by which time all new cars in both markets would have to be emission-free. Several car makers have already expressed plans to build more environmentally-friendly vehicles. Volvo, for one, announced in July 2017 that all its new cars to be launched from 2019 will be partially or completely battery-powered[2]. In Asia, leading manufacturers like Toyota Motor and Honda Motor continue to launch new models of electric cars in response to growing demand.

Against this backdrop, the Board believes there will be potential growth in the green energy market through its Electric Vehicle Business. In Asia, China has demonstrated it endeavours to contain pollution and reduce dependence on fossil fuels. In 2016, China increased its foreign investment in renewables by 60% to reach a record US$32 billion. As part of the Going Global strategy for renewable energy, China established the Asia Infrastructure Investment Bank and poured money into the BRICS' New Development Bank, which made its first loans, all for renewable energy. The China government recently set a target to limit coal at 58% of its energy consumption by 2020, down from 64% in 2015[3].

Images from left to right:
1 Our core business: Integrated Engineering Services
2 Our Optronics booth at the International Exhibition for National Security and Resilience ("ISNR") in Abu Dhabi, UAE, 6th to 8th March 2018

Our Business Model

How we create and capture sustainable value

Capturing Value:

Design & Build
- Engineering
- Automotive
- Optronics

PROJECT-BASED

Sale & Service
- Tooling sales
- Automotive sales
- Equipment sales

OPERATIONS

Own & Operate
- Metal Stamping

REVALUATION & DIVESTMENT

Stabilise & Monetise
- Unlocking value
- Recycling & re-investing capital for higher returns

RECURRING

Fee-based
- Operating & maintenance services
- Property rental services

Earning Streams:

Prototype profit Development profit	Sales profit Operating profit	Capital gains	Recurring income

Images from left to right:
1 Production trials of our indoor farm business
2 Electric vehicles in line to undergo final testing

Footnotes:
[1] Charlotte Ryan and Jess Shankleman (July 26, 2017). U.K. Joins France, Says Goodbye to Fossil-Fuel Cars by 2040. Retrieved from www.bloomberg.com. The Company has not asked the authors of this publication for the consent to the inclusion of the information extracted from the specified publication under this section and they are hereby not liable for these statements. Although the directors of the Company have taken reasonable care in the extraction, complication and reproduction of the publication in their proper form and context in this Annual Report, they have not verified the accuracy of such information.
[2] Adam Vaughan (July 5, 2017) All Volvo cars to be electric or hybrid from 2019. Retrieved from www.theguardian.com. The Company has not asked the authors of this publication for the consent to the inclusion of the information extracted from the specified publication under this section and they are hereby not liable for these statements. Although the directors of the Company have taken reasonable care in the extraction, complication and reproduction of the publication in their proper form and context in this Annual Report, they have not verified the accuracy of such information.
[3] Joel Jaeger, Paul Joffe and Ranping Song (January 6, 2017). China is Leaving the U.S. Behind on Clean Energy Investment. Retrieved from http://www.wri.org. The Company has not asked the authors of this publication for the consent to the inclusion of the information extracted from the specified publication under this section and they are hereby not liable for these statements. Although the directors of the Company have taken reasonable care in the extraction, complication and reproduction of the publication in their proper form and context in this Annual Report, they have not verified the accuracy of such information.

Economic Value and Our Stakeholders

In the course of conducting our business, we create direct and indirect economic value for our stakeholders and contribute to the development of local economies.

We generated revenue (customers) of:

($'million)	
FY2017	52.8
FY2018	51.3
FY2019	53.5

from which we made payments for our materials and services (suppliers, vendors, service providers) of:

($'million)	
FY2017	38.7
FY2018	38.2
FY2019	42.1

We distributed in employee compensation and benefits (employees, directors) of:

($'million)	
FY2017	11.0
FY2018	11.1
FY2019	11.5

made payments to providers of capital (shareholders, lenders) of:

($'million)	
FY2017	2.4
FY2018	1.6
FY2019	0.4

and accrued in income tax of (governments):

($'million)	
FY2017	0.5
FY2018	0.6
FY2019	0.5

Economic value retained

($'million)	
FY2017	0.2
FY2018	(0.2)
FY2019	(1.0)

Calculated in accordance with the Global Reporting Initiative ("GRI") Standards: Disclosure 201-1 Direct Economic Value Generated and Distributed. Economic value retained is calculated as 'Direct economic value generated' less 'Economic value distributed'.

Awards and Accolades

2019

Singapore Corporate Awards
Merit award for 'Best Risk Management' for companies with less than $300 million in market capitalisation

Singapore Governance and Transparency Index (SGTI) 2019
Ranked 40 out of 578 Singapore Exchange (SGX) listed companies evaluated

DP Information Group
Ranked 333 of Singapore 500 Public Listed Companies (Ranked by Sales)

2018

Singapore Governance and Transparency Index (SGTI) 2018
Ranked 46 out of 589 SGX listed companies evaluated

DP Information Group
Ranked 353 of Singapore 500 Public Listed Companies (Ranked by Sales)

2017

Singapore Governance and Transparency Index (SGTI) 2017
Ranked 164 out of 606 SGX listed companies evaluated

DP Information Group
Ranked 354 of Singapore 500 Public Listed Companies (Ranked by Sales)

Securities Investors Association Singapore (SIAS) Investors' Awards 2017
Most Transparent Company Award (Winner, Small and Medium Enterprise)

2016

Singapore Governance and Transparency Index (SGTI) 2016
Ranked 443 out of 631 SGX listed companies evaluated

DP Information Group
Ranked 336 of Singapore 500 Public Listed Companies (Ranked by Sales)

2015

Singapore Governance and Transparency Index (SGTI) 2015
Ranked 623 out of 639 SGX listed companies evaluated

DP Information Group
Ranked 197 of Singapore 500 Public Listed Companies (Ranked by Sales)

2014

Singapore Governance and Transparency Index (SGTI) 2014
Ranked 634 out of 644 SGX listed companies evaluated

DP Information Group
Ranked 212 of Singapore 1000 Public Listed Companies (Ranked by Sales)

2013

Singapore Governance and Transparency Index (SGTI) 2013
Ranked 659 out of 664 SGX listed companies evaluated

DP Information Group
Ranked 266 of Singapore 500 Public Listed Companies (Ranked by Sales)

Corporate Structure

*Corporate Structure as of 31 August 2019

Corporate Information

DIRECTORS
Executive:
Mr. Andrew Sin Kwong Wah (CEO)

Non-Executive:
Mr. Lim Thean Ee (Independent Chairman)
Mr. Wee Piew (Independent)
Mr. Masayoshi Taira (Non-Independent)
Mr. Thomas Pek Ee Perh (Non-Independent)

AUDIT COMMITTEE
Mr. Wee Piew (Chairman)
Mr. Masayoshi Taira
Mr. Lim Thean Ee

NOMINATING COMMITTEE
Mr. Lim Thean Ee (Chairman)
Mr. Andrew Sin Kwong Wah
Mr. Wee Piew

REMUNERATION COMMITTEE
Mr. Lim Thean Ee (Chairman)
Mr. Masayoshi Taira
Mr. Wee Piew

COMPANY SECRETARY
Mr. Ong Wei Jin

SPONSOR
CIMB Bank Berhad, Singapore Branch
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

COMPANY REGISTRATION NO.
198703979K

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Email: info@sg.miyoshi.biz
Website: http://www.miyoshi.biz

SHARE REGISTRAR
M & C Services Pte Ltd
112 Robinson Road #05-01
Singapore 068902
Tel: (65) 6227 6660 Fax: (65) 6225 1452

AUDITOR
BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road, #23-01
Park View Square
Singapore 188778
Partner-in-charge: Mr. William Ng
(First appointed in respect of the financial year ended 31 August 2019)

PRINCIPAL BANKERS
United Overseas Bank Limited

Operations and Financial Review

We achieved another financial year of strong operating performance through enhanced operational efficiencies despite lower capacity utilisation. We highlight the financial year's operations review, financial performance and the factors behind it.

OPERATIONS REVIEW

Core Business Continues to Grow

Our core business continues to grow with the Group's revenue recording a 4.2% increase year-on-year. Revenue increased across all segments, except for the data storage segment, which declined by 3.8% to $12.9 million in FY2019.

The Group reported a loss after tax for FY2019 of $973,000 mainly due to one-off, non-recurring expenses, such as the impairment of other receivables of $3.6 million, $0.3 million for the impairment of plant and equipment for Thailand and Malaysian operations and $0.2 million for provision for trade receivables. In FY2018, profit after tax was higher due to few one-off, non-recurring expenses.

In FY2018, the consumer electronics segment overtook the data storage segment as Miyoshi's largest revenue contributor. Revenue from the consumer electronics grew by 5.2% from $21.5 million in FY2018 to $22.6 million in FY2019. The increase was mainly due to more orders from Japanese customers, especially for ink jet printers, projectors, photocopiers and scanners.

Financial Highlights

For the year ($'000)	FY2019	% Total Revenue	FY2018	% Total Revenue	Change %
Revenue	53,452	100.0	51,318	100.0	4.2
(Loss)/Profit before tax	(486)	(0.9)	1,651	3.2	n.m.
Income tax	(487)	(0.9)	(634)	(1.2)	n.m.
(Loss)/Profit after tax	**(973)**	**(1.8)**	**1,017**	**2.0**	**n.m.**

Business Segmental Information

For the year ($'000)	FY2019	% Total Revenue	FY2018	% Total Revenue	Change %
Consumer Electronics	22,646	42.4	21,526	41.9	5.2
Automotive	16,604	31.1	15,316	29.9	8.4
Data Storage	12,945	24.2	13,461	26.2	(3.8)
Others	1,257	2.3	1,015	2.0	23.8
Total	**53,452**	**100**	**51,318**	**100**	**4.2**

Automotive was the second largest segment by revenue, which generated $16.6 million, a 8.4% increase from $15.3 million in FY2018. Miyoshi supplied metal components for vehicle dynamics (powertrain, chassis and safety), assistance driving systems, passive safety and sensory systems and instruments. We received positive feedback on the commercial and technical support from various locations of our automotive customers in South China and ASEAN and we will need to ensure that we have enough production capacity and materials to handle the growth of our automotive customers.

The continuing decline in revenue has resulted in the data storage segment being the third largest segment in FY2018. Revenue from the data storage

Operations and Financial Review

Geographical Segmental Information (Location of customers)

For the year ($'000)	FY2019	% Total Revenue	FY2018	% Total Revenue	Change %
Philippines	25,241	47.2	21,009	40.9	20.1
China	12,841	24.0	13,091	25.5	(1.9)
Thailand	5,899	11.0	6,496	12.7	(9.2)
Mexico	4,763	8.9	5,022	9.8	(5.2)
Hungary	1,463	2.7	2,012	3.9	(27.3)
Malaysia	1,301	2.5	1,243	2.4	4.7
Singapore	529	1.0	758	1.5	(30.2)
Others	1,415	2.7	1,687	3.3	(16.1)
Total	**53,452**	**100**	**51,318**	**100.0**	**4.2**

Geographical Segmental Information (Revenue of sub-units)

For the year ($'000)	FY2019	% Total Revenue	FY2018	% Total Revenue	Change %
Philippines	33,666	63.0	30,204	58.9	11.5
Huizhou	6,469	12.1	8,098	15.8	(20.1)
Thailand	5,648	10.6	6,229	12.1	(9.3)
Wuxi	5,384	10.1	3,971	7.7	35.6
Malaysia	1,847	3.4	2,064	4.0	(10.5)
Singapore	438	0.8	752	1.5	(41.8)
Total	**53,452**	**100**	**51,318**	**100.0**	**4.2**

segment decreased by 3.8%, or S$0.5 million, from $13.5 million in FY2018 to $12.9 million in FY2019. Save for FY2017 where revenue from the data storage segment increased by $0.2 million, revenue from data storage segment has decreased by at least $17.4 million in aggregate over the last 3 financial years.

Rental income continue to increase by 23.8% from $1.0 million in FY2018 to $1.3 million in FY2019, mainly due to additional rental income from the industrial property in the Philippines.

Our customers are primarily located in the Philippines, People's Republic of China, Thailand, Mexico and Hungary. In FY2019, these five countries accounted for 93.9% of Group's revenue.

Revenue from customers from the Philippines increased with by 20.1% year-on-year as demand for automotive and consumer electronics components continue to remain strong.

Revenue from other countries decreased mainly due to challenging business environment. The largest decreases of revenue were from customers located in Singapore (consumer electronics), Hungary (automotive) Thailand (data storage) and Mexico (automotive).

Continued robust growth of the Philippines

Revenue from the Philippines accounted for 63.0% of Miyoshi's revenue in FY2019. Its revenue rose to $33.7 million, up 11.5% year-on-year, and was led by significant growth of the consumer electronics and automotive segments.

In FY2019, we installed a new e-coating line and wastewater treatment system, upgraded the existing power system with the purchase and installation of a 500KVA power transformer, and fabrication of distribution panels for our production plants in the Philippines.

The above capital expenditure will put us in good stead to ride on the economic growth of the Philippines.

Recurring rental income from our investment properties were mainly derived from our investment properties in the Philippines. Additional rental income from our industrial property in Silang in FY2019 accounted for the increase in rental income.

Milestone Transactions

During the financial year, we completed four milestone transactions, which we believe will address the long-term shareholder value creation, strengthen our Group's financial position and push for the continued development of our new growth drivers:

- On 13 September 2018, the Company received the approval letter from Jurong Town Corporation ("JTC") in respect of the sale of the industrial property at 5 Second Chin Bee Road. The legal completion was within 3 months from the date of JTC's approval letter. The Company completed the disposal of the above property on 30 November 2018. This property was first opened in July 1988 and at its peak, there were more than 200 press machines on this property.

- On 28 December 2018, at the Extraordinary General Meeting, the shareholders passed two (2) important resolutions. The first resolution was the proposed diversification of the current core business to include the new

Images from left to right:
1 Newly installed D.I. water treatment equipment in our Philippines plant
2 Core Power's K series all-electric passenger vehicle (2019 model)
3 Group Photo of Value Engineering ("VE") Trip at Mt. Huashan in Xi'an, China, June 2018)

Operations and Financial Review

business of electric vehicles, optronics and industrial farming. The second resolution was the adoption of the new Constitution.

- On 28 December 2018, Miyoshi changed its registered address to 26 Boon Lay Way, #01-80, Singapore 609970.

- On 25 January 2019, the Company extended the long-stop date for the additional investment in Core Power to 30 September 2019. This was further extended to 5 January 2020 on 5 July 2019 when we announced our 3Q2019 results.

Strong Cash Flow From Operations

We are focused on driving strong cash generation and are pleased to report cash flow from operations of $3.9 million in FY2019. In FY2018, we generated $7.6 million cash flow from operations. The decrease in cash flow from operations were mainly because we have higher inventories of $1.6 million, slower in our collections of $1.1 million in account receivables and slower in paying our suppliers of $2.9 million.

The strong cash flow from operations allows us to diversify and return value back to shareholders. Looking forward, we will be looking to generate free cash flows which can be either retained on the balance sheet, invested in future new ventures or returned to shareholders via share buybacks or dividends.

Reduced Capital Expenditure

FY2018 was a record year for Miyoshi in terms of capital expenditure and investment with $8.3 million spent

on plant and equipment and a further $8.0 million invested in an associate, Core Power (Fujian) Automobile Co., Ltd ("Core Power"). The capital expenditure was funded by the net proceeds from the share placement completed in May 2018 and by internally generated cash flows.

In FY2019, Miyoshi reduced its capital expenditure with $5.8 million spent on plant and equipment and a lower amount of investment of $3.1 million on Core Power. The Group also completed the disposal of its first industrial property at 5 Second Chin Bee Road for $7.8 million.

We believe that our capital expenditure plan, which is primarily for expansionary purposes, also reflects our belief in both our core business and other new businesses which can provides us a platform to deploy capital and footprint to grow the Miyoshi group.

Eventful year for Miyoshi Optronics

Michael Ng heads Miyoshi Optronics as the Vice-President of the optronics business. The principal activity of Miyoshi Optronics is the design and manufacture of high reliability portable police electronics, including body-worn wireless video and audio streaming capabilities using proprietary Coded Orthogonal Frequency Division Multiplexing ("COFDM") and cellular systems. COFDM is a modulation scheme that divides a single digital signal across 1,000 or more signal carriers simultaneously. The signals are sent at right angles to each other (hence, orthogonal) so they do not interfere with each other.

Miyoshi Optronics ("MOS") also designs and manufacture rugged lithium batteries and contact robots for peacekeeping and border protection.

Since its incorporation in March 2016, MOS has grown from strength-to-strength. We completed the set-up of the high-tech laboratory in Penjuru Close in August 2016 for the fabrication and testing of advanced electronics solutions. During the year, besides manufacturing our products for sales to customers, we also developed prototypes for proof-of-concepts and for demonstration purposes at public security exhibitions.

Working with NEC Asia Pacific ("NEC"), we incorporate our mobile, body-worn surveillance system with NEC's artificial intelligence ("AI") facial recognition software. This allows real-time facial recognition solution that is highly reliable and with low latency, or we normally refer to as 'lag'. The combination of Miyoshi Optronics and NEC solutions allow security officers on the ground instant analysis of what they see, enabling them to provide actionable intelligence to commanders. NEC's Neoface facial recognition technology is the fastest in the world in picking out criminal suspects from a crowd using AI. The target market is Singapore, Malaysia and other Asia Pacific regions.

Miyoshi Optronics is one of the technology partner of NEC Global Safety Division. Our body-worn wireless video and audio streaming surveillance system, together with NEC's proprietary facial recognition system is one of the solutions on display at NEC's recently completed Open Innovation Centre ("OIC") in Biopolis, Singapore from 25 September 2018.

The investment in Miyoshi Optronics is a strong testament to our drive for tomorrow-focused business, which depends much on the development of strong innovation capabilities and the drive towards the digital transformation of industries. Our surveillance products were sold in Southeast Asia, and we have had small successes in Europe and Middle East.

Looking ahead, Miyoshi Optronics is focused on the three major markets of Singapore, Middle East and Europe.

Going forward

Looking forward, our objective is very clear: balanced top and bottom-line growth that consistently delivers shareholder return, while at the same time, positions Miyoshi for the long term. The work we have begun and the progress we have made have us building toward this level of results.

To accomplish our objective, we are raising the bar across everything we do to continue to accelerate revenue growth, improve productivity, and empower our organization and culture to deliver sustainable performance. The automotive and consumer electronics segments will be the main growth areas of our revenue.

The financial discipline we exercised over the years led us to manage our leverage and liquidity prudently to ensure balance sheet resilience and flexibility in difficult times.

Images from left to right:
1 Photo with our facial recognition partner during the Public Sector Transformation Exhibition 2018 at Resorts World Singapore
2 Public Sector Transformation Exhibition 2018 at the Resort World Singapore, 4th to 6th July 2018
3 Welding process at our Core Power factory

Operations and Financial Review

FINANCIAL PERFORMANCE

Profitability and capital efficiency

For the purposes of managing and controlling profitability at Group level, we use net profit margin as our primary measure. This measure is the main driver of basic earnings per share from net profit, which we use in communication to the capital markets.

Calculation of return on capital employed ("ROCE")

At Miyoshi, we seek to work profitably and as efficiently as possible with the capital provided by our shareholders and lenders. For the purposes of managing and controlling our capital efficiency, we use return on capital employed, or ROCE, as our primary measure. We aim to achieve a range of 6% or better.

ROCE for FY2019 was 0.64%, down from 4.3% in FY2018. This decrease was due primarily to lower profit after tax and higher average capital employed further to the Placement.

Average capital employed for a financial year is determined as a two-point average in capital employed of (1) the respective year-end and (2) the year-end of the previous financial year.

Capital structure

Sustainable revenue and profit development is supported by a healthy capital structure. Accordingly, a key consideration is to preserve our ability to repay and service our debt obligations over time. Our primary measure for managing and controlling our capital structure is the ratio of total borrowings to EBITDA. EBITDA is defined as earnings before interests, taxes, depreciation and amortization. This financial measure indicates the approximate amount of time in years that would be needed to cover total borrowings through profits from continuing operations, without taking into account, interest, taxes, depreciation, amortisation and non-recurring items. We aim to achieve a ratio of up to 2.0.

For FY2019, this ratio was 3.2, compared to 1.9 in FY2018.

Profitability Ratios

For the year	FY2019	FY2018	FY2017
Net profit margin (%)	(1.82)	1.98	4.17
Earnings per share (cents)	(0.13)	0.24	0.48
Return on capital employed (%)	(0.64)	4.25	5.72
Return on equity (%)	(1.28)	2.11	3.99
Return on assets (%)	(1.11)	1.20	2.80
Total borrowings/EBITDA	**3.19**	**1.88**	**1.69**

Calculation of Capital Employed

For the year	FY2019	FY2018	FY2017
Equity attributable to owners of the parent	61,630	63,825	57,057
Plus: Total borrowings	8,339	10,024	10,013
Less: Cash and cash equivalents	(3,139)	(5,342)	(8,697)
Less: Assets held for sale	-	(3,601)	(3,569)
Capital employed	66,830	64,906	54,804
Average capital employed	**65,868**	**59,855**	**53,656**

Calculation of ROCE

For the year	FY2019	FY2018	FY2017
(Loss)/ Profit after tax ($'000)	(973)	1,017	2,202
Add: Interest expense, net	403	397	469
Add: Tax expense	487	634	472
Add: Non-recurring gains or losses	(340)	497	(73)
(i) EBIT	**(423)**	**2,545**	**3,070**
(ii) Average capital employed	**65,868**	**59,855**	**53,656**
(i)/(ii) ROCE	**(0.64)%**	**4.25%**	**5.72%**

Dividends

Whilst we do not have a fixed annual dividend policy, we intend to continue providing returns to our shareholders, which is consistent with our capital management objective, long-term growth prospects and the need to maintain prudent liquidity levels in view of the challenging operating environment ahead.

The Board, after much deliberation, had adopted a prudent approach to conserve cash amidst the current challenging business environment. As such, no dividend has been declared in FY2019. The prior-year dividend was 0.2 cents on each share for FY2018.

Liquidity and balance sheet remain strong

We have adequate liquidity to support growth and the proceeds from the proposed disposal will build additional buffers to meet possible contingencies arising from external circumstances.

Our gearing ratio, which compares the shareholders equity to funds borrowed by the Group, decreased by 12.5% to 0.14 times.

Net asset value per share decreased by 3.2% to 10.14 cents, primarily due to the increase in number of outstanding shares from the Placement.

At $84.2 million, Miyoshi's total assets at the end of FY2019 shows a decrease from the prior-year figure by $6.4 million, or 7.0%, mainly due to payment of dividends of $1.2 million, decrease of liabilities of $2.4 million, loss attributable to owners of the parent of $1.0 million, decrease of other reserve of $0.2 million, decrease of non-controlling interests of $0.1 million.

Assets held for sale was the book value of the industrial property at 5 Second Chin Bee Road for proposed disposal. The amount of $3.6 million was reclassified to current assets from property, plant and equipment. Subsequent to the financial year-end, the proposed disposal was completed in November 2018.

Solvency and Liquidity Ratios

For the year	FY2019	FY2018	Change %
Gearing ratio	0.14	0.16	(12.5)
Current ratio	1.38	1.55	(11.0)
Cash ratio	0.18	0.27	(32.4)
Net asset value per share (cents)	10.14	10.48	(3.2)

Group Financial Position

Assets ($'000)	FY2019	% Total Assets	FY2018	% Total Assets	Change %
Property, plant & equipment	34,543	41.0	32,049	35.4	7.8
Investment properties	6,933	8.2	6,827	7.5	1.6
Associate	18,640	22.1	20,583	22.7	(9.4)
Other non-current assets	150	0.2	165	0.2	(9.1)
Cash and bank balances	3,139	3.7	5,342	5.9	(41.2)
Trade and other receivables	14,052	16.7	16,771	18.5	(16.2)
Inventories	6,776	8.1	5,249	5.8	29.1
Assets held for sale	-	0.0	3,601	4.0	n.m.
Total assets	**84,233**	**100.0**	**90,587**	**100.0**	**(7.0)**

Assets ($'000)	FY2019	% Total Assets	FY2018	% Total Assets	Change %
Equity attributable to owners of the parent	61,630	73.2	63,825	70.5	(3.4)
Non-controlling interests	1,894	2.2	2,008	2.2	(5.7)
Borrowings: non-current	2,165	2.6	3,874	4.3	(44.1)
Borrowings: current	6,174	7.3	6,150	6.8	0.4
Trade and other payables: current	11,097	13.2	13,666	15.1	(8.8)
Other liabilities	1,273	1.5	1,064	1.1	19.6
Total liabilities and equity	**84,233**	**100.0**	**90,587**	**100.0**	**(7.0)**

Operations and Financial Review

The decrease in trade and other receivables of $2.7 million was mainly due to smaller amounts owing from our customers.

Total borrowings decreased from $10.0 million on 31 August 2018 to $8.3 million on 31 August 2019. Repayment of bank loans and finance leases of $4.8 million exceeded proceeds from new bank loans of $4.3 million. The bank overdraft decreased by $1.2 million, from $1.6 million as at 31 August 2018 to $0.4 million on 31 August 2019.

Cash Flows

Cash and cash equivalents decreased by $1.0 million from $3.6 million as at 31 August 2018 to $2.6 million as at 31 August 2019. Cash and cash equivalents comprised of cash and bank balances, fixed deposits, bank overdraft and excluding restricted cash.

Operating Activities

The conversion of profit into cash inflows from operating activities was mainly driven by manufacturing services and rental income. The decrease in cash inflows was due to the decrease of net working capital arising from an increase in trade payables from our manufacturing services.

Investing Activities

The cash outflows for investing activities primarily included the purchase of plant and equipment of $5.8 million and investment in associate of $3.0 million.

During the year, the Company completed the sale of its industrial property at 5 Second Chin Bee Road for $7.8 million.

Group Cash Flows

Equity/Liabilities ($'000)	FY2019	FY2018	Change %
Operating cash flow before working capital changes	4,465	5,512	(19.0)
Working capital changes	(250)	2,917	(91.4)
Interest paid, net of interest received	(403)	(397)	1.5
Income tax paid	(458)	(447)	2.5
Net cash from operating activities	3,854	7,585	(49.2)
Net cash used in investing activities	(2,914)	(15,279)	(80.9)
Net cash (used in)/from financial activities	(1,956)	2,843	(168.8)
Decrease in cash and cash equivalents	**(1,016)**	**(4,851)**	**(79.1)**

Free Cash Flow and Working Capital

For the year ($'000)	FY2019	FY2018	Change %
Cash flows from operating activities	3,854	7,585	(49.2)
Additions to property, plant and equipment, net	(5,804)	(8,273)	(29.8)
Investment in associate	(3,076)	(7,951)	(61.3)
Free cash flow	(5,026)	(8,639)	(41.8)
Current assets	23,967	30,963	(22.6)
Current liabilities	(17,383)	(19,984)	(13.0)
Working capital	6,584	10,979	(50.7)

The cash inflows from disposal of plant and equipment of $0.1 million included the sale of machines that were not utilised or under-utilised.

Financing Activities

The cash outflows for financing activities primarily included the repayment of loans of $4.8 million, the payment of dividends of $1.2 million and the purchase of treasury shares of $0.2 million. The cash inflows were proceeds from the new loans of $4.3 million.

We report free cash flow and working capital and as a supplemental liquidity measure:

With our ability to generate positive operating cash flows, we believe we have sufficient working capital and flexibility to fund our capital requirements.

Key Performance Indicators

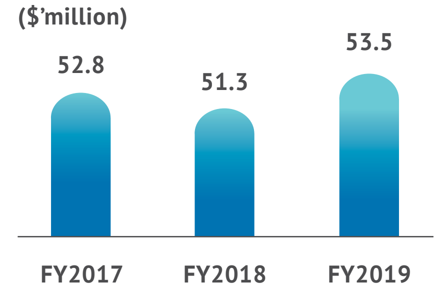
1. Grow revenue

Target:

Deliver consistent revenue growth.

Outcome for FY2019:

4.2% revenue growth to $53.5 million.



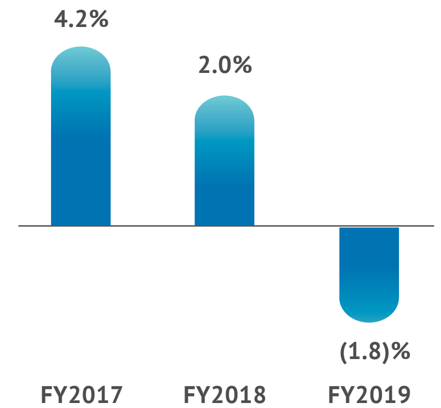
2. Improve Returns

Target:

Net profit margins of 6% or better.

Outcome for FY2019:

Net loss margin was 1.8%.

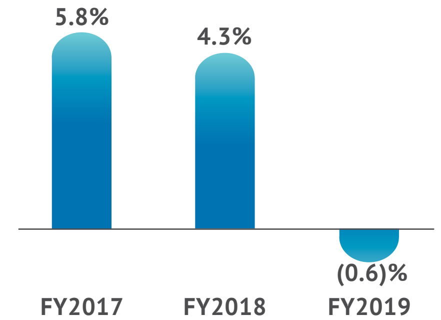


Target:

Return on capital employed of 6% or better.

Outcome for FY2019:

Return on capital employed was (0.6)%.



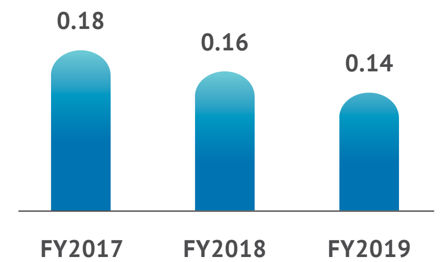
3. Quality balance sheet

Target:

Efficient capital structure, with manageable gearing ratio.

Outcome for FY2019:

Gearing ratio fell to 0.14 due to repayment of loans.



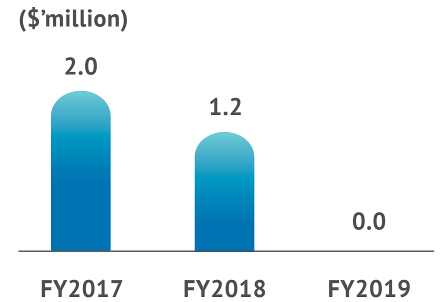
4. Returns to shareholders

Target:

Regular dividend payment to shareholders.

Outcome for FY2019:

No dividend has been declared in FY2019 as the Board, after much deliberation, had adopted a prudent approach to conserve cash amidst the current challenging business environment.



Letter from CEO on Sustainability

Our 'tomorrow-focused' vision allows us to anticipate and address global trends that impact the way we live, work, move and the food we eat.
- Andrew Sin Kwong Wah

Sustainability is a greater purpose that allows us to make a positive impact on the world. Our 'tomorrow-focused' vision allows us to anticipate and address global trends that impact the way we live, work, move and the food we eat. Companies with the right intent and expertise to address pressing global challenges will grow faster than the global economy. By thinking bigger and bolder to help customers around the world solve these challenges, we are doing the right thing for our communities, our environment and our business.

Miyoshi links business opportunities to important global trends to create long-term value for our customers, employees, shareholders, suppliers and local communities. We understand that everything that we do is connected to our stakeholders and environment, and that sustainability is smart business. We are putting our best minds and technology to work to go beyond what is possible.

Sustainability in all its forms – economic, environmental, social and governance – is central to our strategy. Just as we have been successful for the past 30 years, we strive to continue to build a more sustainable and thriving Group. The Board, having considered sustainability factors as part of its strategic formulation, determined that material economic, environmental, social and governance ("**EESG**") factors and overseen the management and monitoring of the material EESG factors.

The 2019 Sustainability Report highlights our pursuit of better ways of doing business – ways that, whenever possible, benefit both our stakeholders and the environment. This report explains how Miyoshi integrates sustainability into the fabric of the Group.

Our strategic focus on business sustainability served us well in FY2019. Despite the challenging business environment due the trade tensions, our revenue grew by 4.2% in FY2019. The resilience in our business model serves us well as we shift our focus to grow the automotive segment. We also achieved strong cash flow from operations before changes in working capital of $4.5 million in FY2019. We retained a strong balance sheet while returning cash to shareholders in FY2019. Miyoshi paid approximately S$1.2 million in dividends during the year.

Our people feel they are winning – individually, as a team and as a company. It was particularly inspiring to see Miyoshi receive a merit award for the Best Risk Management Award at the Singapore Corporate Awards 2019 for companies with less than $300m in market capitalisation. We continue to make significant improvements in both the absolute scores and rankings in the Singapore Governance and Transparency Index 2019. Miyoshi was ranked #40 out of 578 listed companies in Singapore.

Employee engagement fuels the contributions we are making to address critical social sustainability issues through volunteerism, customer partnerships and corporate social responsibility to meet the needs of the local communities. Equally important, our people believe that environmental sustainability and energy efficiency are critical to our future success.

Our customers' needs are shaped by global macro trends, the majority related to environmental, economic and social sustainability. Looking ahead to the next three to five years, we expect that several of these trends will have an especially powerful impact on our customers and our business. Chief among them are climate change, demographic shifts, diversity and inclusion and demands for enhanced energy productivity.

I am proud of our team for delivering the third sustainability report for the Group's financial year ended 31 August 2019. It provides a detailed account of our sustainability performance in all our operations and a sustainability report will be published annually thereafter in accordance with our sustainability efforts.

On behalf of our entire team, I extend our deep appreciation to you for your support this past year. We are committed to sustaining our leadership for you and all the company's stakeholders, and I look forward to keep you apprised of our progress.

Sincerely,

ANDREW SIN KWONG WAH
Executive Director and CEO

Sustainability

"Our commitment to sustainability comes from the top of our organisation. Our Board having considered sustainability factors as part of its strategic formulation, determined the material economic, environmental, social and governance (EESG) factors and overseen the management and monitoring of the material EESG factors."

Sustainability Governance Structure

In Miyoshi, we approach sustainability by integrating it into our business that deliver long-term shareholder value and growth. We believe that a truly sustainable business not only creates economic value, but does so in a way that benefits its stakeholders and the environment.

Our commitment to sustainability comes from the top of our organisation. Our Board having considered sustainability factors as part of its strategic formulation, determined the material economic, environmental, social and governance ("**EESG**") factors and overseen the management and monitoring of the material EESG factors.

Accountability for the best practices is in the hands of our Sustainability Strategy Committee ("**SSC**"), a group of company executives across various functions. They provide strategic direction for managing sustainability-related risks and opportunities. It also guides the development and improvement of frameworks, policies, guidelines and processes to ensure that sustainability factors are effectively managed. SSC is chaired by our Group Finance Manager, whom reports to the Board of Directors.

About our Reporting

Our sustainability reporting is prepared in accordance with the Global Reporting Initiative ("**GRI**") G4: Core Option as it provides a set of an extensive framework that is widely accepted as a gloabal standard for sustainability reporting. In defining our reporting content, we applied the GRI's principles for defining report content by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders. We observed a total of four principles, including materiality, stakeholder inclusiveness, sustainability index and completeness.

For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The EESG data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

External Charters, Principles or Other Initiatives

Miyoshi has aligned our operations and business practices with the industry practices and standards of International Organization for Standards for ISO9001 and TS16949.

Member of Industry Associations

We are a member of the following trade and industry associations:

(a) Singapore Business Federation
(b) Singapore Manufacturer's Federation
(c) Singapore Chinese Chamber of Commerce and Industry
(d) Thailand Tool and Die Industry Association
(e) UAE Singapore Business Council

Our Materiality Analysis

Materiality analysis enables Miyoshi to define sustainability factors that are of greatest significance to our businesses and stakeholders over the long term.

We conducted our first materiality analysis in 2017 and the SSC team identified the EESG factors material to the Group based on their knowledge of their respective business areas, the challenges faced and the corresponding implications for Miyoshi's businesses and operations. In FY2019, the SSC team provided further inputs during the review of the materiality analysis and also considered the insights they gained from their day-to-day engagement with their stakeholders.

The initial identification of the material EESG factors were followed by extensive consultation with internal stakeholders, including members of the management team, to establish the direction for sustainability reporting. The SSC also examined the evaluation criteria applied by the relevant sustainability indices and rankings to understand the EESG matters of interest to our stakeholders to ensure completeness. We considered the guiding principles from the Singapore Exchange in its Catalist Rules Practice Note 7F – Sustainability Reporting Guide.

Sustainability

Based on the above process, we categorised the identified EESG factors into three groups: Highly Material, Material and Important. A summary of these factors, how we create value, our goals and how they relate to the GRI's aspects and boundaries is presented in the following chart.

Materiality Matrix

Aspect Boundaries

The aspect boundaries 'within' the organisation include all subsidiaries and employees within the Group. Associate companies or assets available for sale are excluded.

The aspect boundaries 'outside' the organisation include customers, suppliers, shareholders, investors/ analysts, government and regulators and community.

What our Stakeholders are telling us

At Miyoshi, we build long-lasting, value-creating partnerships with our stakeholders, who include our customers, suppliers, business partners, employees and the communities in which we operate.

We make use of a periodic survey to gauge customer satisfaction and help our company improve its operations. We also compile, evaluate, track and analyze all customer complaints that enables us to resolve problems efficiently.

We seek to ensure that Miyoshi's suppliers meet environmental, health and safety, labor and human rights standards and requirements. We assesses and reviews suppliers' sustainability performance, initiates improvements and provides suppliers with training that builds their capacity to ensure that issues are recognized and addressed.

To connect with Miyoshi's investors, we have held regular roadshows over the past year. We also engage in individual meetings with fund managers and analysts.

We contribute to the social and economic progress of the communities in which Miyoshi is present, and engage with the local community, unions and the media on an ongoing basis.

A summary of our stakeholder engagement efforts is presented in the following table.

Stakeholders	What They Expect	How We Meet Their Expectations	How We Engaged Them in FY2019
Customers	• Good quality products • Competitive pricing • Strong technical support • Prompt service and resolution of defects	• Meet customers' expectations on product quality and timeliness of deliveries • Communicating with our customers on their preferred channel, be it in person, online or on the phone • Providing timely response to customers for quotations, queries and complaints • Maintaining effective work instructions and good quality management systems • Emphasis on continuous improvement programme • Ability to attract, develop and retain talent	• Face-to-face meetings • Tele-conversations • Emails
Employees	• Work-life balance • Competitive wage and benefits • Trust and respect • Career development • Job satisfaction and recognition • Fair employment practices • Workplace well-being • Conducive work environment	• Creating a values-based organisational culture • Providing opportunities for training and development • Enabling our colleagues Group-wide to be informed and engaged in order to contribute effectively • Promoting teamwork and supporting one another to achieve shared goals • Ensuring fair human resource policies • Allow flexible work arrangements • Providing health and wellness benefits • Maintaining workplace health and safety	• One-on-one sessions • HR policies and procedures • Open door policy by management • Recreational activities

Sustainability

Stakeholders	What They Expect	How We Meet Their Expectations	How We Engaged Them in FY2019
Shareholders, Investors and Analysts	• Stable and sustainable growth and profitability • Reasonable returns to shareholders • Strong balance sheet • Strong corporate governance and transparency • Timely disclosures	• Ensuring strong oversight and accountability by an experienced and competent Board and Management team • Adopting a disciplined and measured approach towards business risks and opportunities • Ensuring robust risk governance and management • Maintaining a strong corporate governance culture • Ensuring timely disclosure and reporting	• General meetings with shareholders • Quarterly financial reports • Annual reports • SGXNet announcements • Road shows
Community	• Employment opportunities • Good corporate citizenry	• Encouraging strategic investments that drive economic growth and social development • Creating jobs in local economies • Giving back to society through programmes focused on environment, aged and education	• Partnerships with voluntary welfare organisations • Donations
Government and Regulators	• Upholding of the highest standards of corporate governance and ethical behaviour • Prevention of fraud and money-laundering • Financial stability • Taxes • Support of the development of local economies and industry	• Complying with applicable and current laws, regulations and policies • Maintaining sound risk management systems and processes • Conducting regular internal and external audits	• Regular meetings with local authorities • Consultations with regulatory bodies • Annual reports • Audit reports
Suppliers	• Fair vendor selection process • Ethical conduct • Timely payment	• Ensuring integrity in all purchasing decisions • Adhering to agreement terms	• Requests for Quotations and/or Proposals • Vendor briefings • Purchase agreements • Periodic reviews

Our Material EESG Factors Economic

Objective

We strive to deliver consistent returns for our shareholders and contributing to the local economies through job creation and taxes. Our focus is on the financial performance indicators.

Approach and Targets

(a) Economic Performance
Management have been developing a more resilient and diversified revenue model, such as recurring rental income and revenue from non-core business, such as revenue from optronics business, electric vehicles and indoor farming.

Target: To increase revenue from non-core business to 5% of total revenue by FY2020.

(b) Market Presence
Management also ensures that management is drawn from the local communities so that it can benefit the local communities. Diversity within a management team and the inclusion of members from the local communities, in countries which we have operations, can enhance human capital, brings economic benefit to the local communities and the organisation's ability to understand local needs.

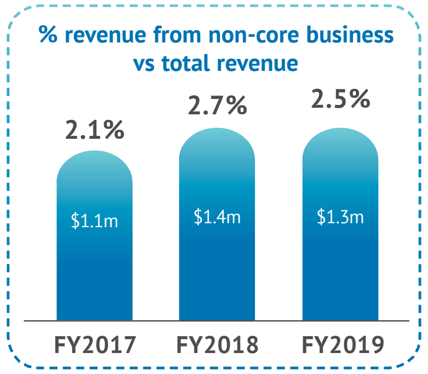
Target: To increase the proportion of management from local communities to 95% by FY2020.

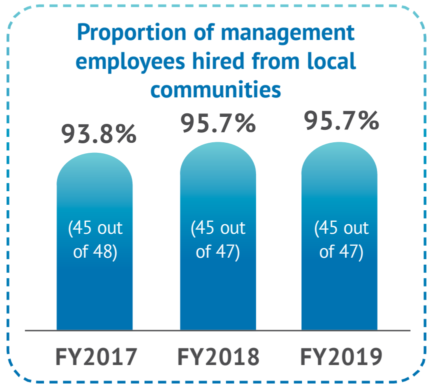
(c) Procurement Practices
Miyoshi depends on high-quality, safe, affordable supply of materials to meet the demands of our operations and the expectations of our customers to deliver consistent products. Our sourcing is a complex and often decentralized issue.

Our customers are increasingly looking for transparency and expecting more from how we purchase our materials. The origin of the materials are exposed to reputational risks, potential disruptions in supply and environmental challenged. Miyoshi look for local sourcing opportunities and form relationships with local suppliers, from countries in which we operate, for our materials.

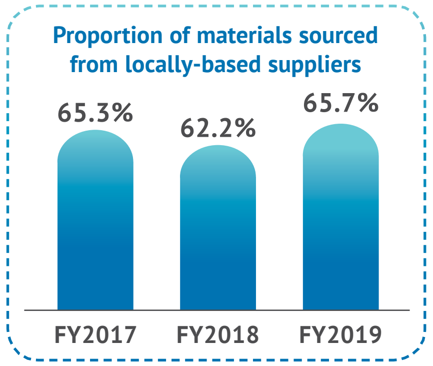
Target: To increase the use of locally-based suppliers to 70% of materials by FY2020.

Performance Highlights (Economic)





The above management employees are from each of our sub-units in the Philippines, Thailand, Huizhou (China), Wuxi (China), Malaysia and Singapore.



Sustainability

Environmental

Objective

We are committed to reduce the environmental impacts of our activities, efficiently utilise natural resources and reduce waste. Our focus is on materials, energy, water, sustainable packaging and waste.

At Miyoshi, we ensure that the principle of sustainable business is embedded in our activities and products. This means protecting the future by making the right choices in an environment where water is increasingly scarce, natural resources are constrained and biodiversity is declining.

Materials (metals/packaging materials), energy and water are irreplaceable inputs of many of our production and consumption processes. Environmental concerns on metal mining include physical disturbances to the landscape, soil and water contamination and air contamination. Energy sources also have some impact on our environment, including wildlife and habitat loss, global warming emissions, air and water pollution. Optimisation of water use by our Group is important because it can lower water withdrawals from local water sources thus increasing water availability and improving community relations.

Measuring and managing the consumption of the materials, energy and water is not only important for our planet and communities in which we operate, it is also essential to the sustainability of our business. We are committed to minimising our environmental impact across our operations.

Approach and Targets

(a) Materials and Waste
Our components manufactured are mainly made of steel, copper and aluminium. We buy 65.7% of the materials used locally (i.e. from the country of our operations). We work closely with our suppliers to ensure they match our commitment to corporate social responsibility.

Steel is a uniquely sustainable material because once it is made, it can be used as steel forever. Steel is infinitely recycled and the material can be used by future generations. Steel is one of the most recycled material in the world.

Steel waste or scrap, such as metal shavings, cut-outs and debris, is nearly inevitable when cutting and shaping products. Scrap is also generated when the dimensions of the product does not meet stringent quality standards.

Our approach is to minimise quality scrap by keeping our employees trained and motivated. We believe our people are still key to our Group's success. It is our workers who set up, operate, and maintain the machinery that we use to meet our production goals. Keeping their skills up to date while motivating them to find ways to improve efficiency is a key part of minimising scrap.

The other approach is to ensure all the scrap are accounted for and sent to a local steel mill for recycling or exported.

Target: To reduce our materials scrap to 12% of production volume each year by FY2020.

(b) Energy and Water
Managing energy and water is important to our bottom line and the environment. Our factories require energy, approximately 9,283 megawatt hours (MWh) regionally in FY2019.

Energy is consumed by our various equipment, lighting systems, cooling/heating and ventilation systems. Our approach towards energy is mainly focused on the reduction of machine idling time. This idling is due to the metal part queueing for quality check before continuing production. Machine idling leads to inefficiency and in turn increases the energy consumption per part.

Image: Miyoshi Huizhou participation in local community events

The lighting systems offer great opportunities for savings. Adopting the latest fluorescent and Light Emitting Diode (LED) tubes and installing occupancy detection system will ensure that only occupied areas are lit and light levels exactly match what is required by the activities in each specific area. No energy is wasted lighting empty areas or providing more light than is necessary. An example is having the light sensors in our toilets.

Water savings are achieved through a combination of changing behaviour, modifying and replacing equipment with water saving equipment to reduce overall water consumption and increase internal reuse. Trainings are also conducted to raise the awareness among employees on efficient use of water and responsible use. We conduct regular inspections of equipment or areas where leaks could occur, such as piping joints, connections and fittings.

Target: To raise awareness on our energy and water usage within the Group.

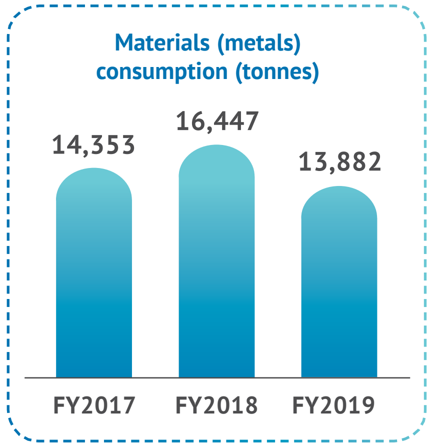
(c) Sustainable Packaging
One of the most overlooked sources of waste in the supply chain is packaging waste. Recognising that one-way packaging supply chains result in an unacceptable amount of waste, Miyoshi has initiated a Returnable Packaging program. The effort is currently underway at our manufacturing sites at the Philippines, Thailand and Huizhou.

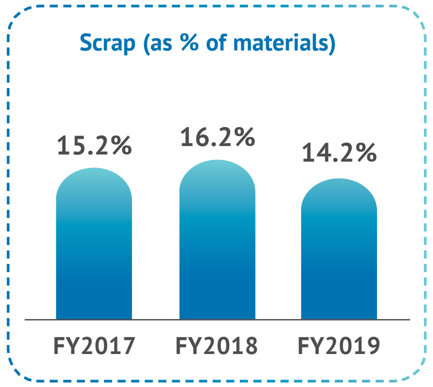
The economics of sustainable packaging is clear as reducing packaging waste creates efficiencies and lowers costs of production. Re-using materials extend their life, helping to use less of the earth's precious resources. Recycling allows us to repurpose valuable materials that would otherwise have been wasted. The more we reduce, re-use and recycle, the greater the cost savings in packaging materials, transport and disposal.

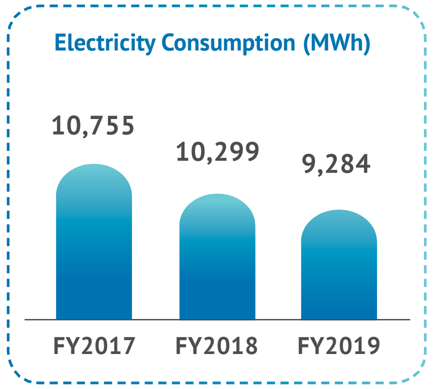
In Miyoshi, we use cardboard boxes (recyclable), plastic crates (reusable and recyclable) in our packaging and they are usually placed on wooden and plastic pallets (recyclable and reusable).

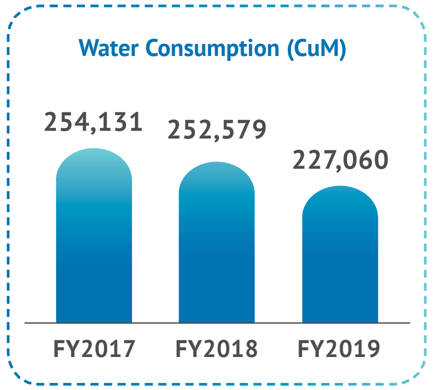
Target: To increase the use of recyclable or reusable packaging materials.

Performance Highlights (Environmental)









Social: Social Impact and Performance

Miyoshi defines social sustainability as caring about and investing in the needs of our employees and communities over the long term. We partner with our stakeholders in the pursuit of positive societal change, ensuring all parties operate with integrity and an ethical mindset. In doing so, we share responsibilities for delivering results the right way. We strive to engage our employees and improve the quality of life in the communities where we do business.

Human Capital

At Miyoshi, we understand that our people make us what we are. We strive to hire the best candidates and retain employees around the region. We aim to motivate all our empoyees within a high performing culture, with lifelong learning and development possibilities. We seek to create a respectful, inclusive and diverse workplace. At Miyoshi, we believe that talent and effort should drive advancement. Everyone should be treated fairly regardless of their ethnicity, gender, age or disability. We aim to create an environment where all people are treated with respect and valued for their individual strengths.

Globalization, demographic change and technology are changing the world of work. This creates opportunities, but

Sustainability

also presents challenges – especially for those accustomed to earlier models of workplace organization. Constant connectivity and the intensification of work threaten to blur the boundaries between work and private life.

Talent Acquisition

Our employee make Miyoshi what it is. We need to attract, develop and retain top-notch people to be successful. Our talent acquisition efforts are geared to finding the best individuals, wherever they may be. Our development and retention programs help employees reach their personal goals as they contribute to making Miyoshi the best company it can be.

Unlike many people in previous generations, members of Generation Y (born in the 1980s and 1990s) are not necessarily looking for secure positions with a single company for their entire lives. Instead, many of them focus on what's called the employee/ employer value proposition (EVP), whereby each side helps the other advance toward their own goals. There is also a greater emphasis on the work-life balance.

As at 31 August 2019, we employed 954 employees within Asia, which represents an increase of approximately 196 employees in comparison to 31 August 2018. Thereof, 63% were in the Philippines, 17% in the People's Republic of China, 13% in Thailand and the remaining 7% from Malaysia and Singapore. More than 68% of our employees have a permanent contract, unchanged from a year ago. The use of temporary workers enhances labour flexibility and allow us to cater to fluctuating demand of our businesses.

To maintain a high-quality workforce, we have taken several initiatives, including efforts to recruit using recruiters as they have the skillset to recruit the best people. We also doubled our efforts to make sure that current employees receive serious consideration for better positions. If they are not promoted, they may leave.

We hired 454 new employees in FY2019, compared to 200 a year ago. Thereof, 90.7% were in the Philippines, 3.5% were in the People's Republic of China, 5.8% were in the three countries of Singapore, Thailand and Malaysia.

Performance Highlights (Social)

Number of Employees

FY2019:

Male
48%
458 employees

Female
52.0%
496 employees

FY2018:
51.7% Male
392 employees

48.3% Female
366 employees

<30 years old

FY2019:
322 employees
33.8% of total headcount

FY2018:
190 employees
25.1%

30-50 years old

FY2019:
569 employees
59.6% of total headcount

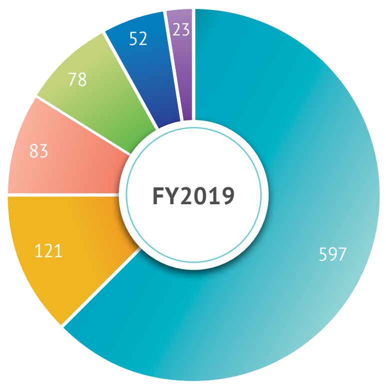
FY2018:
507 employees
66.9%

>50 years old

FY2019:
63 employees
6.6% of total headcount

FY2018:
61 employees
8.0%

Number of Workforce (by region)



Philippines	597
Thailand	121
Huizhou	83
Wuxi	78
Malaysia	52
Singapore	23

Learning and Development

Having the right people with the right skills in the right places are the right time is essential to our success as a Group.

Miyoshi advocates development opportunities that allow employees to achieve their full potential. The management, comprising the head of sub-units and heads of departments, meet to identify and manage learning and developmental needs, career planning and human resource concerns. Suitable training is extended to employees to enable them to perform at optimal levels. Such training comprises mainly on-the-job training and mentoring, classroom training, job rotation and courses conducted by external trainers.

Image: Value Engineering ("VE") Trip at Mt. Huashan in Xi'an, China, June 2018

Employee Retention

Miyoshi supports paying employees a competitive wage. Consistent with our principle of valuing personal contribution and mastery, we provide employees the opportunity to develop their skills and capabilities to enhance their ability to succeed in their career, consistent with the needs of the business.

Our employee benefits have been developed to protect the financial security of employees. These benefits include comprehensive coverage for health care, vacation and holiday time, and other work/family benefits, including flexitime and child care leave.

The average tenure of our employees is about 5.7 years and more than 46.7% of our employees have been with Miyoshi for more than five years. Miyoshi's attrition rate of 31.4% in FY2019 is a slight increase from 25.6% a year ago. Miyoshi's target for our attrition rate is 20%. A minimum of one month's notice is required for any employee resignation.

Target: To reduce attrition rate to less than 20% by FY2020.

Diversity and Inclusion

Miyoshi has made a conscious decision to foster a diverse workforce. By bringing in people with different experiences, backgrounds, skills, we are better able to meet a wide range of challenges and encourage innovation. Our employees need to reflect the diverse markets and customers we serve. We aim to strengthen our Group by recruiting different kinds of people who can help create value in unique ways for our Group, our customers and partners, and society at large.

At the core of our strategy, we want to foster a culture of inclusion so that everyone is valued, included and performing at their peak.

Foundational diversity and inclusion capability focuses on key concepts such as microinequities, unconscious bias, benefits in leveraging diversity and intent versus impact on others. By understanding these types of differences, it enables our employees to be in touch and build collaborative diverse relationships so that we can all successfully grow our business together.

Our diversity strategy is facilitated by our geographic reach, we employs individuals of about 8 nationalities. Beyond that, we have taken a number of steps to promote and strengthen the diversity of our workforce:

- Addressing unconscious bias;
- Promoting gender balance;
- Supporting people with disabilities;
- Ensuring an inclusive culture that values the contributions of different people from diverse backgrounds.

Sustainability

Image: Corporate Social Responsibility activities in Wat Chao Bun Koet at AngThong Province, Thailand, September 2018

The proportion of women as a percentage of the total workforce increased to 52.0% as at 31 August 2019, compared to 48.3% a year ago.

The distribution of employees by age group remained relatively unchanged compared to the year before. The median age in the year under review was 41, compared to 40 a year ago.

Diversity has become a key element of our hiring, regional placement and promotion processes. We are taking strides to ensure diversity in the candidate pools for top positions as well as on the teams that make decisions related to hiring and promotions. Among the new hires in FY2019, 59.5% were women, compared to 50.5% in FY2018.

Among the 454 new hires, 93.0% were under 30 years old, 7.0% between 30 and 50 years old and none over 50 years old.

Target: To develop an inclusive culture and respecting the contribution of all employees regardless of gender, age, race or disability.

Workplace safety, health and well-being

Creating and sustaining a safety-focused, zero-incident culture is a top priority for everyone at Miyoshi. This commitment starts with our CEO and permeates the entire organisation. At Miyoshi, everyone is responsible for their own safety and the safety of their co-workers' safety. We promote open discussions with management regarding work-related hazards and safety issues. Our manufacturing sites conduct monthly environmental, health and safety (EHS) meetings. These meetings raise awareness of safety compliance issues and provide our employees with opportunities to share best practices.

At Miyoshi, we support our employees to live healthy lives and achieve peak performance. We emphasis on nutrition, fitness, easy access to our health information and an environment that encourages healthy choices and personal management of health risks.

In our manufacturing sites, we work with our canteen operators to provide meals based on healthier cooking methods, such as ovens and grilling, instead of frying and to include more fibre in their diet, such as fruits and vegetables.

In FY2019, there were no incidents of work related fatality.

Target: To have zero work-related fatality and minimise the number of lost days due to injuries.

Incident Investigations

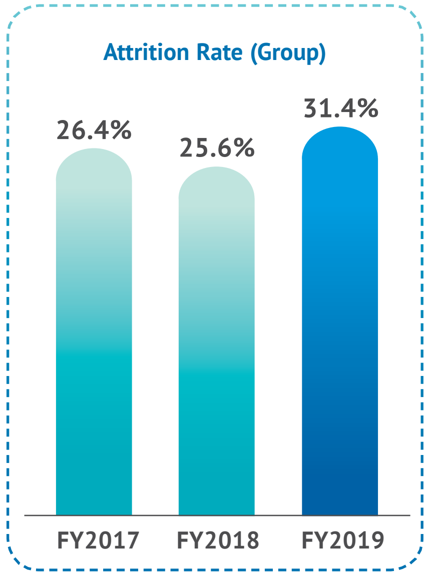
In our drive to constantly improve our safety performance and share lessons learned, we are constantly strengthening our incident investigation capabilities through training and support. Training sessions to systematically analyze the root causes of incidents and to address measures preventing recurrence have been conducted in the Philippines, Thailand, China and Malaysia.

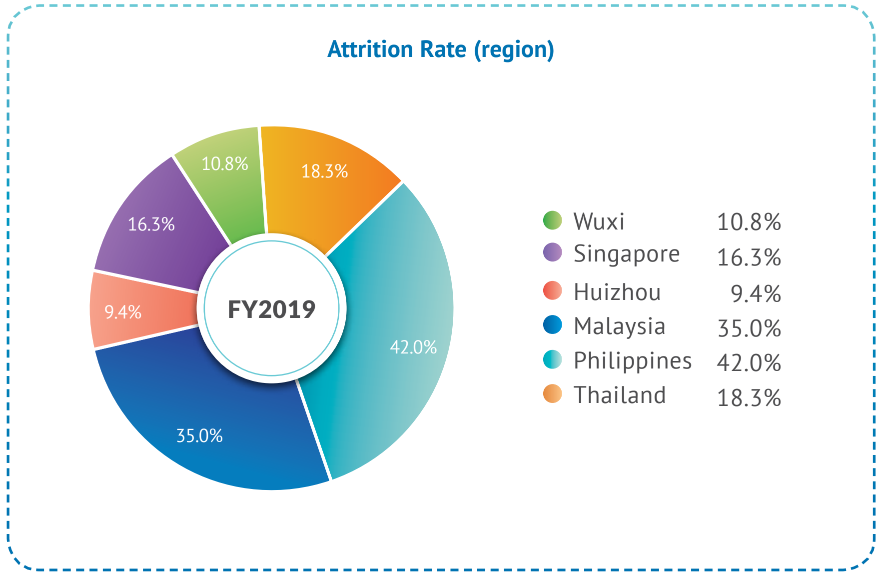
Suppliers and Contractors

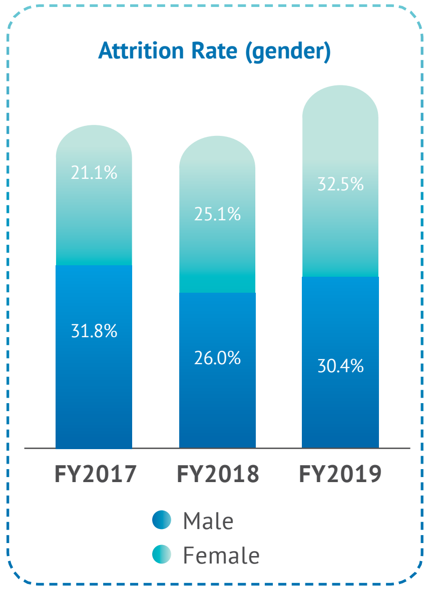
Suppliers and contractors are essential to our operations, especially in the core business. Therefore, we must make the safety performance of contractors and suppliers a central concern. The selection process for suppliers and contractors, especially for high-risk activities (such as electrical works or working at heights), includes the mandatory participation of safety experts. Additionally, we also train the employees of suppliers and contractors in our practical safety training courses at our various manufacturing locations.

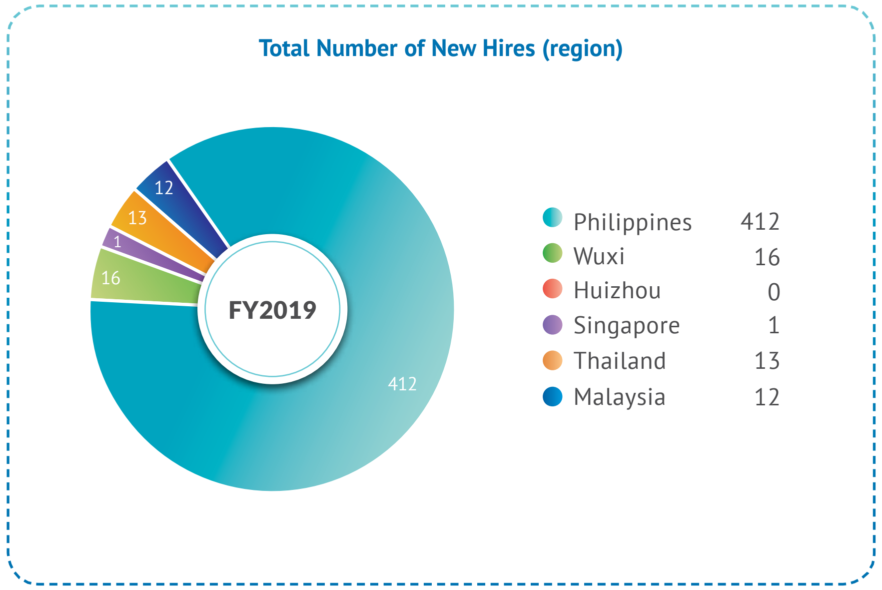
Anti-Child Labour and Anti-Forced Labour

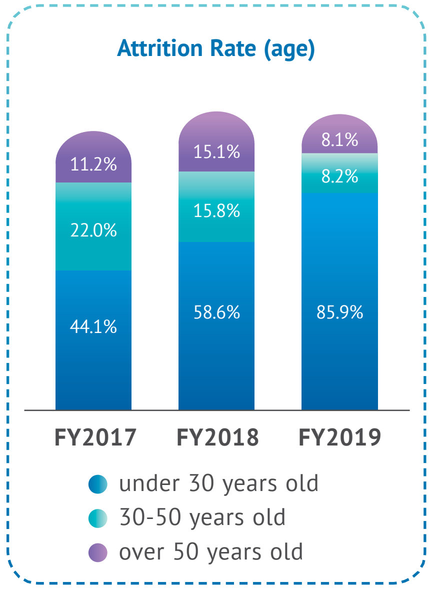
Miyoshi is against any form of coerced labour and discrimination, and adheres to the tenets of global human rights conventions that include the Universal Declaration of Human Rights and the International Labour Organisation ("ILO") Conventions. We comply with the five key principles of fair employment:

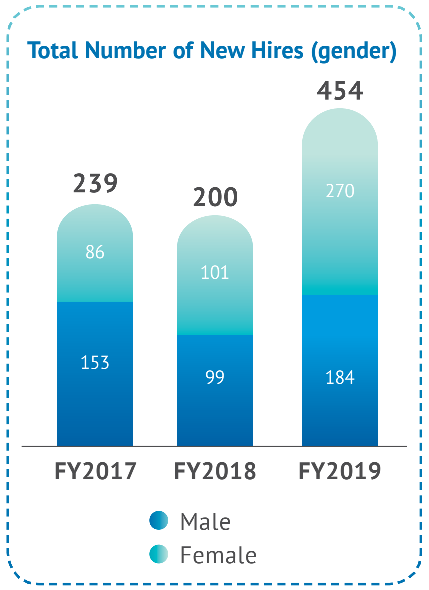


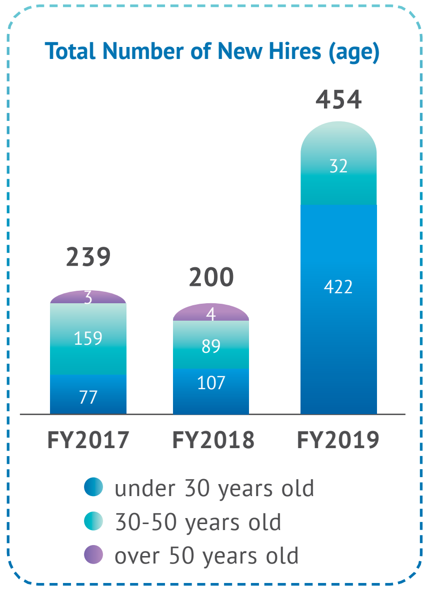




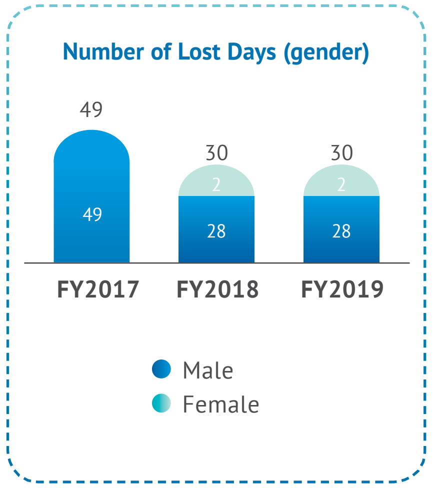


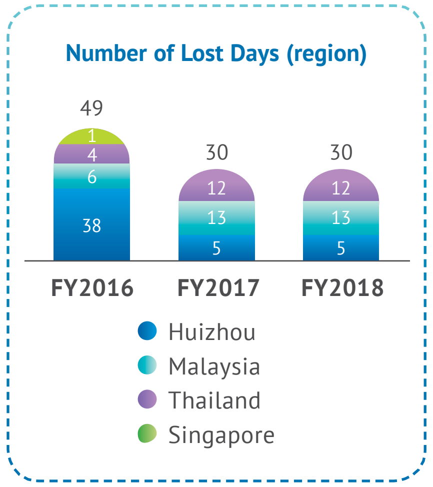






Sustainability





(a) recruit and select employees on the basis of merit, such as skills, experience and ability, regardless of ethnicity, gender, age or disability,

(b) treat employees fairly and with respect and implement progressive human resource management systems,

(c) provide employees with equal opportunities for training and development based on their strengths and needs, to help them achieve their full potential,

(d) reward employees fairly based on their ability, performance, contribution and experience, and

(e) abide by the local labour laws which promote fair employment practices.

In FY2019, there was no reported incident relating to child labour or forced labour in Miyoshi.

Respect for Freedom of Association

Miyoshi upholds employees' rights to freedom of association, including the right to be trade union members. In permitting employees to be represented by trade union for collective bargaining, Miyoshi adheres to the Industrial Relations Act. Working together in a mutual and cordial relationship, Miyoshi and the union seek to foster positive work environments and raise productivity. There were no employee health and safety concerns raised by the union in FY2019.

Community Investment

Our social responsibility vision extends to involvement with the communities in which Miyoshi employees live and work. Across the Asia Pacific region, Miyoshi supports the local communities on a personal level. Miyoshi assists its employees in contributing both time and financial support to local non-profit groups and community organisations.

Miyoshi Thailand Green Team Kicks Off 2017 Tree Plant Activity

Employee Green Team from Miyoshi Thailand are making a positive impact in their communities. We aim to build social sustainability programs with lasting impact in the communities where we operate and live. A pilot program in Kong Kon Samusakorn, Thailand, hosted a successful tree planting activity in their community on 24 November 2007. Since then, the Green Team had tree planting activities in various parts of Thailand, including Bangpool, Khao Yai National Park and Nakhon Sawan Province.

On 17 June, 2017, the Miyoshi Thailand launched its fifth tree planting activity. The event attracted more than 200 volunteers from Miyoshi Thailand. This year's activity invited volunteers' families for participation. All the family members worked hand-in-hand to dig holes, plant seedlings and deliver on their commitments to environmental protection. A total of 600 trees were planted and lined up along the highly eroded coastal shoreline at Samut Sakhon. The program aims to plant 5,000 trees over 15 years to protect green environment in various parts of the Thailand. So far, a total of 3,000 trees have been planted.

Target: To continue to introduce program that will benefit local communities.

Employee Volunteerism

Employee-led volunteer Green Teams take part in community projects that seek to help the environment, increase capacity and enhance quality of life.

Image: Our annual blood donation activities in Miyoshi Philippines, April 2018

Governance: Corporate Governance, Risk Management And Transparency

We strive to achieve high standards of corporate governance, business integrity and professionalism to ensure sustainability of the Company's businesses and performance as well as to safeguard shareholders' interests and maximise long-term shareholder value.

We adopt the Singapore Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore and Stock Exchange of Singapore.

Approach and Targets

(a) SGTI score

The Singapore Governance Transparency Index ("**SGTI**") is a joint initiative of NUS Business School's Centre for Governance, Institutions and Organizations ("**CGIO**"), Singapore Institute of Directors ("**SID**") and CPA Australia to achieve the objective of evaluating listed companies, including Reits and business trusts, on their corporate governance practices and disclosures, as well as the timeliness, accessibility and transparency of their financial results.

The SGTI score has two components: the base score and the adjustment for bonuses and penalties. The base score for companies contains five pillars of board responsibilities, rights of shareholders, engagement of stakeholders, accountability and audit, and disclosure and transparency. The aggregate of bonuses and penalties is incorporated to the base score to arrive at the company's SGTI total score.

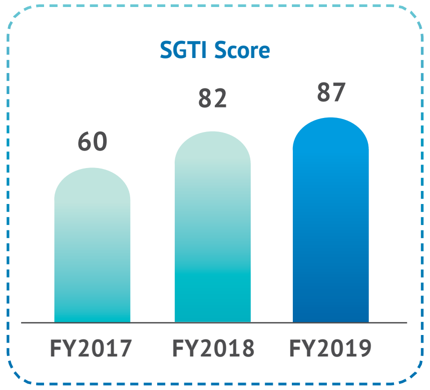
Target: To improve on SGTI score year-on-year

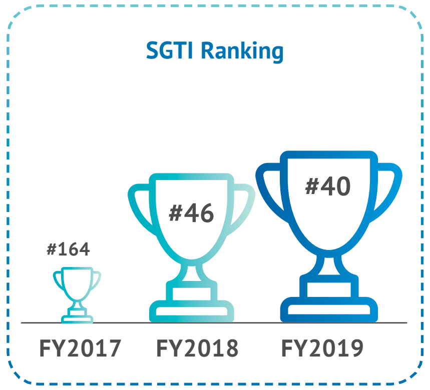
(b) SGTI ranking

SGTI 2019 covered 578 Singapore-listed companies in the General Category and 46 Reits and business trusts which released their annual reports by 31 May 2019.

Target: To improve on SGTI ranking year-on-year

Performance Highlights





Sustainability Contact

Miyoshi welcomes feedback on our sustainability practices and reporting at sustainability@sg.miyoshi.biz.

Disclosure Number	Disclosure Title	Page(s)	Where have we disclosed this
		GRI 102 - GENERAL	
		Organisational Profile	
GRI 102-1	Name of the organisation	-	Miyoshi Limited
GRI 102-2	Activities, brands, products and services	Inside Cover 20-22	What We Do Business Model
GRI 102-3	Location of headquarters	-	Singapore
GRI 102-4	Location of operations	2	Where We Are
GRI 102-5	Ownership and legal form	- 91	Publicly traded company Note 1
GRI 102-6	Markets served	27-34 142-147	Operations and Financial Reviews Note 33
GRI 102-7	Scale of the organisation	Inside Cover 20-22 27-31 32-34 84-154	Who We Are Business Model Operations Review Financial Performance Financial Statements
GRI 102-8	Information on employees and other workers	43-48 -	Social - Labour Practices and Decent Work Information unavailable.
GRI 102-9	Supply chain	38-40 42-43 46	What our Stakeholders are telling us Environment - Materials and Waste Social - Suppliers and Contractors
GRI 102-10	Significant changes to the organisation and its supply chain	8-11 12-15 27-31 167-168 -	Letter from the Chairman CEO Review Operations Review Shareholders' statistics There were no significant changes in the company's supply chain or relationship with suppliers.
GRI 102-11	Precautionary principle or approach	81-82	Risk Management
GRI 102-12	External initiatives	-	Not applicable
GRI 102-13	Membership of associations	37	Member of Industry Associations
		Strategy	
GRI 102-14	Statement from senior decision-maker	8-11 12-15 36	Letter from the Chairman CEO Review Letter from CEO on Sustainability
GRI 102-15	Key impacts, risks and opportunities	59 60 64-65 65 81-82 38-40 37-38	Corporate Governance - Principal Duties of the Board Corporate Governance - Board Meetings Corporate Governance - Role of the Chairman Corporate Governance - Role of the CEO Risk Management What our Stakeholders are telling us Our Material EESG Factors

GRI Content Index

Disclosure Number	Disclosure Title	Page(s)	Where have we disclosed this
		Ethics and Integrity	
GRI 102-16	Values, principles, standards and norms of behaviour	1	Our vision, mission and values
GRI 102-17	Mechanisms for advice and concerns about ethics	59 63-64 81-82	Corporate Governance- Principal Duties of the Board Corporate Governance- Independence Risk Management
		Governance	
GRI 102-18	Governance structure	58	Corporate Governance - Governance Framework
GRI 102-19	Delegating authority	60-61	Corporate Governance - Delegation by the Board
GRI 102-20	Executive-level responsibility for economic, environmental and social topics	59	Corporate Governance - Principal Duties of the Board
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	59	Corporate Governance - Principal Duties of the Board
GRI 102-22	Composition of the highest governance body and its committees	62	Corporate Governance - Board Composition
GRI 102-23	Chair of the highest governance body	58 64-65	Corporate Governance - Governance Framework Corporate Governance - Role of the Chairman
GRI 102-24	Nominating and selecting the highest governance body	65-66	Corporate Governance - Board Membership
GRI 102-25	Conflicts of Interest	59 61 63-64 77 73	Corporate Governance - Principal Duties of the Board Corporate Governance - Board Approval Corporate Governance - Independence Corporate Governance - Code of Conduct and Practices Corporate Governance - Interested Person Transactions
GRI 102-26	Role of highest governance body in setting purpose, values and strategy	8-11 12-15 59 61	Letter from the Chairman CEO Review Corporate Governance - Principal Duties of the Board Corporate Governance - Board Approval
GRI 102-27	Collective knowledge of highest governance body	61 62 63 65-66	Corporate Governance - Board Orientation and Training Corporate Governance - Board Composition and Size Corporate Governance - Diversity Corporate Governance - Board Membership

GRI Content Index

Disclosure Number	Disclosure Title	Page(s)	Where have we disclosed this
GRI 102-28	Evaluating the highest governance body's performance	67 64-65	Corporate Governance - Board Performance Corporate Governance - Role of the Chairman
GRI 102-29	Identifying and managing economic, environmental, and social impacts	59 70-72 37 38-40 37-38	Corporate Governance - Principal Duties of the Board Corporate Governance - Risk Management and Internal Controls Our Material Analysis What our Stakeholders are telling us Our Material EESG Factors
GRI 102-30	Effectiveness of risk management process	64-65 70-72 70-72 73-74	Corporate Governance - Role of the Chairman Corporate Governance - Accountability Corporate Governance - Risk Management and Internal Controls Corporate Governance - Internal Audit
GRI 102-31	Review of economic, environmental and social topics	59 37 38-40 37-38	Corporate Governance - Principal Duties of the Board Our Material Analysis What our Stakeholders are telling us Our Material EESG Factors
GRI 102-32	Highest governance body's role in sustainability reporting	8-11 12-15 36	Letter from the Chairman CEO Review Letter from CEO on Sustainability
GRI 102-33	Communicating critical concerns	73	Corporate Governance - Whistleblowing Policy
GRI 102-34	Nature and total number of critical concerns	-	None during the reporting period
GRI 102-35	Remuneration policies	68-70 68	Corporate Governance - Remuneration Matters Corporate Governance - Level and Mix of Remuneration
GRI 102-36	Process for determining remuneration	68	Corporate Governance - Level and Mix of Remuneration
GRI 102-37	Stakeholders' involvement in remuneration	68	Corporate Governance - Remuneration Committee
GRI 102-38	Annual total compensation ratio	-	Information unavailable.
GRI 102-39	Percentage increase in annual total compensation ratio	-	Information unavailable.
Stakeholder Engagement			
GRI 102-40	List of stakeholder groups	38-40	What our Stakeholders are telling us
GRI 102-41	Collective bargaining agreements	-	Information unavailable.
GRI 102-42	Identifying and selecting stakeholders	38-40	What our Stakeholders are telling us

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Disclosure Number	Disclosure Title	Page(s)	Where have we disclosed this
GRI 102-43	Approach to stakeholder engagement	37 37	About our Reporting Our Material Analysis
GRI 102-44	Key topics and concerns raised	38-40	What our Stakeholders are telling us
Reporting Practice			
GRI 102-45	Entities included in the consolidated financial statements	113-119	Financial Statements: Subsidiaries, Associate
GRI 102-46	Defining report content and topic boundaries	37	About our Reporting
GRI 102-47	List of material topics	38	Our Materiality Matrix
GRI 102-48	Restatements of information	-	None
GRI 102-49	Changes in reporting	-	None
GRI 102-50	Reporting period	-	September 2018 to 31 August 2019
GRI 102-51	Date of previous report	-	31 August 2018
GRI 102-52	Reporting cycle	-	Annual
GRI 102-53	Contact point for questions regarding the report	49	Sustainability Contact
GRI 102-54	Claims of reporting in accordance with the GRI Standards	37	About our Reporting
GRI 102-55	GRI content index	50-58	GRI Content Index
GRI 102-56	External assurance	-	None
GRI 103: MANAGEMENT APPROACH			
GRI 103-1	Explanation of the material topic and its boundary	37	Our Materiality Analysis
GRI 103-2	The management approach and its components	37	About our Reporting
GRI 103-3	Evaluation of the management approach	37-38	Material EESG Factors
SPECIFIC STANDARD DISCLOSURES			
Economic			
GRI 201	Management approach disclosures	41	Our EESG Factors: Economic
GRI 201-1	Direct economic value generated and distributed	23	Economic Value and Our Stakeholders
GRI 201-2	Financial implication and other risks and opportunities due to climate change	82	Risk Management - Natural Disaster Risks
GRI 201-3	Defined benefit plan obligations and other retirement benefit plans	-	Information unavailable.

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Disclosure Number	Disclosure Title	Page(s)	Where have we disclosed this
GRI 201-4	Financial assistance received from government	-	None during the reporting period
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	Information unavailable.
GRI 202-2	Proportion of senior management hired from the local community	41	Economic - Market Presence
GRI 203-1	Infrastrature investments and services supported	-	Not applicable
GRI 203-2	Significant indirect economic impacts	-	Not applicable
GRI 204-1	Proportion of spending on local suppliers	41	Economic - Procurement Practices
GRI 205-1	Operations assessed for risks related to corruption	82	Risk Management - Fraud/Corruption Risks
GRI 205-2	Communication and training about anti-corruption policies and procedures	-	Communicated through company policies
GRI 205-3	Confirmed incidents of corruption and actions taken	-	None during the reporting period
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	-	None during the reporting period
Environment			
GRI 301, 302, 305, 306, 307	Management approach disclosures	42-43	Our EESG Factors: Environment
GRI 301-1	Materials used by weight or volume	42	Environment - Materials and Waste
GRI 301-2	Recycled input materials used	-	Information unavailable.
GRI 301-3	Reclaimed products and their packaging materials	-	Information unavailable.
GRI 302-1	Energy consumption within the organisation	42-43	Environment - Energy
GRI 302-2	Energy consumption outside the organisation	-	Information unavailable
GRI 302-3	Energy intensity	-	Information unavailable.
GRI 302-4	Reduction of energy consumption	42-43 -	Environment - Energy Information unavailable.
GRI 302-5	Reduction of energy requirements of products and services	-	Information unavailable
GRI 303-1	Interactions with water as a shared resource	42-43	Environment - Water

GRI Content Index

Disclosure Number	Disclosure Title	Page(s)	Where have we disclosed this
GRI 303-2	Management of water discharge-related impacts	-	Information unavailable
GRI 303-3	Water withdrawal	-	Information unavailable
GRI 303-4	Water discharge	-	Information unavailable. Water is discharged into public sewerage system.
GRI 303-5	Water consumption	42-43	Environment - Water
Environment			
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	-	None during the reporting period
GRI 304-2	Significant impacts of activities, products and services on biodiversity	-	None during the reporting period
GRI 304-3	Habitats protected or restored	-	None during the reporting period
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	None during the reporting period
GRI 305-1	Direct (Scope 1) GHG emissions	-	Boundary beyond organisation, information unavailable
GRI 305-2	Energy indirect (Scope 2) GHG emissions	-	Boundary beyond organisation, information unavailable
GRI 305-3	Energy indirect (Scope 3) GHG emissions	-	Boundary beyond organisation, information unavailable
GRI 305-4	GHG emissions intensity	-	Boundary beyond organisation, information unavailable
GRI 305-5	Reduction of GHG emissions	-	Boundary beyond organisation, information unavailable
GRI 305-6	Emissions of ozone-depleting substances (ODS)	-	Boundary beyond organisation, information unavailable
GRI 305-7	Nitorgen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	Boundary beyond organisation, information unavailable
GRI 306-1	Water discharge by quality and destination	-	None during the reporting period. Wastewater is discharged into public sewerage system.
GRI 306-2	Waste by type and disposal method	42 42-43 43	Environment - Materials and Waste Environment - Water Environmental - Sustainable Packaging
GRI 306-3	Significant spills	-	None during the reporting period
GRI 306-4	Transport of hazardous waste	-	Not applicable

Disclosure Number	Disclosure Title	Page(s)	Where have we disclosed this
GRI 306-5	Discharge and runoffs affecting protected water bodies	-	No discharges in areas protected or with high biodiversity
GRI 307-1	Non-compliance with environmental laws and regulations	-	None during the reporting period
GRI 308-1	New suppliers that were screened using environmental criteria	-	Suppliers review in 2021
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	-	Suppliers review in 2021
	Social		
GRI 401, 403, 404, 405, 406, 408, 409	Management approach disclosures	43-48	Our EESG Factors: Social (pages 69 and 72)
GRI 401-1	New employee hires and employee turnover	44	Social -Talent Acquisition (pages 69 to 72)
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	Information unavailable.
GRI 401-3	Parental leave	-	Information unavailable.
GRI 402-1	Minimum notice periods regarding operational changes	45	Social - Employee Retention
GRI 403-1	Occupational health and safety management system	46	Social - Workplace Safety, Health and Well-being
GRI 403-2	Hazard identification, risk assessment, and incident investigation	46	Social - Workplace Safety, Health and Well-being
GRI 403-3	Occupational health services	46	Social - Workplace Safety, Health and Well-being
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	46	Social - Workplace Safety, Health and Well-being
GRI 403-5	Worker training on occupational health and safety	46	Social - Workplace Safety, Health and Well-being
GRI 403-6	Promotion of worker health	46	Social - Workplace Safety, Health and Well-being
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46	Social - Workplace Safety, Health and Well-being
GRI 403-8	Workers covered by an occupational health and safety management system	46	Social - Workplace Safety, Health and Well-being
GRI 403-9	Work-related injuries	-	Information unavailable.
GRI 403-10	Work-related ill health	-	Information unavailable.

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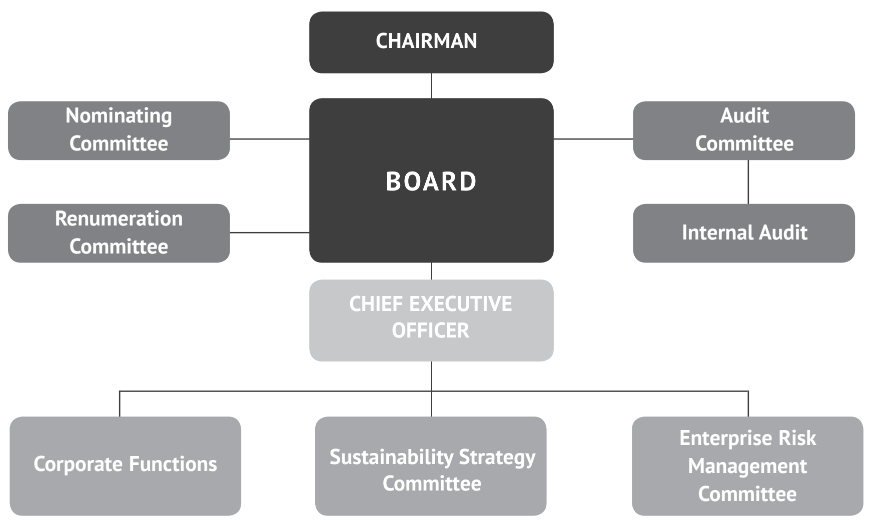
Disclosure Number	Disclosure Title	Page(s)	Where have we disclosed this
GRI 404-1	Average hours of training per year per employee	-	Information unavailable.
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	45	Social - Learning and Development
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	-	Information unavailable.
GRI 405-1	Diversity of governance bodies and employees	45-46	Social - Diversity and Inclusion
GRI 405-2	Ratio of basic salary and remuneration of women to men	-	Information unavailable.
GRI 406-1	Incidents of discrimination and corrective actions taken	46	Social - Incident Investigations
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	48	Social - Respect for Freedom of Association
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	46-48	Social - Anti-Child Labour and Anti-Forced Labour
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	46-48	Social - Anti-Child Labour and Anti-Forced Labour
GRI 410-1	Security personnel trained in human rights policies and procedures	-	Information unavailable.
GRI 411-1	Incidents of violations involving rights of indigenous peoples	-	None during the reporting period
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	-	None during the reporting period
GRI 412-2	Employee training on human rights policies or procedures	-	None during the reporting period
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	Not applicable
GRI 413-1	Operations with local community engagement, impact assessments, and/or development programmes	-	Not applicable
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	-	Not applicable
GRI 414-1	New suppliers that were screened using social criteria	-	Suppliers review in 2021

GRI Content Index

Disclosure Number	Disclosure Title	Page(s)	Where have we disclosed this
GRI 414-2	Negative social impacts in the supply chain and actions taken	-	Suppliers review in 2021
GRI 415-1	Political contributions	-	None
GRI 416-1	Assessment of the health and safety impacts of product and service categories	46	Social - Workplace Safety, Health and Well-being
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	None during the reporting period
GRI 417-1	Requirements for product and service information and labelling	46 42	Social - Workplace Safety, Health and Well-being Environment - Materials and Waste
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	-	No incidents in Miyoshi of non-compliance concerning product and service information and labelling
GRI 417-3	Incidents of non-compliance concerning marketing communications	-	No incidents in Miyoshi of non-compliance concerning marketing communications
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	There were no known complaints during the reporting period
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	-	There were no fines or non-monetary sanctions for noncompliance with laws and regulations

Corporate Governance Framework



Corporate Governance

"Miyoshi is committed to achieving high standards of corporate governance to ensure sustainability of the Company's businesses as well as to safeguard shareholders' interests."

INTRODUCTION

Miyoshi Limited ("Miyoshi" or the "Company", and together with its subsidiaries, ("the Group") aspires to the highest standards of corporate governance as we believe that good governance safeguards shareholders' interests and enhances long-term value creation. To this end, Miyoshi has in place the appropriate people, a set of well-defined policies and processes to enhance corporate performance and accountability, whilst taking into account the interest of stakeholders. The board of directors ("Board") of the Company is responsible for Miyoshi's corporate governance standards and policies, and stresses their importance across the Group. The Board believes that embracing the tenets of good governance, including accountability, transparency and sustainability, the Company is more likely to engender investor confidence and achieve long-term sustainable business performance. A sustainably successful Miyoshi is good for the Group's various stakeholders, including employees, suppliers, customers, shareholders, as well as society at large.

This report sets out the Miyoshi's corporate governance practices for the financial year with reference to the principles set out in the Singapore Code of Corporate Governance 2018 (the "2018 Code"). The Board is pleased to report that the Company has complied in all material aspects with the principles and provisions set out in the 2018 Code. This report sets out Miyoshi's key corporate governance practices with reference to the 2018 Code. We provide a summary of our compliance with the express disclosure requirements in the 2018 Code on pages 79 to 80 of this annual report.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Principal Duties of the Board

The Board has the dual role of setting strategic direction, and of setting the Company's approach to governance. This includes establishing an appropriate culture, values and ethical standards of conduct at all levels of the company. The role of the Board is therefore broader than that of providing oversight.

Miyoshi is headed by an effective Board which is collectively responsible and works with Management for the long-term success of Miyoshi. The Board aims to create value for shareholders by providing entrepreneurial leadership and focusing on the development of the right strategy, business model, innovation, risk appetite, sustainability, succession plan and compensation framework. It also seeks to align the interests of the Board and Management with that of shareholders and balance of interest of all stakeholders. In addition, the Board puts in place a code of conduct and ethics, sets appropriate tone from the top and desired organisational culture, and ensures proper accountability within Miyoshi. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The directors of the Company ("Directors") are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. Directors are of the view that they have objectively discharged their duties and responsibilities at all times as fiduciaries in the interest of the Company for FY2019. Directors are entitled to request from Management and should be provided with additional information as needed to make informed decisions.

The Board oversees the business affairs of the Group. It assumes responsibility for the Group's overall strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, compliance and accountability systems and corporate governance practices. The Board ensures that the necessary financial and human resources are in place for the Company to meet its objectives. The Board also constructively challenges the Management and review its performance, whilst ensuring transparency and accountability to key stakeholder groups.

The Board has also established a framework of prudent and effective controls which enable risks to be assessed and managed, including safeguarding shareholders' interest and the Group's assets.

The Board also appoints the CEO, approves policies and guidelines on remuneration as well as the remuneration for the Board and Management, and approves the appointment of Directors. In line with best practices in corporate governance, the Board also oversees long-term succession planning for Management.

The Board has included in its oversight, consideration of sustainability issues such as environmental, social and governance factors in the strategic formulation and execution of the Company's objectives.

We believe that a well-constituted Board fosters more complete discussions, leading to better decisions and enhanced business performance.

Board Committees

Board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") have been constituted to assist the Board in the discharge of specific duties. Clear written terms of reference ("TOR") set out the composition, duties, authority and accountabilities of each committee which have been detailed in this report on pages 76 to 77. The TORs of each committee are reviewed from time to time, as are, the committee structure and membership.

The selection of Board Committee members requires careful management to ensure that each committee comprises Directors with appropriate qualifications and skills, and that there is an equitable distribution of responsibilities among Board members. The need to maximise the effectiveness of the Board, and encourage active participation and contribution from Board members, is also taken into consideration.

A record of each Director's Board Committee memberships and attendance at Board Committee meetings during the financial year ended 31 August 2019 ("FY2019") is set out on pages 64 and 60 of this annual report, respectively.

Please refer to Principles 4 to 5, 6 to 8, 9 to 10 in this Corporate Governance Report for further information on the activities of NC, RC and AC respectively.

Board Meetings

The Board and Board committees meet regularly to discuss strategy, operational matters and governance issues. All Board and Board committee meetings dates are scheduled well in advance of each year in consultation with the Directors. The Board meets at least four times a year at regular intervals. Board meetings generally last half a day and may include presentations by senior executives and external consultants on strategic issues relating to specific business areas as well as presentations by the Group's associates. This allows the Board to develop a good understanding of the Group's businesses and to promote active engagement with Group's professionals and key executives.

Typically, at least one Board meeting will be held overseas in a country where the Group has an interest in investing. On such occasion, the Board meets with local business leaders so as to help Board members gain greater insight into the business. For the financial year ended 31 August 2019, the Board held its 2nd quarter Board and Board committee meetings at our factory in Calamba City, the Philippines.

Besides the scheduled Board meetings each year, the Board meets as and when warranted by particular circumstances. Meetings via telephone or video conference are permitted by Miyoshi's Constitution. The Board and Board committees may also make decisions by way of circulating resolutions.

In the interest of allocating more time for the Board to deliberate on issues of a strategic nature, and to focus on particular themes for each Board meeting, submissions which are straightforward in content as well as those that are for information only, will be compiled and circulated in advance of Board meetings.

If a Director is unable to attend a Board or Board committee meeting, he would receive all the papers and materials for discussion at that meeting. He would review them and advise the Chairman or the Board committee chairman of his views and comments on the matters to be discussed so that they may be conveyed to other members at the meeting. Minutes of all Board committee meetings are also circulated to the Board so that the Directors are aware and kept updated as to the proceedings and matters discussed during such meetings.

The Corporate Secretary attends all Board and Board committee meetings and is responsible for ensuring that Board procedures are observed. The number of Board and Board Committee meetings held in FY2019, as well as attendance of each board member at these meetings, are disclosed in the table below:

		Board Committee Meetings		
Name of Director	Board Meetings	Audit	Nominating	Remuneration
Lim Thean Ee	5	5	1	1
Andrew Sin Kwong Wah	4	–	1	–
Wee Piew	5	5	1	1
Masayoshi Taira	3	3	–	1
Thomas Pek Ee Perh	3	–	–	–
No. of Meetings Held	5	5	1	1

Corporate Governance

Board Approval

The Board has adopted and documented internal guidelines setting forth matters that require Board's approval and clearly communicates this to management in writing. Material items that require Board approval include: -

a) The Group's strategic plans;

b) The Group's annual operating plan and budget;

c) Full-year, half-year and quarterly financial results;

d) Dividend pay-out;

e) Issue of shares;

f) Appointment of directors;

g) Underlying principles of long-term incentive schemes for employees;

h) The Group's risk appetite and risk tolerance for different categories of risk, as well as risk strategy and the policies for management of material risks;

i) Acquisitions and disposals of investments, and capital expenditures exceeding S$3.0 million in total;

j) Corporate or financial restructuring;

k) Matters involving a conflict of interest for a substantial shareholder or a Director; and

l) Matters which require Board approval as specified under Miyoshi's interested person transaction policy.

Miyoshi has established financial authorisation and approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management to optimise operational efficiency.

While matters relating to Miyoshi's objectives, strategies and policies require the Board's direction and approval, management is responsible for overseeing the management of the Miyoshi group and implementing the Board's strategic policies.

Director Development and Training

The Board values ongoing professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on, and contribute to, the Board. The Board has therefore adopted a policy on continuous professional development for Directors.

A formal letter of appointment is provided to every new Director. The formal letter of appointment indicates the time commitment required and role of Directors, including Directors' responsibilities. The new Director will also receive a manual containing Board and policies of the Singapore Exchange Securities Trading Limited ("SGX-ST") relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving Miyoshi, prohibition on dealings in Miyoshi's securities and restrictions on the disclosure of price-sensitive information. If a newly appointed Director does not have any prior experience as a Director of a listed company, the Company will arrange for such person to undertake training in the areas of accounting, legal and industry specific knowledge as appropriate.

Miyoshi conducts a comprehensive orientation programme, which is presented by Group Finance Manager, to familiarise new Directors with its business and governance practices. The orientation programme gives Directors an understanding of Miyoshi's business to enable them to assimilate into their new roles. The programme also allows the new Director to get acquainted with management, thereby facilitating board interaction and independent access to management.

Newly appointed Directors would be given a detailed and in-depth briefing and induction into Miyoshi by the management. The Directors would undergo the induction programme, with presentations by management to introduce them to every aspect of the Miyoshi business.

The Directors are provided with continuing briefings and updates in areas such as Directors' duties and responsibilities, corporate governance, changes in financial reporting standards and issues which have a direct impact on financial statements, so as to enable them to properly discharge their duties as Board or Board committee members. The scope of such continuous briefings and updates include overview of industry trends and developments, changing commercial risks, governance practices and developing trends, and changes in trends in governance practices and regulatory requirements pertaining to Miyoshi's business.

During the financial year ended 31 August 2019, the development and training programme for Directors included the following:

- The Directors participated in an annual offsite workshop with Management to understand the Group's longer-term strategy, during which the Directors were briefed on developments in the markets in which the Group operates and were introduced to new technologies and advances relevant to the Group.
- Directors were briefed by the external auditor BDO LLP on developments in accounting standards.
- The CEO and Group Finance Manager updates the Board at each meeting on business and strategic developments in the various businesses.

Directors also attend other appropriate courses, conferences and seminars at Miyoshi's expense. These include programmes run by the Singapore Institute of Directors, of which Miyoshi is a corporate member, and SGX Academy.

Directors can request for further explanations, briefings or information on any aspect of Miyoshi's operations or business issues from management.

Complete, Adequate and Timely Information

Management recognises that the flow of complete, adequate and timely information on an on-going basis to the Board is essential to the Board's effective and efficient discharge of its duties. All Directors have unrestricted access to Miyoshi's management records and information.

To allow Directors sufficient time to prepare for the meetings, all scheduled Board and Board committee papers are distributed in advance of the meeting to Directors. This enables the discussion during the meeting to focus on questions that Directors may have. The detailed papers include background information, related materials, budgets, forecasts and management accounts. The management also kept the Board apprised of material variances between the actual results, corresponding period of last year and the budget, with appropriate explanation on such variances. The Board is also updated on current business operations, opportunities and business trends. Any additional material or information requested by the Directors is promptly furnished. Where required, employees, who can provide additional insight into matters to be discussed, will be present at the relevant time during the Board and Board committee meetings.

To facilitate direct and independent access to management, Directors are also provided with the names and contact details of the management team. Draft agendas for Board and Board committee meetings are circulated in advance to the respective Chairmen respectively, in order for them to suggest items for the agenda and/or review the usefulness of the items in the proposed agenda.

The quarterly and year-end financial statements are reviewed and recommended by the AC to the Board for approval.

Company Secretary

Directors have separate and independent access to the Company Secretary.

As a matter of good corporate governance, the role of the Company Secretary is clearly defined. The Company Secretary or an authorised designate attends, administers and prepares minutes of all Board and Board committee meetings acting in the capacity of the meeting secretary and is responsible that Board procedures are followed and that applicable rules and regulations are complied with. The agenda for Board and Board committee meetings are prepared in consultation with the Chairman, the respective chairpersons of the Board committees, and the CEO to ensure good information flows within the Board and Board committees, as well as between management and non-executive Directors.

The Company Secretary assists the Chairman and the Directors chairing the various Board committees and is accountable directly to the Board, on all matters to do with the proper functioning of the Board, including compliance with the Company's Constitution, the Companies Act, the Securities and Futures Act and the SGX-ST Listing Manual Section B: Rules of Catalist ("Listing Manual"). He or she assists the Board in implementing and strengthening corporate governance policies and processes, in scheduling the Board and Board committee meetings respectively, advises the Board on all governance matters, as well as facilitates orientation and professional development as required. The appointment and removal of the Company Secretary are subject to the Board's approval as a whole.

Independent Professional Advice

Directors, either individually or as a group, in the furtherance of their duties, may take independent professional advice, if necessary, at Miyoshi's expense.

During the financial year, the Board engaged professional advisers and experts to aid the Board in its determination of the valuation in relation to the acquisition of an industrial property in the Philippines, the valuation of our investment properties and the valuation of our investment in the light electric vehicle business in China.

Principle 2: Board Composition and Guidance

Board Composition and Size

There are five (5) Directors on the Board, comprising two (2) non-executive independent Directors, two (2) non-executive non-independent Directors and one executive Director. Accordingly, non-executive directors make up majority of the board. The profiles of the Directors are set out on pages 5 to 7 of this annual report.

The size and composition of the Board are reviewed from time to time by the NC. The NC seeks to ensure that the size of the Board is conducive for effective discussion and decision making, and that the Board has an appropriate number of independent Directors. The NC also aims to maintain a diversity of expertise, skills, gender, age and diversity of thought and background among the Directors. In particular, the executive Director possesses good industry knowledge while the non-executive Directors, who are professionals and experts in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent judgement. Any potential conflicts of interest are taken into consideration.

Taking into account the scope and nature of the operations of the Group, the NC considered the current Board size to be appropriate to facilitate effective decision making for the existing needs and demands of the Group's business and that no individual or small group of individuals dominates the decisions of the Board. Nevertheless, the NC has recommended to the Board to consider changing the Board composition so as to comply with the requirements of the 2018 Code.

Board Diversity

The Board is committed to building a diverse, inclusive and collaborative culture. Miyoshi recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

In determining the process for identification of suitable candidates for appointment to the Board, the NC will take into account its diversity aspirations for the Board. In this connection, the NC will ensure that female candidates are included for consideration by the NC whenever it seeks to identify a new Director for the Board. In addition, the Board will strive to appoint at least one female Director to the Board. Having said that, Miyoshi is of the view that gender is but one aspect of diversity and Miyoshi Directors will continue to be selected on the basis of their experience, skills, knowledge, insight and relevance to the Board.

Independence

The Board, taking into account the views of the NC, assesses the independence of each Director annually in accordance with the guidance in the 2018 Code. A Director is considered independent if he has no relationship (whether familial, business, financial, employment or otherwise) with the Company, its related corporations, substantial shareholders or officers, which could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of Miyoshi.

The Board takes into account the existence of relationships or circumstances, including those identified by the Catalist Rules and related Practice Guidance, that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include the employment of a Director by the Company or any of its related corporations during the financial year in question or any of the previous three financial years; a Director being on the Board for an aggregate period of more than nine years; a Director providing to or receiving from the Company or any of its subsidiaries significant payments or material services during the financial year in question or the previous financial year, other than compensation for board service; a Director being related to any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.

The NC and the Board has assessed the independence of each of the Directors in FY2019. A summary of the outcome of that assessment is set out below.

Based on the declarations of independence provided by the Directors and taking into account the guidance in the 2018 Code, The Board has determined that Mr Lim Thean Ee and Mr Wee Piew are considered to be independent Directors. Mr Sin Kwong Wah, Andrew, CEO, Mr Masayoshi Taira and Mr Pek Ee Perh, Thomas are non-independent Directors. In line with the Board's Code of Conduct and Ethics, each member of the NC and the Board recused himself from the NC's and the Board's deliberations respectively on his own independence.

Mr Sin Kwong Wah, Andrew is considered non-independent as he has an interest of approximately 27.4% in Miyoshi as at 31 August 2019.

Mr Masayoshi Taira is considered non-independent as he had previously been deemed non-independent by virtue of his current role as executive director of Miyoshi Industry Co. ("MIC"). MIC has an interest of approximately 8.7% in Miyoshi as at 31 August 2019.

Mr Lim Thean Ee is an independent director of Ezion Holdings Limited and held several directorships in non-listed companies. He was appointed to the Miyoshi Board on 9 January 2014 as an independent Director.

Mr Wee Piew is the independent chairman of Hosen Group Ltd and a director of Beijing Gas Blue Sky Holdings Ltd, a company listed on the Stock Exchange of Hong Kong. He was appointed to the Miyoshi Board on 1 May 2014 as an independent Director.

The NC, having considered the relevant factors, determined that Mr Wee Piew and Mr Lim Thean Ee have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company. Mr Wee Piew and Mr Lim Thean Ee have also confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company. The NC also took into account Mr Wee Piew and Mr Lim Thean Ee's actual performance on the Board and Board committees and agreed that they have been exercising independent judgement in the best interests of the Company in the discharge of their Director's duties and should therefore continue to be considered independent Directors. In this respect, the NC affirmed that Mr Wee Piew and Mr Lim Thean Ee remain as Independent Directors of the Company. During FY2019, none of the Independent Directors has served beyond 9 years from the respective date of their first appointment.

Mr Pek Ee Perh, Thomas is the Managing Director of Tai Hua Food Industries Pte Ltd. Mr Pek is considered non-independent as he is the brother-in-law of the CEO. He has an interest of approximately 2.7% in Miyoshi as at 31 August 2019.

Conflicts of Interest

Under the Board's Code of Conduct and Ethics, Directors must avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of Miyoshi.

A summary of the current Directors' appointments and details of their memberships on Board committees are set out below:-

		Committee Membership		
Director	**Board Membership**	**Audit**	**Nominating**	**Remuneration**
Lim Thean Ee	Independent Chairman	Member	Chairman	Chairman
Sin Kwong Wah, Andrew	CEO	–	Member	–
Wee Piew	Independent Director	Chairman	Member	Member
Masayoshi Taira	Non-Independent & Non-Executive Director	Member	–	Member
Pek Ee Perh, Thomas	Non-Independent & Non-Executive Director	–	–	–

Role of Non-Executive Directors

The role of the non-executive Directors encompasses the following: (i) to constructively challenge management and help develop proposals on strategy; and (ii) to review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. To avoid undue influence of Management over the Board and ensure that appropriate checks and balances are in place, non-executive Directors make up a majority of the Board in Miyoshi.

Regular Meetings of Non-Executive Directors

The non-executive Directors, led by the Independent Chairman or other independent Director as appropriate, meet without the presence of management immediately preceding the regular board meetings or as and when the need arose. The chairman of such meetings provides feedback to the Board as appropriate.

Principle 3: Chairman and Chief Executive Officer

Clear Division of Responsibilities Between the Chairman and the Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making. In Miyoshi, The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.

The Chairman of the Board is a non-executive appointment and is separate from the office of the CEO. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the CEO is responsible for implementing the Group's strategies and policies, and for conducting the Group's business. The Chairman and the CEO do not share close family ties. Such ties include familial relationships beyond immediate family members that could influence the impartiality of the Chairman. Examples of these relationships include those of in-laws, cousins, aunts, uncles and grandparents. The division of responsibilities and functions between the Chairman and CEO has been set out in writing with the concurrence of the Board.

Role of the Chairman

Given the centrality of the Board to good governance, it is fundamental that the Chairman of the Board sets the right tone. The Chairman encourages a full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views around the boardroom table.

The Chairman seeks to stimulate and engender a robust yet collegiate setting, set the right ethical and behavioural tone, and provide leadership to the Board.

The Chairman is responsible for leadership of the Board and is pivotal in creating the conditions for overall Board, Board Committee and individual Director effectiveness, both inside and outside the boardroom. This includes promoting a culture of openness and debate at the Board and facilitating the effective contribution of all Directors. The Chairman also sets the Board agenda in consultation with the Directors and CEO and conducting effective meetings, to ensure that the culture in the boardroom promotes open interaction and contributions by all.

The Chairman ensures that the performance of the Board is evaluated regularly, and guides the development needs of the Board. The Chairman leads the evaluation of the CEO's performance and works with the CEO in overseeing talent management to ensure that robust succession plans are in place for the leadership team.

The Chairman works with the Board, the relevant Board Committees and Management to establish the boundaries of risk undertaken by the Group and ensure that governance and processes are in place and regularly evaluated.

The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the CEO and Management on strategy and the drive to transform Miyoshi's businesses. This involves developing a keen understanding of the Group's diverse and complex businesses, the industry, partners, regulators and competitors.

The Chairman provides support and advice to, and acts as a sounding board for, the CEO, while respecting executive responsibility. He engages with other members of the leadership regularly.

The scope and extent of the Chairman's and the Board's responsibilities and obligations have been expanding due to increased focus on corporate governance, risk management, regulation and compliance. Given the increased demands, the Chairman in particular spends more time on, and is more hands-on in, the affairs of the Group. The Board has agreed with the Chairman that he will commit more of his time to his role and will manage his other time commitments accordingly.

The workings of the Board and ensures that all Directors receive complete, adequate and timely information on financial and non-financial matters to enable them to participate actively in Board decisions.

The Chairman also exercises control over the quality, quantity and timeliness of information flow between the Board, the management and shareholders of the Company. He encourages interactions between the Board and the management, as well as between the executive and non-executive Directors, and promotes a culture of openness and debate at the Board.

The Chairman also facilitates the effective contribution of non-executive Directors in particular. In addition, the Chairman takes a leading role in ensure the Company's compliance with corporate governance guidelines. The Independent Directors confer among themselves when necessary, without the presence of the other Directors, and the Independent Directors provide feedback to the Chairman after such meetings as appropriate.

At Annual General Meetings ("AGM") and other shareholders' meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management. The Chairman is the face of the Board, and ensure effective communication with shareholders and other stakeholders.

The independent Directors meet periodically without the presence of the other Directors and provide feedback to the Chairman after such meetings.

Role of the CEO

The CEO, he is the highest ranking executive officer of the Group and assisted by the management team. He is responsible for making strategic proposals to the Board and after robust and constructive Board discussions, executing the agreed strategy, managing the day-to-day business of the Group, within the authorities delegated to him by the Board, leading the development of the Group's business including identifying and assessing risks and opportunities for the growth of its business and ensuring that the Chairman is kept appraised in a timely manner of issues faced by the Group and of any important events and developments.

The Company does not appoint a Lead Independent Director as the Chairman is an independent Director. Where the Chairman is conflicted, the other independent Director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Principle 4: Board Membership

Composition of the NC

The NC is chaired by Mr Lim Thean Ee. The other members of the NC are Mr Andrew Sin Kwong Wah and Mr Wee Piew. In compliance with the 2018 Code, the NC has three members, the majority of whom, including the chairman, are independent Directors. The NC is guided by its written terms of reference ("TOR") which stipulates that its principal roles include maintaining a formal and transparent process for the appointment of new Directors to the Board, determining the independence of Directors and the appropriate Board size, reviewing and approving the appointment of key management personnel of the Group. The TOR of the NC are listed on page 76 of this annual report.

The Role of the NC on Board Appointments

The NC is responsible to make recommendations to the Board on the following matters:

- the review of the size, composition and core competencies of and skills required by the Board and Board committees,
- the review of board succession plans for Directors, in particular, the Chairman, the CEO and key management personnel,
- identify and review all nominations of any person for Director, both appointments and re-appointments (including alternate Directors, if any), membership of the RC and AC, the Chairman, the CEO and key management personnel;

- determine on an annual basis, and as and when circumstances require, the independence of each Director and to make appropriate disclosure,
- the process and criteria for evaluation of the performance of the Board, its board committees and Directors,
- decide whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly where the Director has multiple board representations; and
- to examine all other matters which may be referred to the NC by the Board or which may be imposed on the NC by applicable laws or regulations, including without limitation, the relevant rules of the SGX-ST, this being the Catalist Rules; and
- the review of training and professional development programmes for the Board and its Directors.

All new appointments are subject to the recommendations of the NC based on the following criteria:

- integrity;
- independence mindedness;
- possess core competencies that meet the needs of the Company and complement the skills and competencies of the existing Directors on the Board;
- able to commit time and effort to carry out duties responsibilities effectively;
- track record of making good decisions; and
- financially literate.

The NC met once during the financial year ended 31 August 2019. The Company also maintains records of the deliberations and proceedings of the NC.

Process for Selection, Appointment and Re-appointment of Directors

The NC establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors.

When an existing Director chooses to retire or is required to retire from office by rotation, or the need of a new Director arises, the NC reviews the range of expertise, skills and attributes of the Board and the composition of the Board. The NC then identifies Miyoshi's needs and prepares a shortlist of candidates with the appropriate profile for a nomination or re-nomination.

The NC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director when making its recommendations to the Board. However, the re-nomination or replacement of a Director does not necessarily reflect the Director's performance or contributions to the Board. The NC may have to consider the need to position and shape the Board in line with the evolving needs of Miyoshi and the business.

When deciding on the appointment of new Directors to the Board, the NC and the Board consider a variety of factors, including the core competencies, skills and experience that are required on the Board and Board Committees, diversity, independence, conflicts of interest and time commitments.

The Company's Constitution provides that a Director must retire from office at the third AGM after the Director was elected or last re-elected. A retiring Director is eligible for re-election by Miyoshi shareholders at the AGM. In addition, a Director appointed by the Board to fill a casual vacancy or appointed as an additional Director may only hold office until the next AGM, at which time he will be eligible for re-election by shareholders. If any AGM, fewer than two Directors would retire pursuant to the requirements set out above, the additional Director(s) to retire at the AGM shall be those who have been longest in office since their last re-election or appointment. The CEO, as a Director, is subject to the same retirement by rotation, resignation and removal provisions as the other Directors, and such provisions will not be subject to any contractual terms that may have been entered into with the Company. Shareholders are provided with relevant information in the Annual Report on the candidates for election or re-election.

In this respect, the NC has recommended that the following Directors, pursuant to the Company's Constitution, going to retire at AGM and be re-elected as Directors at the Company's forthcoming AGM:

a) Mr Masayoshi Taira

b) Mr Thomas Pek Ee Perh

Mr Masayoshi Taira had informed the Board that he will not be seeking for re-election and will retire as a Director of the Company at the close of the Company's Annual General Meeting to be held on 31 December 2019.

The NC takes factors such as the Directors' integrity, independence mindedness, attendance, participation, preparedness, candour and also recognises the contributions of these Directors who over time have developed deep insight into the Group's businesses and operations. Hence, the NC recommends that Mr Masayoshi Taira and Mr Thomas Pek Ee Perh be re-appointed as Directors at the Company's forthcoming AGM.

Multiple Board Representations and Appointment of Alternate Directors

Directors must ensure that they are able to give sufficient time and attention to the affairs of Miyoshi and, as part of its review process, the NC decides whether or not a Director is able to do so and whether he has been adequately carrying duties as a Director of Miyoshi. The Board has also adopted an internal guideline that seeks to address the competing time commitments that may be faced when a Director holds multiple board appointments. The guideline provides that, as a general rule, each Director should hold no more than six directorships in public listed companies. The guideline also provides that:

The dates of initial appointment and last re-election/re-appointment of each Director are set out below:

Name of Director	Appointment	Date of Initial Appointment	Date of Last Re-election Re-Appointment
Mr Lim Thean Ee	Independent Chairman	9 January 2014	28 December 2018
Mr Sin Kwong Wah, Andrew	CEO	24 September 1991	29 December 2017
Mr Wee Piew	Independent Director	1 May 2014	28 December 2018
Mr Masayoshi Taira	Non-Executive Director	24 September 1991	29 December 2017
Mr Pek Ee Perh, Thomas	Non-Executive Director	27 October 2014	23 December 2016

In support of their candidature for directorship or re-election, Directors are to provide the NC with details of other commitments and an indication of the time involved, and

Non-executive Directors should consult the Chairman or chairman of NC before accepting any new appointments as Directors.

The NC noted the list of other directorships held by our Directors taking into consideration their principal commitments. The NC is satisfied that each of the Directors is able to devote time to his directorship role in the Company.

No alternate Director has been appointed to the Board in the year under review.

Assessment of Independence of Directors

Procedures and control mechanisms are in place to ensure that the independence of the Directors is monitored at regular intervals and updated expeditiously. Directors are required to submit declarations of independence annually and are required to report to the Company any changes in their external appointments, interests in shares and other pertinent information, including any corporate developments relating to their external appointments, which may affect their independence.

The NC is tasked to review and evaluate the independence of each Director annually. The Board will then, in turn, determine the independence of Directors, taking into account the evaluation by NC. For the year under review, the Board has determined, after taking into account the NC's views, that Mr Lim Thean Ee and Mr Wee Piew are independent.

Principle 5: Board Performance

Board Performance

Each year, the NC undertakes a process to assess the effectiveness of the Board, the Board Committees and individual Directors. The 2019 Board effectiveness survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and Board to proactively consider the Board's role in shaping Miyoshi's future. The Directors were requested to complete an evaluation questionnaire focused on:

- the composition and degree of independence of the Board;
- information flow from management;
- Board's access to management and external experts;
- Investor relations and corporate social responsibility vis-à-vis the Board;
- Strategy review activities;
- appropriate financial measures to assess the Board's stewardship;
- Board's management of the Company's performance
- Board committees' effectiveness;
- Chairman of the Board effectiveness; and
- CEO's performance and succession planning.

The objective performance criteria above and the process for the evaluation is recommended by the NC and approved by the Board, and did not change from year-to-year. For FY2019, as in previous years, the Company Secretary was appointed to facilitate this process.

The Board and the NC have, with its best effort, ensured that Directors appointed to the Board possess the background, experience, knowledge in business, finance and management skills critical to the Group's business. It has also ensured that each director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The feedback from the evaluation was collated and shared with the Board. The NC, having reviewed the overall performance of the Board and each Board committee in terms of its roles and responsibilities and the conduct of its affairs as a whole, and the individual Director's performance, is of the view that the performance of the Board, each Board committee and each individual Director has been satisfactory. The Chairman will act on the results of the performance evaluation and, in consultation with the NC, will propose, where appropriate, new members to be appointed to the Board or seek resignation of Directors.

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

Remuneration Committee

The RC is chaired by Mr Lim Thean Ee. The other members of the RC are Mr Masayoshi Taira and Mr Wee Piew. In compliance with the 2018 Code, the RC has three members, all members of the RC are non-executive directors, the majority of whom, including the chairman, are independent directors. The TOR of the RC are listed on page 76 of this Report.

The RC plays an important role in helping to ensure that the Group is able to attract, recruit, motivate and retain the best talents through competitive remuneration and progressive and robust policies so as to achieve the Group's goals and deliver sustainable shareholder value. The RC's review cover all aspects of remuneration, including but not limited to Director's fees, salaries, allowance, bonuses, options, share-based incentives and awards, benefits- in-kind including termination terms.

The RC met once during the FY2019.

Principle 7: Level and Mix of Remuneration

Performance-Related Remuneration

The RC and the Board believes that its remuneration and reward system is aligned with the long-term interests and risk management policies of the Company and that a competitive remuneration and reward system based on individual performance is important to attract, retain and incentivise the best talent. In setting remuneration packages, the RC takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual Directors.

Remuneration of Executive Director and Key Management Personnel

The CEO, as an Executive Director, does not receive directors' fees. As the highest ranking executive officer of the Group, his compensation consists of a fixed remuneration, variable bonus and share award. The annual review of the compensation of Executive Director is carried out by the RC to ensure that his remuneration commensurate with his performance, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO is reviewed periodically by the RC and the Board.

The remuneration for key management personnel comprises a fixed remuneration, allowance and benefits, variable bonus and share award based on the performance of the Group as a whole and their individual performance.

Performance Share Plan 2016 ("Miyoshi PSP")

The primary objective of the Miyoshi PSP is to further motivate management to strive for superior performance and to deliver long-term shareholder value. Awards granted under the Miyoshi PSP are performance-based.

Performance targets set under the Miyoshi PSP are intended to be based on corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth.

Remuneration of Non-Executive Directors

All non-executive Directors receive directors' fees, in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the directors and the need to pay competitive fees to attract, motivate and retain the directors yet to not over-compensate them to the extent that their independence may be compromised. Directors' fees are recommended by the Board for approval at the Company's AGM.

The Board concurred with the RC's proposal for non-executive Directors' fees for FY2019. The RC and the Board are of the view that the remuneration of the non-executive Directors is appropriate and not excessive, taking into account the aforesaid factors and the increasingly onerous responsibilities of the directors. The fees for the non- executive Directors are subject to approval by the shareholders at the Company's forthcoming AGM.

Long-term Incentive Scheme

Miyoshi Restricted Share Plan 2016 ("Miyoshi RSP")

The Miyoshi RSP is targeted at a broader base of senior executives and enhances the Company's ability to recruit and enhances the Company's ability to recruit and retain talented senior executives, as well as to reward for Group, Company and individual performance. It is a tool for staff retention as this restricted share plan is tied to a three-year vesting period. That is, one-third of the amount will vest on the first anniversary, another one-third of the amount will vest on the second anniversary and the last one-third on the third anniversary of the grant. All shares, however, will deliver only on the third anniversary.

For employees who retire, are retrenched due to company restructuring or downsizing or cease to be an employee of any Miyoshi Group of companies, except in the case of termination by such Miyoshi Group of companies with due cause or dismissal, before the third anniversary of the Date of Grant, the allotted quantum may be adjusted but may still be awarded subject to the conditions set.

For each financial year, approximately 1% of the total issued share capital is set aside to be distributed to all eligible employees. The actual amount is decided on a yearly basis.

The RC administers the Miyoshi RSP and Miyoshi PSP.

Contractual Provisions to Reclaim Incentive Components of Remuneration

Having reviewed and considered the variable components of the Executive Director and key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years on exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Principle 8: Disclosure of Remuneration

The 2018 Code recommends the disclosure of the remuneration of each individual director, the CEO and at least the Group's top 5 key management personnel (who are not also directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel.

The annual remuneration of directors of the Company for FY2019 is proposed as follows:

Remuneration Band and Name of Director	Fee (%)	Fixed Remuneration (%)	Variable Bonus (%)	Allowance & Benefits (%)	Total Remuneration (%)
Below $250,000:					
Wee Piew	100	–	–	–	100
Lim Thean Ee	100	–	–	–	100
Masayoshi Taira	100	–	–	–	100
Pek Er Perh, Thomas	100	–	–	–	100
$500,000 to $750,000:					
Sin Kwong Wah, Andrew	0.8	88.0	3.8	7.4	100

Remuneration of Top 5 Key Management Personnel

As regards to disclosure of the remuneration of top five key management personnel, the Board has decided that disclosure of the top five key management personnel's detailed disclosure of the remuneration in exact dollar value will not be in the interests of the Company given the wage discrepancies in the industry and the competitive pressures that may result from such disclosure. The Company named and disclosed the remuneration of the Group's top five key management personnel in bands of $250,000. The total aggregate remuneration paid to the Group's top five key management personnel during FY2019 was $805,000.

The remuneration of key management personnel is as follows:

Remuneration Band and Name of Key Management Personnel	Fixed Remuneration (%)	Variable Bonus (%)	Fees (%)	Allowance & Benefits (%)	Total Remuneration (%)
Below $250,000:					
Khoo Teck Soon	90.5	8.1	–	1.4	100
Ng Cheong Kiat	97.2	2.8	–	–	100
Gan Yoke Fong, Karen	60.6	9.2	23.2	7.0	100
Tan Tiong Soon	89.2	7.2	–	3.7	100
Wee Soon Ghee	93.2	6.8	–	–	100

Corporate Governance

The RC exercises board discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Company. The mix of fixed and variable reward is considered appropriate for the Group and for each individual role.

The directors, CEO and key management personnel (who are not directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post- employment benefits that are granted over and above what has been disclosed.

Remuneration of Certain Related Employees

There are no employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration has exceeded $100,000 for FY2019.

Grant of Share Awards

Pursuant to the Miyoshi RSP, 792,700 ordinary shares of the Company were granted on 11 February 2019, of which one-third shall vest on the first anniversary date of the grant, another one-third shall vest on the second anniversary date of the grant and the final one-third shall vest on the third anniversary date of the Grant. Pursuant to the Miyoshi PSP, 2,230,600 treasury shares were granted on 11 February 2019, constituting approximately 0.37% of the total number of issued shares of the Company as at 31 August 2019. The Company has announced the details as required under Rule 704(32) in relation to the grant of share awards under the Miyoshi RSP and Miyoshi PSP on 11 February 2019.

C. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. During FY2019, the AC assisted the Board in the oversight of Group's risk profile and policies, adequacy and effectiveness of the Group's risk management system including the framework and process for the identification and management of significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management. The AC also provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems.

The Board has approved a Group Risk Framework for the identification of key risks within the business. This Framework defines 7 types of risks ranging from environmental to strategic and operational decision- making risks. The Group's risk management and internal control framework is aligned to the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Controls Integrated Framework. Major incidents and violations, if any, are also reported to the Board to facilitate the Board's oversight of the effectiveness of crisis management and the adequacy of mitigating measures taken by Management to address the underlying risks.

The identification and day-to-day management of risks rests with Management. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an on-going basis.

The Group has in place Miyoshi's System of Management Controls Framework, comprising of the Three Lines of Defence ("3LOD") towards ensuring the adequacy and effectiveness of the Group's internal controls and risk management.

The First Line of Defence is primarily handled by managers of significant business units who have day-today ownership and management of risk and control. These include internal control processes designed to identify and assess significant risks, execute activities as intended, highlight inadequate processes, address control breakdowns and communicate to key stakeholders of the activity. Significant business units are required to conduct self-assessment exercise on an annual basis.

The Second Line of Defence includes various risk management and compliance functions put in place by management to help ensure controls and risk management processes implemented by the first line of defence are designed appropriately and operating as intended. Miyoshi uses the ERM Framework for the assessment of risks and PDCA Audits, which are conducted for each significant business units on a half- yearly basis, for internal monitoring and oversight functions.

Internal auditors serve as Miyoshi's Third Line of Defence. It helps Miyoshi accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal audit actively contributes to effective organisational governance providing certain conditions fostering its independence and professionalism are met.

Management is responsible for setting the direction of corporate risk management and monitoring the implementation of risk management policies and procedures including the adequacy of the Group's insurance programme. Management reports to the AC on a regular basis. Risk registers are maintained by the business and operational units which identify the key risks facing the Group's business and the internal controls in place to manage those risks. The AC had reviewed the Group's risk management framework during the reporting period and was satisfied that it continued to be sound.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems in the Group, addressing financial, operational and compliance risks. Any material non-compliance or lapses in internal controls together with remedial measures recommended by internal and external auditors are reported to the AC. The AC also reviews the adequacy and timeliness of the actions taken by Management in response to the recommendations made by the internal and external auditors. Control self-assessments (CSA) in key areas of the Group's operations are conducted by Management on a periodic basis to evaluate the adequacy and effectiveness of the risk management and internal control systems, including quarterly and annual certifications by Management to the AC and the Board respectively, on the integrity of financial reporting and the adequacy and effectiveness of the risk management, internal control and compliance systems.

The Group has put in place a Board Escalation Process where major incidents and violations including major/material operational loss events and potential breaches of laws and regulations by the Company and/or its key officers, are required to be reported by Management/Internal Audit to the Board immediately to facilitate the Board's oversight of crisis management and adequacy and effectiveness of follow-up actions taken by Management. Through this process, the Board has been kept informed promptly of any incidents with potential material financial, operational, compliance and technology risk impact.

The Board has received assurance from the CEO and Group Finance Manager in respect of FY2019:

a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
b) regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on the Group's 3LOD Framework, the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management framework and systems were adequate and effective as at 31 August 2019 to address financial, operational, compliance and information technology controls and risk management systems, which the Group considers relevant and material to its operations

The system of internal control and risk management established by Management provides reasonable, but not absolute, assurance that Miyoshi will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate Board- level risk committee comprising independent directors is not required for the time being. Discussions on internal controls and risk management systems are currently included in our AC meetings and our AC comprised independent directors.

Further details of the Group's Risk Management Philosophy and Approach can be found on pages 81 and 82.

The Board provides the shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders no later than 45 days from the end of the quarter. Annual results are released to shareholders no later than 60 days from the financial year-end. In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of Miyoshi's results, position and prospects.

For FY2019, Miyoshi's CEO and Group Finance Manager have provided a written confirmation to the Board on the integrity of the Miyoshi's financial statements and on the adequacy and effectiveness of Miyoshi's risk management and internal control systems, addressing financial, operational and compliance risks including information technology risks. This certification covers Miyoshi and the subsidiaries that are under Miyoshi's management control. For interim financial statements, the Board provides of negative assurance to shareholders, in line with the Catalist Rules. For the full year financial statements, the Board, with the concurrence of the AC provides an opinion that the financial statements give a true and fair view of the results of Miyoshi Group and Miyoshi will be able to pay its debts as and when they fall due. This, in turn, is supported by a negative assurance statement from the CEO and the Group Finance Manager. Management provides directors on or prior to the day when the annual or quarterly financial results are released.

The Board also undertakes such effort with respect to other price sensitive public reports and reports to regulators, where required. Price sensitive information will be publicly released either before the Company meets with any groups of investors or analysts or simultaneously with such meetings. The Company believes that prompt compliance with statutory reporting requirements is imperative to maintaining shareholders' confidence and trust in the Company.

Corporate Governance

The Board has established written policies to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules. It ensures that it is updated regularly on relevant changes to laws and regulations so that it can monitor and supervise adequate compliance by the Company with such laws and regulations and requirements of regulatory and governmental authorities.

The management provides the Board with quarterly management accounts and as and when the Board may require from time to time. Such report keep the Board informed of the Group's performance and contain explanation and information to enable the Board to make balanced and informed assessment of the Group's performance, position and prospect.

Principle 10: Audit Committee

Composition and Expertise of the AC

The AC is chaired by Mr Wee Piew. The other members of the AC are Mr Masayoshi Taira and Mr Lim Thean Ee. In compliance with the 2018 Code, the AC has three members, all of whom are non-executive, the majority of whom, including the chairman, are independent directors.

The Board considers that Mr Wee Piew, who was a Fellow of the Institute of Singapore Chartered Accountants ("ISCA"), and has extensive and practical accounting and financial management knowledge and experience, and is well qualified to chair the AC.

The members of the AC, collectively, have recent and relevant accounting and financial experience. They keep abreast of relevant changes through regular updates from the external auditor, on changes to accounting standards and issues which have a direct impact on the financial statements.

The AC met four times during the financial year ended 31 August 2019. The Company also maintains records of the deliberations and proceedings of the AC.

Authority and Duties of the AC

The AC reviews the scope and results of audit work, the cost effectiveness of the audit, and the independence and objectivity of the external auditor. The AC also undertakes annual review of the nature, extent and costs of non-audit services provided by external auditor, seeking to balance the maintenance of objectivity of the external auditor and their ability to provide value-for-money services.

The AC meets on a quarterly basis to review significant financial reporting issues so as to ensure the integrity of the financial statements including the relevance and consistency of the accounting principles adopted. The CEO, SVP (Corporate Development), Group Finance Manager and the external auditor were also in attendance. The AC reviews and recommends the financial statements and corresponding SGXNet announcements to the Board for approval.

The AC reviews and reports to the Board at least annually on the adequacy and effectiveness of Miyoshi's system of internal controls, including financial, operational, compliance and information technology controls through discussions with management and the external auditor, at its quarterly AC meetings. The AC also reviews the assurance from the CEO and the Group Finance Manager on the financial records and financial statements The TOR of the AC are listed on pages 76 and 77 of this Report.

Apart from the above functions, the AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position. It has full access to, and the co-operation of management and full discretion to invite any Director or any members of the management to attend its meetings. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Group. Each member of the AC will abstain from any deliberations and/or voting in respect of matters in which he is interested.

External Auditor

The Board is responsible for the initial appointment of external auditor. Shareholders then approve the appointment at Miyoshi's AGM. The external auditors hold office until their removal or resignation. The AC is primarily responsible for proposing the appointment and removal of the external auditor. The AC assesses the external auditor based on factors such as the performance and quality of their audit and the independence of the auditor, and recommends its appointment to the Board. Pursuant to the requirements of the SGX, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. BDO LLP has met this requirement, and the current BDO LLP audit partner for Miyoshi took over from the previous audit partner in respect of the financial year ended 31 August 2019. Miyoshi has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its auditor.

For FY2019, the AC met with the external auditors separately, without the presence of the Management, to discuss the reasonableness of the financial reporting process, and to review the adequacy of audit arrangements with particular emphasis on the observations and recommendations of the auditors, the scope and quality of their audits and the independence and objectivity of the auditors. Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC, and highlighted by the external auditors in their annual reviews with the AC. Where necessary, the AC may meet the internal auditors without presence of management.

The AC reviewed the independence and objectivity of the external auditor through discussions with them as well as a review of the volume and nature of non-audit services provided by the external auditor during the financial year under review. The aggregate amount of audit services provided by BDO LLP for FY2019 are $90,000. BDO LLP did not provide non-audit services for FY2019. Based on this information, the AC is satisfied that the financial, professional and business relationships between Miyoshi and the external auditor will not prejudice their independence and objectivity. The AC, together with management, has evaluated their performance and concluded that BDO LLP has fulfilled its responsibilities as external auditor. The Board concurred with AC's endorsement. Accordingly, the Board recommends the re-appointment of BDO LLP at the coming AGM.

In the review of the financial statements for FY2019, the AC discussed with management and the external auditor the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. Following the review and discussions, the AC recommended to the Board to approve the full-year financial statements.

Whistleblowing Policy

Miyoshi has a whistleblowing policy in place which encourages employees and vendors to report malpractices and misconduct in the workplace. Miyoshi will protect employees, who have acted in good faith, from victimisation and harassment by their colleagues. Miyoshi will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. Anonymous disclosures will be accepted and anonymity honoured. Reports can be lodged by via email at whistleblowing@sg.miyoshi.biz.

The policy allows a single, confidential line to report concerns about possible improprieties to the AC Chairman in good faith and in confidence. The policy defines the processes clearly to ensure independent investigation of such matters and appropriate follow-up action, and provides assurance that staff will be protected from reprisals. Details of this policy have been disseminated and made available to all employees of the Group.

Keeping Abreast of Changes to Accounting Standards

Details of the activities of the AC are also provided under Principles 9 to 11 of this report. In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other code and regulations which could have impact on the Group's business and financial statements as well as attending the relevant external training and seminars in respect thereof.

Interested Person Transactions Policy

Miyoshi has procedures in place to comply with the requirements of the Catalist Rules relating to interested person transactions. All new directors are briefed on the relevant provisions that they need to comply with. All interested person transactions, if any, are reported to and monitored by the Finance department, and reviewed by the AC.

Material Contracts (Rule 1207(8) of the Catalist Rules)

There were no material contracts entered into by Miyoshi or any of its subsidiaries involving interests of any director or controlling shareholder during FY2019.

Exclusion from membership of AC

None of the AC members were previous partners or directors of the existing auditing firm within the previous 12 months and that none of the AC members hold any financial interest in the auditing firm.

Internal Audit

The Company has an internal audit function that is independent of the activities it audits.

For the financial year, the internal audit function was outsourced to PKF-CAP Risk Consulting Pte Ltd ("PKF Risk Consulting") which is part of the network of legally independent firms comprising certified public accountants and business advisers. PKF currently has around 200-member firms in 120 countries and they have adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. PKF Risk Consulting is staffed by suitably qualified executives.

The primary role of the internal audit function is to review the adequacy and effectiveness of the system of internal controls of Miyoshi. These include operational, financial, compliance and information technology controls. In addition, the external auditor will highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations made by the internal and external auditors are reported to the AC. Significant issues are discussed at AC meetings.

Line of Reporting and Activities

The functional reporting line for the internal audit function is to the Chairman of the AC. The administrative reporting line is to the Group Finance Manager. This assists in maintaining the function's independence and objectivity. The AC approves matters relating to the Internal Audit Charter, risk assessment and related audit plans and results and follows up on internal audit activities. The AC Chairman meets with the internal auditors annually, without the presence of management. The internal auditors have unfettered access to all Miyoshi's documents, records, properties and personnel, including access to the AC.

Internal Audit unit operates within the framework stated in its Internal Audit Charter which is approved by the AC. The primary role is to assist the Board and management to meet the strategic and operational objectives of Miyoshi, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes.

Adequate of the Internal Audit Function

The annual plan of the internal audit is established in consultation with, but independent of management and is aligned with the risk management framework of Miyoshi. The AC is satisfied that the internal auditors have adequate resources to perform its functions, and have appropriate standing within Miyoshi. The AC also reviews annually the adequacy and effectiveness of the internal auditors.

Professional Standards and Competency of Internal Auditors

Both the PKF Engagement Director and Audit Director are Certified Internal Auditors and Institute of Internal Auditors Singapore (IIA) Qualified Quality Assessors, and have experience in assessing quality programs for large corporate internal audit functions. Credentials, experience and special technical knowledge (such as in the areas of information technology, risk management, and treasury) in order to execute audit projects effectively for the Company is considered when staffing specific audit projects.

Annual Review of the Adequacy and Effectiveness of the Internal Audit Function

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and reviews performed by management and AC, the Board, with the concurrence of the AC, is satisfied that the Group's framework of internal controls and procedures is adequate and effective as at 31 August 2019 to provide reasonable, but not absolute, assurance of achieving its internal control objectives and addressing financial, operational and compliance and information technology risks.

The Board is satisfied that problems are identified on a timely basis and follow-up actions are taken promptly to minimise unnecessary lapses. The Board, through the Board committees, is supported in these areas by the IA team of the Company.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 11: Shareholder Rights and Conduct of General Meetings

Miyoshi's corporate governance practices promote fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, Miyoshi ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet. Miyoshi recognises that the release of timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in Miyoshi.

Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders are informed of the rules, including the voting procedures that govern the general meetings of shareholders.

Shareholders are informed of general meetings through notices published in the newspaper and the Company's announcement via SGXNET as well as through the notice of the general meeting dispatched to them, together with explanatory notes or a circular on items of special business, at least 14 calendar days before the meeting. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution.

The Board views the AGM and EGMs as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues and ask the directors or management questions regarding the Company and its operations.

Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at such general meetings.

The Board supports the 2018 Code's principle to encourage shareholder participation in the Company. The Company's Constitution allows a shareholder who is unable to attend the general meetings of the Company to appoint one or two proxies to attend the AGM and vote in place of the shareholder.

The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. The Company's Constitution also allows shareholders, who hold shares through nominees such as Central Provident Fund and custodian banks, to attend general meetings of shareholders as observers without being constrained by the two-proxy rule.

Shareholders are informed of shareholders' meetings through published notices and reports or circulars sent to all shareholders or at the shareholder's election, made available electronically. The general meetings of shareholders procedures provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage, and openly communicate their views on matters relating to Miyoshi to the directors.

Shareholders are given the opportunity to vote at the general meetings of shareholders. However, as the authentication of shareholder identity information and other related security issues still remain a concern, Miyoshi has decided, for the time being, not to implement voting in absentia by mail, email or fax.

The Chairman of the Board and the respective Chairmen of each of the AC, NC, RC, external auditor, management and corporate secretaries (where necessary), are also present to address shareholders' queries.

Miyoshi provides for separate resolutions at general meetings on each distinct issue. All the resolutions at the general meetings are single item resolutions. Detailed information on each item in the AGM agenda is in the explanatory notes to the AGM Notice in the AR.

Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholder with a written answer after the AGM. The external auditors and legal advisors are also present to assist the Board as necessary.

The Company Secretary prepares minutes of shareholders' meetings which captures the essence of the comments and queries from shareholders and responses to them from the Board and management. The Company also make available minutes of general meetings to shareholders upon their requests.

The Company disseminates information on general meetings through notices in its annual reports or circulars. These notices are also released via SGXNET, published in local newspapers of the meetings to give ample time for shareholders to review the documents. The full Annual Report is also available to all shareholders on the SGXNET or upon request.

To enhance shareholder participation, Miyoshi puts all resolutions at general meetings to vote by electronic poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage.

Miyoshi appoints an independent external party as scrutineers for the electronic poll voting process. Prior to the commencement of the AGM/EGM, the scrutineers would review the proxies and the proxy process. Miyoshi also has a proxy verification process which has been agreed upon with the scrutineers.

At the Miyoshi AGM/EGM, mobile devices are used for poll voting. When shareholders register their attendance at the meeting, they are handed the mobile device with details of their shareholding registered to the device. The shareholder is able to view his or her name and shareholding details which are clearly displayed on the device.

When the Chairman opens the poll on a resolution, the shareholder presses the relevant voting button on the device. Upon the submission, the shareholder will receive a vote response acknowledgement on the device.

The results of the electronic poll voting are announced immediately after each resolution has been put to a vote and the number of votes cast for and against and the respective percentage are displayed in real-time at the AGM/EGM. Miyoshi maintains an audit trail of all votes cast at the AGM/EGM. The outcome of the AGM/EGM (including detailed results of the poll vote for each resolution) is promptly disclosed on SGXNET after the meetings, on the same day of the AGM/EGM.

Principle 12: Engagement with Shareholders

Miyoshi remains committed to delivering high standards of corporate disclosure and transparency in our communications with shareholders, analysts and other stakeholders in the investment community. Miyoshi provides timely, regular and relevant information regarding the Group's strategy, performance and prospects to aid shareholders and investors in their investment decisions.

Miyoshi makes timely disclosures of any new material information to the SGX-ST. These filings are also posted on the Miyoshi website, allowing investors to keep abreast of strategic and operational developments. Miyoshi notifies investors in advance of the date of release of its annual results, through an SGXNet announcement.

In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, an announcement will be released to the public via SGXNET.

General meetings have been and are still the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues and ask the directors or management questions regarding the Company and its operations. They offer opportunities for directors and management to interact first-hand with shareholders, understand their views, gather feedback as well as address concerns. Enquiries by shareholders are dealt with as promptly as practicably possible.

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on value creation. Further, management would meet analysts and fund managers as appropriate.

The Miyoshi Investor Relations (IR) website (investorrelations@sg.miyoshi.biz) is a key resource of information for the investment community. It contains a wealth of investor-related information on Miyoshi, including results announcements, slide presentations, news releases, shareholdings information and annual reports. The following information can be accessed from our corporate website:

a) Board of Directors and their profiles;

b) Key management;

c) Vision and values;

d) Group structure;

e) Recent events;

f) Annual Reports;

g) Letter/Circular to Shareholders;

h) Company announcements;

i) Press releases;

j) Financial results; and

k) Shareholdings.

The annual reports, financial results and company announcements are posted on the website following their release to the market, to ensure fair and equal dissemination to shareholders.

Corporate Governance

Miyoshi's website has a clearly dedicated 'Investor Relations' link, which features prominently the latest and past financial results and related information. The contact details of the IR team are available on the dedicated link, as well as in the AR, to enable shareholders to contact Miyoshi easily. IR has procedures in place for addressing investors' queries or complaints as soon as possible.

Dividend Policy

The Company is committed to achieving sustainable income and growth to enhance total shareholder return. The Group's policy aims to balance cash return to shareholders and investment for sustaining growth, while aiming for an efficient capital structure. The Company does not have a fixed policy on payment of dividends, instead the issue of the payment of dividends is deliberated seriously and at length by the Board annually having regard to various factors.

Principle 13: Engagement with Stakeholders

Please refer to the section on "What our stakeholders are tell us" on pages 38 to 40 of this annual report for more information on how we manage our stakeholder relationships.

Appendix – Key Terms of Reference

<u>Nominating Committee</u>

1. Nomination of new directors to the Board and re-election/ re-appointment of directors at regular intervals, having regard to provisions in the Constitution of the Company and the 2018 Code.

2. Review annually whether or not a director is independent, having regard to the guidelines of the 2018 Code and other factors that the NC considers salient.

3. Determine a suitable size of the Board which facilitates effective decision-making, after taking into consideration the scope and nature of the operations of the Company.

4. Develop and maintain internal guidelines to assess a director's ability and his/her performance in carrying out his/her duties as director of the Company. Review the directors' mix of skills, qualities and experiences that the Board requires to function competently and efficiently.

5. Recommend to the Board on appropriate internal guidelines to address the competing time commitments that are faced by directors serving on multiple boards.

6. Develop and maintain, as appropriate, a formal assessment process to evaluate the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board, as appropriate.

7. To rigorously review, as appropriate, the independence of any director who has served on the Board beyond nine years from the date of his/her first appointment.

8. Review the appointment and termination/dismissal of the Company's CEO and Company Secretary for recommendation

9. to the Board for approval. In addition, review and approve the appointment and termination/ dismissal of personnel occupying key positions in the Company such as the Group Finance Manager, Chief Operation Officer, Vice President, Financial Controller, General Manager or its equivalent.

<u>Remuneration Committee</u>

1. Offer an independent perspective in assisting the Board in the establishment of a formal and transparent procedure for developing policy on remuneration matters for the directors and key management personnel of the Company.

2. Establish appropriate remuneration framework to motivate and retain directors and executives, and ensure that the Company is able to attract appropriate talent from the market in order to maximise value for shareholders.

3. Develop remuneration policy for the Executive Director and key management personnel (or executives of equivalent rank), structuring it to link rewards to Company and individual performance.

4. Determine specific remuneration packages for the Executive Director and key management personnel (or executives of equivalent rank) and any relative of a director and/ or substantial shareholder who is employed in a managerial position by the Company.

5. Review and approve the compensation of key management personnel.

6. Review the appropriateness and transparency of remuneration matters for disclosure to shareholders.

7. Have explicit authority to investigate any matter within its terms of reference including seeking expert advice within and/ or outside the Company.

<u>Audit Committee</u>

1. Assist the Board in fulfilling its responsibilities for the Company's financial reporting, management of financial and control risks and monitoring of the internal control systems. Review the financial reporting process, the system of internal controls and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct.

2. Ensure that arrangements are in place for the independent investigation of possible improprieties in matters of financial reporting or other matters that may be raised and that appropriate follow-up actions are taken.

3. Review and approve the external auditors' proposed audit plan, scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope. Review of the nature and extent of non-audit services provided by the external auditors. Monitor and assess the independence of the external auditors and their performance. Ensure significant findings and recommendations made by the external auditors are received and discussed in a timely manner. Ensure that management responds to recommendations made by the external auditors. Nomination of external auditors for re-appointment.

4. Review the activities and organisational structure of the internal audit function and ensure that there are no unjustified restrictions and limitations. Review and approve the internal audit plan with regard to the complementary roles of the internal and external audit functions. Ensure significant findings and recommendations made by the internal auditors are received and discussed in a timely manner. Ensure that management responds to recommendations made by the internal auditors.

5. Satisfies itself that adequate countermeasures are in place to identify and mitigate any material business risks associated with the Company. Review the adequacy of the Company's internal financial controls, operational, compliance and information technology controls, and risk management policies and systems established by the management. Ensure that a review of the effectiveness of the Company's internal controls is conducted at least annually.

6. Evaluate how management is reviewing the principal business risks and assess the appropriateness of the mechanisms in place to identify, prevent and minimise these business risks. Ensure an appropriate system is established to identify and report areas of potential business risk promptly in order for remedial actions to be taken. Assess at least annually the effectiveness of the control and risk management systems. Recommend to the Board its findings and propose course of actions to be taken by management to ensure controls are put in place to address these risks. Management is responsible for the actions to be taken.

7. Review the relevance and consistency of the accounting standards used by the Company and the Group, significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance. Review of annual and interim financial statements and announcements prior to approving or recommending their release to the Board, as applicable.

8. Review and recommend for the Board's approval, all Interested Person Transactions, as specified under Chapter 9 of the Catalist Rules.

Additional Corporate Governance

The Company has in place internal codes of conduct and practices for its Directors and employees on securities transactions while in possession of price-sensitive information and their conduct of business activities. In addition, the Company has established a Whistle-blowing Policy.

Dealing in Securities –Rule 1207(19) of the Catalist Rules

Securities Dealing

To guard against insider trading, Miyoshi's Code of Dealing in Securities ("Code of Dealing") adopts a "black- out" policy that is consistent with what is prescribed in the Catalist Rules. The Code of Dealing prohibits dealings in Miyoshi's securities by its Directors and employees for a period of two weeks before the release of the first, second and third quarter results, and one month before the release of the full-year results. The Group Finance Manager informs all Directors and employees of each black-out period ahead of time.

The Code of Dealing also prohibits Directors and employees with access to material non-public and price- sensitive information in the course of their duties from trading in securities in which they possess such price- sensitive information. The Code of Dealing also discourages employees from engaging in short-term speculative trading, and states that investment decisions should be geared towards long-term investment.

The Company has complied with Rule 1207(19) of the Catalist Listing Manual.

Code of Conduct and Practices

The Group recognises the importance of integrity, professionalism on the conduct of its business activities. Employees are expected to embrace, practice and adopt these values while performing their duties and always to act in the best interest of the Group and avoid situations that may create conflicts of interest.

All employees of Miyoshi are required to read and acknowledge the Code of Conduct on an annual basis. Members of the public may access the Code of Conduct on Miyoshi's website, as well as write in via electronic email provided on the website.

Interested Person Transactions

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval if such transactions do occur. The Company ensures that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis that is not prejudicial to the interests of the shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from Board discussions and decision-making process on a particular agenda, and will refrain from exercising any influence over other members of the Board. The details of the Interested Person Transactions for FY2019 are as follows:

Name of Interested Person	Aggregate value of all Interested Person Transactions during the 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 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	$'000	$'000
Type of transactions		
Sales	–	–
Purchases	–	–
Marketing Services	–	–
Total	–	–

Note: In compliance with the SGX-ST listing requirements, the Group confirms that there were interested person transactions occurring during the financial period under the shareholders' mandate but the individual transactions were less than $100,000.

The AC and the Board have reviewed the transactions and were satisfied that the terms were fair and reasonable and were not prejudicial to the interests of the Company and its minority shareholders.

Material Contracts

Since the end of the previous financial year, no material contracts involving the interest of any Director or controlling shareholder of Miyoshi has been entered into by Miyoshi or any of its subsidiary companies, and no such contract subsisted as at 31 August 2019 or if not subsisting, were entered into since 1 September 2019.

Sponsor

No fees relating to non-sponsorship activities or services was paid to the Company's sponsor, CIMB Bank Berhad, Singapore Branch, during FY2019.

Summary of Disclosures – Corporate Governance

Rule 710 of the Catalist Rules requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 Code in their annual reports for financial years commencing on or after 1 January 2019. As we have elected to adopt Rule 710 of the Catalist Rules in advance, this summary of disclosures describes our corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the 2018 Code.

Key information on each Director in this Annual Report:

- Pages 5 to 7 – Directors' independence status, appointment dates, length of directorship, academic and professional qualifications and present and past directorships details
- Page 60 – Directors' meeting attendance
- Pages 68 to 70 – Directors' remuneration
- Pages 172 to 176 – Additional Information on Directors seeking re-election of the Annual General Meeting to be held on 27 December 2019

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference in Miyoshi Annual Report 2019
Provision 1.2 The induction, training and development provided to new and existing Directors.	Page 61
Provision 1.3 Matters that require Board approval.	Page 61
Provision 1.4 Names of the members of the Board Committees, the terms of reference of the Board Committees, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities.	Pages 64 to 77
Provision 1.5 The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every Board member at these meetings.	Page 60
Provision 2.4 The board diversity and progress made towards implementing the board diversity policy, including objectives.	Page 63
Provision 4.3 Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidate.	Page 66
Provision 4.4 Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed.	Page 63
Provision 4.5 The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties are disclosed.	Pages 66 to 67
Provision 5.2 How the assessments of the Board, its Board committees and each Director have been conducted, including the identity of any facilitator and its connection, if any, with the Company or any of its Directors.	Pages 67 and 68
Principle 8 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between remuneration, performance and value creation.	Pages 68 to 70

Corporate Governance Checklist

Principles and provisions of the 2018 Code – Express disclosure requirements	Page reference in Miyoshi Annual Report 2019
Provision 8.1 The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.	Pages 68 to 69
Provision 8.2 Names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a Director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	Page 70
Provision 8.3 The Company discloses all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company, and also discloses details of employee share schemes.	For non-executive Directors: Pages 68 to 69 For key management personnel: Pages 68 to 70 For employee share schemes: Page 68 and Page 70
Provision 9.2 Whether the Board has received assurance from (a) the CEO and the Group Finance Manager that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.	Pages 70 to 72
Provision 12.1 The steps taken to solicit and understand the views of shareholders.	Pages 75 to 76
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	Pages 38 to 40 and Page 76

Risk Management

Risks can be viewed as the combination of the probability of an event and the impact of its consequences. Events with a negative impact represent risks that can prevent value creation or erode existing value. The Board of Directors (the "Board") is responsible for governing risks and ensuring that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets. Assisted by the Audit Committee ("AC"), the Board provides valuable advice to the management in formulating risk policies and guidelines.

Miyoshi has adopted three risk tolerance guiding principles which serve to determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives. These three risk tolerance guiding principles are:

a) Risk taken should be carefully evaluated, commensurate with rewards and in line with the Group's core strengths and strategic objectives.
b) No risk arising from a single area of operation, investment, undertaking should be so huge as to endanger the entire Group.
c) The Group does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

Ongoing improvements are made to strengthen the existing risk governance. In 2019, the Board has assessed that the risk management system is adequate and effective in addressing the key risks of the Company.

The Enterprise Risk Management ("ERM") framework, a component of Miyoshi's System of Management Controls, provides the Group with a holistic and systematic approach in risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools in addressing key risks, as well as Group policies and limits.

The Group's five-step risk management process consists of risk identification, risk assessment, formulation of risk mitigation measures, communication and implementation as well as monitoring and review. The assessment process takes into account both the impact and likelihood of the risks occurring and also covers the financial, operational, reputational and strategic aspects.

A set of key risk indicators, which are closely monitored by the business units and risk owners, serve as early warning signals. Risk plans and key indicators are regularly reviewed to ensure risks identified remain relevant and mitigating actions continue to be adequate, timely and effective.

An ERM Committee, comprising business unit and functional department heads, drives and coordinates Group-wide risk management initiatives. The risk registers of the individual business units and functional departments are reviewed regularly to ensure the risks identified and accompanying mitigating measures remain relevant in view of the dynamic business environment.

As part of the control assurance process, Miyoshi has also implemented the Control Self-Assessment.

Risk management is an integral part of strategic, operational and financial decision-making processes at all levels of the Group. The Group's holistic approach to identifying and managing risks not only instils a strong risk ownership across the Company but also reduces uncertainties associated with executing our strategies, allowing us to harness opportunities with agility.

Despite best efforts, the Group recognises that risks can never be entirely eliminated, especially in an evolving landscape of uncertainties and vulnerabilities.

Bolstering Operational Readiness

Miyoshi is committed to enhance its operational resilience through the establishment of a robust business continuity management (BCM) plan that will allow it to respond effectively to potential crises and external threats while minimising any impact on its people, operations and assets.

Led by the heads of business units in various locations, they conduct drills simulating disruptions relevant to their respective locations. These plans are continuously tested and refined to ensure responses are practical, executable and effective while critical business functions continue to operate smoothly.

Enhancing a Risk-Centric Culture

Effective risk management hinges equally on mindsets and attitudes as well as systems and processes. The management is committed to foster a strong risk-centric culture in the Group, which encourages prudent risk-taking in decision-making and business processes.

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Risk management workshops are conducted to enhance risk management competency and awareness of staff. The Group also seeks to enhance senior staff accountability for risk management through the performance evaluation process.

Proactive Risk Management

Miyoshi will continue to review and refine its risk management methodology, systems and processes to ensure its adequacy and effectiveness. The Group will continue to leverage its educational initiatives to raise employees' risk management awareness and capabilities as well as enhance the process in sharing of lessons learned.

Risk Management

MANAGING KEY RISKS

The key risks identified and appropriate mitigating actions undertaken by Miyoshi in 2019 are as follows:

1) **Natural Disaster Risks**
An effective early warning and forecasting system for extending the reaction time is supported by metrological information and the earliest possible warning of extreme weather conditions, such as floods, typhoons, earthquakes, etc.

Insurance is an important factor in reducing the financial risk for Miyoshi where natural disasters are concerned.

2) **Fraud/Corruption Risks**
Effective internal controls can greatly reduce the risk of fraud and corruption. Miyoshi has put in place the code of conduct, insider trading and whistle-blower protection policies, financial authority limits and control self-assessment tools to mitigate the risk of fraud, corruption and misconduct by staff.

Internal and external audits are conducted regularly to prevent, detect and mitigate fraud risk.

3) **Competition**
Miyoshi strives to meet expectations related to quality, time to market, cost and innovation better than our competitors. Improving quality, time, innovation and cost performance is as important today as it has ever been.

4) **Disruptive Technological Shift and Loss of a Major Order and/or Customer**
Sustaining customer loyalty and retention have been increasingly difficult due to disruptive technological innovation in the data storage segment. Substitute products have affected the viability of current business model and strategic initiatives on the horizon.

Miyoshi continues to look into matters relating to technology, innovation and solutions as part of its strategy to compete in other business segments and as well as developing new growth drivers.

5) **Business Continuity Risks**
Business units continually review and test their business continuity plans to ensure effective response to disruptive events.

Critical business functions are determined and alternative processes, resource requirements and interdependencies are identified to support operation at times of disruption.

6) **Succession Planning**
Succession planning for key executive and management positions is regularly reviewed to ensure relevance. Internships are a good strategy for Miyoshi to discover new employees with opportunities to see whether the intern's personality and abilities are a good match for Miyoshi.

7) **Credit Risks**
Knowing our customer is the foundation of the credit process. Miyoshi operates on pertinent, accurate and timely information of the customer.

The Group also ensures that adequate funding resources are available for investments and cash flows are actively managed.

8) **Cyber Security Risks**
The scale and level of sophistication of cyber security threats have increased with the changing tactics and tools by cyber attackers. Our network infrastructure and supporting systems are exposed to cyber security threats which can result in disruptions to our operations and leakage of sensitive and/or confidential information.

The Group is training our people to adopt a security first mindset and be vigilant to the latest cyber threats. Other measures include regularly patching of firewalls, updating firmware, setting strong passwords and asking employees who their own devices at work to install anti-virus software and to switch on firewalls.

Financial Reports

Financial Reports

Annexure

Shareholder Information

Statements of Financial Position

As at 31 August 2019

	Note	Group 31 August 2019 $'000	Group 31 August 2018 $'000 (Restated)	Group 1 September 2017 $'000	Company 31 August 2019 $'000	Company 31 August 2018 $'000 (Restated)	Company 1 September 2017 $'000 (Restated)
ASSETS							
Current assets:							
Cash and bank balances	4	2,991	5,197	8,697	299	218	1,545
Fixed deposits	4	148	145	133	–	–	–
Trade and other receivables	5	13,867	16,596	18,372	2,545	11,089	12,603
Prepayments		185	175	195	32	44	98
Inventories	6	6,776	5,249	5,449	1	12	–
		23,967	27,362	32,846	2,877	11,363	14,246
Assets classified as held for sale	7	–	3,601	3,569	–	3,601	3,569
Total current assets		23,967	30,963	36,415	2,877	14,964	17,815
Non-current assets:							
Subsidiaries	8	–	–	–	29,741	27,746	27,758
Associate	9	18,640	20,583	–	20,433	20,583	–
Available-for-sale financial assets	10	–	–	8,978	–	–	8,978
Property, plant and equipment	11	34,543	32,049	27,504	2,810	3,037	931
Investment properties	12	6,933	6,827	6,584	–	–	–
Intangible assets		39	15	13	–	–	–
Deferred tax assets	13	51	33	20	–	–	–
Other receivables	5	60	117	103	12	–	–
Total non-current assets		60,266	59,624	43,202	52,996	51,366	37,667
Total assets		84,233	90,587	79,617	55,873	66,330	55,482
LIABILITIES AND EQUITY							
Current liabilities:							
Trade and other payables	15	11,097	13,666	9,053	4,327	9,408	2,743
Current income tax payable		112	168	110	–	–	–
Finance lease	16	29	29	–	29	29	–
Bank borrowings	17	6,145	6,121	7,348	782	2,593	1,702
Total current liabilities		17,383	19,984	16,511	5,138	12,030	4,445
Non-current liabilities:							
Finance lease	16	60	89	–	60	89	–
Bank borrowings	17	2,105	3,785	2,665	187	533	642
Other payable	15	–	103	436	3,180	2,619	2,086
Provisions	18	829	528	368	–	–	–
Deferred tax liabilities	19	332	265	226	–	–	–
Total non-current liabilities		3,326	4,770	3,695	3,427	3,241	2,728
Total liabilities		20,709	24,754	20,206	8,565	15,271	7,173

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 August 2019

	Note	Group 31 August 2019 $'000	Group 31 August 2018 $'000 (Restated)	Group 1 September 2017 $'000	Company 31 August 2019 $'000	Company 31 August 2018 $'000 (Restated)	Company 1 September 2017 $'000 (Restated)
Equity:							
Share capital	20	49,079	49,079	42,259	49,079	49,079	42,259
Treasury shares	20	(253)	(203)	(200)	(253)	(203)	(200)
Revaluation reserve	20	666	666	666	–	–	–
Other reserve	20	851	1,073	952	–	–	–
Share awards reserve	20	24	6	–	24	6	–
Currency translation reserve	20	(10,655)	(10,851)	(11,402)	(11,029)	(11,192)	(11,772)
Retained earnings		21,918	24,055	24,782	9,487	13,369	18,022
Equity attributable to owners of the parent		61,630	63,825	57,057	47,308	51,059	48,309
Non-controlling interests		1,894	2,008	2,354	–	–	–
Total equity		63,524	65,833	59,411	47,308	51,059	48,309
Total liabilities and equity		84,233	90,587	79,617	55,873	66,330	55,482

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the Financial Year ended 31 August 2019

	Note	2019 $'000	2018 $'000
Revenue	22	53,452	51,318
Other income	23	4,238	438
Raw materials, consumables used and changes in inventories		(27,493)	(25,974)
Employee benefit expenses	24	(11,540)	(11,052)
Depreciation and amortisation expenses		(3,034)	(2,785)
Other operating expenses	25	(10,205)	(9,878)
Loss allowance for doubtful receivables		(3,761)	–
Finance costs	26	(418)	(416)
Share of results of associate, net of tax		(1,725)	–
(Loss)/Profit before income tax		(486)	1,651
Income tax expense	27	(487)	(634)
(Loss)/Profit for the financial year	28	(973)	1,017
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		314	589
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on defined benefit plan, net of tax	18	(239)	93
Other comprehensive income for the financial year, net of tax		75	682
Total comprehensive income for the financial year		(898)	1,699
(Loss)/Profit attributable to:			
Owners of the parent		(805)	1,277
Non-controlling interests		(168)	(260)
		(973)	1,017
Total comprehensive income attributable to:			
Owners of the parent		(848)	1,921
Non-controlling interests		(50)	(222)
		(898)	1,699
Earnings per share			
Basic and diluted (cents)	29	(0.13)	0.24

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year ended 31 August 2019

	Share capital $'000	Treasury shares $'000	Revaluation reserve $'000	Other reserve $'000	Share awards reserve $'000	Currency translation reserve $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 31 August 2018	49,079	(203)	666	1,073	6	(10,851)	24,055	63,825	2,008	65,833
Effect of initial application of SFRS(I) 9	–	–	–	–	–	–	(104)	(104)	–	(104)
Balance as at 1 September 2018	49,079	(203)	666	1,073	6	(10,851)	23,951	63,721	2,008	65,729
Loss for the financial year	–	–	–	–	–	–	(805)	(805)	(168)	(973)
Other comprehensive income for the financial year:										
Actuarial gain on defined benefit plan	–	–	–	(239)	–	–	–	(239)	–	(239)
Foreign currency translation	–	–	–	–	–	196	–	196	118	314
Total other comprehensive income for the financial year	–	–	–	(239)	–	196	–	(43)	118	75
Total comprehensive income for the financial year	–	–	–	(239)	–	196	(805)	(848)	(50)	(898)
Transactions with owners of the parent recognised directly in equity										
Transfer to statutory reserve	–	–	–	17	–	–	(17)	–	–	–
Share-based payments	–	103	–	–	18	–	–	121	–	121
Total transactions with owners of the parent recognised directly in equity	–	103	–	17	18	–	(17)	121	–	121
Transactions with non-controlling interests										
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	(64)	(64)
Total transactions with non-controlling interests	–	–	–	–	–	–	–	–	(64)	(64)
Contributions by and distribution to owners										
Dividends	–	–	–	–	–	–	(1,211)	(1,211)	–	(1,211)
Purchase of treasury shares	–	(153)	–	–	–	–	–	(153)	–	(153)
Total transactions by and distributions to owners	–	(153)	–	–	–	–	(1,211)	(1,364)	–	(1,364)
Balance at 31 August 2019	49,079	(253)	666	851	24	(10,655)	21,918	61,630	1,894	63,524

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year ended 31 August 2019

	Share capital $'000	Treasury shares $'000	Revaluation reserve $'000	Other reserve $'000	Share awards reserve $'000	Currency translation reserve $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 September 2017	42,259	(200)	666	952	–	(11,402)	24,782	57,057	2,354	59,411
Profit for the financial year	–	–	–	–	–	–	1,277	1,277	(260)	1,017
Other comprehensive income for the financial year:										
Actuarial gain on defined benefit plan	–	–	–	93	–	–	–	93	–	93
Foreign currency translation	–	–	–	–	–	551	–	551	38	589
Total other comprehensive income for the financial year	–	–	–	93	–	551	–	644	38	682
Total comprehensive income for the financial year	–	–	–	93	–	551	1,277	1,921	(222)	1,699
Transactions with owners of the parent recognised directly in equity										
Transfer to statutory reserve	–	–	–	28	–	–	(28)	–	–	–
Share-based payments	–	148	–	–	6	–	–	154	–	154
Total transactions with owners of the parent recognised directly in equity	–	148	–	28	6	–	(28)	154	–	154
Transactions with non-controlling interests										
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	(124)	(124)
Total transactions with non-controlling interests	–	–	–	–	–	–	–	–	(124)	(124)
Contributions by and distribution to owners										
Dividends	–	–	–	–	–	–	(1,976)	(1,976)	–	(1,976)
Share placement	6,820	–	–	–	–	–	–	6,820	–	6,820
Purchase of treasury shares	–	(151)	–	–	–	–	–	(151)	–	(151)
Total transactions by and distributions to owners	6,820	(151)	–	–	–	–	(1,976)	4,693	–	4,693
Balance at 31 August 2018	49,079	(203)	666	1,073	6	(10,851)	24,055	63,825	2,008	65,833

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year ended 31 August 2019

	2019 $'000	2018 $'000
Operating activities:		
(Loss)/Profit before income tax	(486)	1,651
Adjustments for:		
Share of result of associate	1,725	–
Depreciation expense	3,034	2,785
Fair value gain on investment property	(86)	(200)
Gain on disposal of plant and equipment	(54)	(128)
Gain on disposal of assets classified as held for sales	(3,888)	–
Interest expense	418	416
Interest income	(15)	(19)
Loss allowance for doubtful non-trade receivables	3,551	–
Loss allowance for doubtful trade receivables	210	–
Plant and equipment written off	–	6
Allowance/(Reversal) of inventory obsolescence	61	(41)
Impairment loss on plant and equipment	288	497
Share based payments	121	154
Unrealised exchange difference	(414)	391
Operating cash flows before changes in working capital	4,465	5,512
Trade and other receivables	(1,089)	1,525
Prepayments	(10)	19
Inventories	(1,599)	252
Trade and other payables	2,948	1,121
Cash generated from operations	4,715	8,429
Interest paid	(418)	(416)
Interest received	15	19
Income tax paid	(458)	(447)
Net cash from operating activities	3,854	7,585
Investing activities:		
Investment in associate	(3,076)	(7,951)
Additions of club shares	(24)	–
Proceeds from disposal of assets classified held for sales	5,929	–
Proceeds from disposal of property, plant and equipment	61	794
Purchase of property, plant and equipment	(5,804)	(8,273)
Purchase of investment properties	–	(57)
Repayment of advances	–	208
Net cash used in investing activities	(2,914)	(15,279)

The accompanying notes form an integral part of these financial statements.

	2019 $'000	2018 $'000
Financing activities:		
Dividend payments	(1,211)	(1,976)
Dividend paid to non-controlling interests	(64)	(124)
Net proceeds from share placement	–	6,820
Purchase of treasury shares	(153)	(151)
Proceeds from bank borrowings (Note A)	4,346	3,385
Repayment of bank borrowings (Note A)	(4,845)	(5,064)
Repayment of finance leases (Note A)	(29)	(47)
Net cash from financing activities	(1,956)	2,843
Decrease in cash and cash equivalents	(1,016)	(4,851)
Effect of exchange rate changes on cash and cash equivalents	(33)	(221)
Cash and cash equivalents at beginning of financial year	3,625	8,697
Cash and cash equivalents at end of financial year (Note 4)	2,576	3,625

Note A: Reconciliation of liabilities arising from financing activities

	2018 $'000	Cash flows $'000	Non-cash changes New finance lease $'000	2019 $'000
Finance lease	118	(29)	–	89
Secured bank loans	8,334	(499)	–	7,835
	8,452	(528)	–	7,924

	2017 $'000	Cash flows $'000	Non-cash changes New finance lease $'000	2018 $'000
Finance lease	–	(47)	165	118
Secured bank loans	10,013	(1,679)	–	8,334
	10,013	(1,726)	165	8,452

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General corporate information

Miyoshi Limited ("the Company") is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's registration number is 198703979K. Its principal place of business and registered office has changed from No.5 Second Chin Bee Road, Singapore 619722 to 26 Boon Lay #01-80, Singapore 609970 on 28 December 2018.

The principal activities of the Company are those of designing and manufacturing of mould and precision pressed parts and trading in related products.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

The statement of financial position of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 August 2019 were authorised for issue by the Board of Directors on 6 December 2019.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of ("SFRS(I) INTs") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are the Group's and the Company's first financial statements prepared in accordance with SFRS(I)s. The Group and the Company have previously prepared its financial statements in accordance with Financial Reporting Standards in Singapore ("FRSs"). As required by SFRS(I) 1 *First-time adoption of Singapore Financial Reporting Standards (International),* the Group and the Company have consistently applied the same accounting policies in its opening statement of financial position at 1 September 2017 and throughout all financial years presented, as if these policies had always been in effect subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The transition to SFRS(I)s do not have a material impact on the financial statements of the Group and the Company.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The Company's functional currency is United States dollar. The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar and all values are rounded to the nearest thousand ($'000) except where otherwise indicated as the Company is listed on the Singapore Exchange Securities Trading Limited, and management is of the opinion that the Singapore dollar is the currency which would best facilitate trading in its shares.

Except for adoption of newly issued SFRS(I) 15 Revenue from Contracts with Customers and SFRS(I) 9 Financial Instruments, the adoption of SFRS(I) 1 does not result in any substantial changes on the accounting policies and amounts reported in the previous financial years. The financial impact on transition from FRS to SFRS(I) are disclosed in Note 37 to the financial statements.

The preparation of financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

SFRS(I) and SFRS(I) INT issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I) and SFRS(I) INT were issued but not yet effective, and have not been adopted early in these financial statements:

		Effective date (annual periods beginning on or after)
SFRS(I) 9 (Amendments)	: Prepayment Features with Negative Compensation	1 January 2019
SFRS(I) 1-28 (Amendments)	: Long-term Interests in Associates and Joint Ventures	1 January 2019
SFRS(I) 16	: Leases	1 January 2019
Annual Improvements to SFRS(I)s 2015 – 2017 Cycle		
SFRS(I) 3 (Amendments)	: Business Combinations	1 January 2019
SFRS(I) 11 (Amendments)	: Joint Arrangements	1 January 2019
SFRS(I) 1-12 (Amendments)	: Income Tax	1 January 2019
SFRS(I) 1-23 (Amendments)	: Borrowing Costs	1 January 2019
SFRS(I) INT 23	: Uncertainty over Income Tax Treatments	1 January 2019
SFRS(I) 1-19 (Amendments)	: Plan Amendment, Curtailment or Settlement	1 January 2019
SFRS(I) 1-1 and SFRS(I) 1-8 (Amendments)	: Definition of Material	1 January 2020
SFRS(I) 3 (Amendments)	: Definition of a Business	1 January 2020
SFRS(I) 17	: Insurance Contracts	1 January 2021
SFRS(I) 10 and SFRS(I) 1-28 (Amendments)	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Various amendments	: References to the Conceptual Framework in SFRS(I) Standards	1 January 2020

Consequential amendments were also made to various standards as a result of these new/revised standards.

Except as disclosed below, management anticipates that the adoption of the above SFRS(I)s and SFRS(I) INTs, if applicable, in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes SFRS(I) 1-17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. SFRS(I) 16 requires lessees to capitalise all leases on the statement of financial position by recognising a "right-of-use" asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under SFRS(I) 16. SFRS(I) 16 also requires enhanced disclosures by both lessees and lessors.

On initial adoption of this standard, there may be a potentially significant impact on the accounting treatment for the Group's leases, particularly rented office premises and other operating facilities, which the Group, as lessee, currently accounts for as operating leases.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

SFRS(I) and SFRS(I) INT issued but not yet effective *(Continued)*

On adoption of SFRS(I) 16, the Group will be required to capitalise its rented office premises and other operating facilities on the statement of financial position by recognising them as "right-of-use" assets and their corresponding lease liabilities for the present value of future lease payments.

The Group plans to adopt the new standard in the financial year beginning on or after 1 September 2019. As at 31 August 2019, the Group has non-cancellable operating lease commitments of $289,000 (2018: S3,146,000). SFRS(I) 1-17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in note 31. The Group assessed that these arrangements will meet the definition of a lease under SFRS(I) 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements and the Group is currently assessing its potential impact. As a lessee, the Group plans to adopt SFRS(I) 16 using a modified retrospective approach with optional practical expedients and will include the required additional disclosure in its financial statements for that year. The Group had not yet quantified the impact on its reported assets and liabilities of adoption of IFRS 16. The quantitative effect will depend on, inter alia, the transition method chosen, the extent to which the Group uses the practical expedients and recognition exemptions, and any additional leases that the Group entered into.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is obtained by the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

When the Group loses control of a subsidiary it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the separate financial statements of the Company, investments in subsidiaries, associates and joint ventures are carried at cost, less any impairment loss that has been recognised in profit or loss.

2.3 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree's identifiable asset, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the financial year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2. Summary of significant accounting policies (Continued)

2.4 Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. Where significant influence is achieved in stages, the Group's previously held interests in the investee is measured at cost at the date where significant influence was achieved.

The requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any additional impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 1-39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss which are initially measured at fair value.

Financial assets

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for each category is as follows:

Accounting policy for financial asset on and after 1 September 2018

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment allowances for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment allowances for non-trade receivables from subsidiaries, employee and third parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. Receivables from subsidiaries are considered as credit impaired when significant financial difficulties and non-payment of past due balances have occurred.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statements of financial position.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

Financial assets (Continued)

Accounting policy for financial assets prior to 1 September 2018

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

All financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Available-for-sale financial assets

Certain shares held by the Group are classified as being available-for-sale if they are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in the fair value reserve with the exception of impairment losses, interests calculated using the effective interest method and foreign exchange gains and losses. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is included in profit or loss for the period.

Loans and receivables

Trade and other receivables and cash and cash equivalents that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost, where applicable, using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment losses directly with the exception of trade receivables where the carrying amounts are reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity, except for impairment losses on equity instruments at cost which are not reversed.

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

Financial assets (Continued)

Accounting policy for financial assets prior to 1 September 2018 (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities and equity instruments

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share reserve and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in retained earnings of the Company.

Financial liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Bank borrowings

Interest-bearing bank borrowings and loan from financial institution are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of a subsidiary and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if this subsidiary breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Prior to 1 September 2018, financial guarantees were subsequently measured at the higher of amount initially recognised less amortisation and the expected amounts payable to the banks in the event it is probable that the Company will reimburse the banks.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group and the Company as lessees

Finance leases

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss in accordance with the Group's general policy on borrowing costs.

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received or receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2. Summary of significant accounting policies (Continued)

2.6 Leases (Continued)

The Group as lessor

Operating leases

Rental income from operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which user benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.7 Inventories

Inventories are stated at the lower of cost (first-in, first-out method) and net realisable value.

Costs include all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress and manufactured products, costs include materials, direct labour and an appropriate proportion of production overhead expenditure.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.8 Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell. The assets are not depreciated or amortised while classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, cash at banks, fixed deposits net of fixed deposits pledged and bank overdraft. In the statements of financial position, bank overdrafts are presented within borrowings under current liabilities.

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the Group and the Company and the cost can be reliably measured. All other costs of servicing are recognised in profit or loss when incurred.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2. Summary of significant accounting policies (Continued)

2.10 Property, plant and equipment (Continued)

Freehold land is not depreciated. Depreciation is charged so as to allocate their depreciable amounts, other than freehold land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	-	20 to 40 years
Buildings improvements	-	5 to 8 years
Leasehold land and buildings	-	9 to 50 years (over remaining terms of lease)
Plant and equipment	-	5 to 10 years
Office furniture and equipment	-	3 to 8 years
Motor vehicles	-	4 to 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Construction-in-progress represents buildings and plant and equipment under construction, which is stated at cost. Cost comprises the direct costs incurred during the period of construction. Construction-in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use. No depreciation is provided on construction in-progress. Depreciation commences when the asset is ready for its intended use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.11 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the financial year in which they arise.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

Transfers are made to or from investment properties only when there is a change in use.

If an investment property becomes owner-occupied, it is classified as property, plant and equipment and its fair value at the date of reclassification become its cost of accounting purposes.

If an owner-occupied property becomes an investment property, the property is remeasured to fair value. Any revaluation increase arising from the revaluation of such property is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such property is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

2. Summary of significant accounting policies (Continued)

2.11 Investment properties (Continued)

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the financial year of retirement or disposal. The revaluation surplus in the revaluation reserve relating to that asset is transferred to retained earning directly.

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated impairment losses.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Club memberships

The club memberships are initially recognised at cost and subsequently carried at cost less accumulated amortisation and impairment loss, if any.

The amortisation periods and amortisation method of club memberships are reviewed at the end of each financial year. The effects of any revisions are recognised in profit or loss when changes arise.

For club memberships with no expiry dates, the carrying amounts of club membership are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.13 Impairment of non-financial assets excluding goodwill

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. Summary of significant accounting policies (Continued)

2.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimation timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.15 Share-based payments

The Company issues equity-settled share-based payments to employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

(i) Sale of goods

Revenue from the sale of goods and scrap are recognised at point in time when control of the products have been transferred, being when the goods are delivered to the customers, the customers have full discretion to direct the use of the products, and there are no unfulfilled obligation that could affect the customers' acceptance of the goods. Delivery occurs when the risk of obsolescence and loss have been transferred, and being acknowledged by customers for in-country sales. Whereas, for overseas sales, acknowledgement are in accordance with the terms and conditions of shipping incoterms. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay with a credit term of 30 to 120 days.

(ii) Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

(iii) Rental income

Rental income under operating lease is recognised on a straight-line basis over the term of the lease.

2.17 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised as an expense in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2. **Summary of significant accounting policies (Continued)**

2.18 Employee benefits

(i) Retirement benefit costs

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

Certain subsidiaries operate a defined benefit pension plan, which is unfunded.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- service cost;
- net interest on the net defined benefit liability or asset; and
- remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or assets. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in other reserve within equity and are not reclassified to profit or loss in subsequent periods.

Retirement gratuity

Retirement benefits payable to certain categories of employees upon their retirement are provided for in the financial statements based on their entitlement under the staff benefit plan.

The Group's net obligation in respect of retirement benefits is the amount of future benefits that employees have earned in return for their service in current and prior periods. The obligation is calculated using projected salary increases and is discounted to its present value, and the fair value of any related assets is deducted.

2. **Summary of significant accounting policies (Continued)**

2.18 Employee benefits (Continued)

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.19 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the subsidiaries operate by the end of the financial year, and any adjustment to income tax payable in respect of previous financial years.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination is taken into account in calculating goodwill on acquisition.

2. Summary of significant accounting policies (Continued)

2.19 Income tax (Continued)

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

2.21 Foreign currencies transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company and the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised initially in other comprehensive income and accumulated in the Group's currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings are taken to the currency translation reserve.

On disposal of a foreign operation, the accumulated currency translation reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. Summary of significant accounting policies (Continued)

2.22 Valuation policies and procedures

Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 Fair Value Measurement guidance.

For valuations performed by external valuation experts, the management reviews the appropriateness of the valuation methodologies and assumptions adopted. The management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by the management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director who makes strategic decisions.

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements in applying the accounting policies

In the process of applying the Group's accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below:

Investment in Miyoshi International Philippines Inc

The Group determines that Miyoshi International Philippines Inc ("MIP") is a subsidiary of the Group although the Group only holds a 40% equity interest in MIP. Due to the land ownership restriction in the Philippines, the remaining 60% equity interest are held in trust by employees on behalf of the Company. Management determined that the Group has the power to appoint and remove the board of directors of MIP that has the power to direct relevant activities of MIP. Management concluded that the Group has the practical ability to direct the relevant activities of MIP unilaterally and hence the Group has control over MIP.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of investments in subsidiaries and associate

In determining whether an investments in subsidiaries and associate are impaired requires an estimation of the recoverable amount of the investment as at end of the financial year. For those subsidiaries with indication of impairment, management determined the recoverable amount using the fair value less costs of disposal using the key assumptions as disclosed in Note 8 to the financial statements. The carrying amount of the Company's investment in subsidiaries and associate as at 31 August 2019 was $29,741,000 and $20,433,000 (31 August 2018: $27,746,000 and $20,583,000, 1 September 2017: $27,758,000 and $Nil) respectively.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Impairment of property, plant and equipment

The Group assesses whether there are any indicators of impairment for its property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment when there are indicators that the carrying amount may not be recoverable. Please refer to Note 11 to the financial statements for more details on impairment of these assets.

The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 August 2019 were $34,543,000 (31 August 2018: $32,049,000; 1 September 2017: 27,504,000) and $2,810,000 (31 August 2018: $3,037,000; 1 September 2017: $931,000) respectively. Please refer to Note 11 to the financial statements for more details on impairment of these assets.

Estimating expected credit loss allowance

Management estimates expected credit loss allowance using a forward-looking expected credit loss ("ECL") model. On initial recognition of the financial asset, management determines the ECL rates by considering the profile of the customers, historical observed default rates and adjusts for forward looking information. The Company's credit risk exposure for trade and other receivables are disclosed in Note 33.1 to the financial statements. The aggregate carrying amounts of the Group's and the Company's trade and other receivables as at 31 August 2019 were $13,927,000 (31 August 2018: $16,713,000; 1 September 2017: $18,475,000) and $2,557,000 (31 August 2018: $11,089,000; 1 September 2017: $12,603,000) respectively.

Net realisable value of inventories

In determining the net realisable value of the Group's and the Company's inventories, an estimation of the recoverable amount of inventories on hand is performed based on the most reliable evidence available at the time the estimates are made. This represents the value of the inventories which are expected to realise as estimated by the management. These estimates take into consideration the fluctuations of price or cost, or any inventories on hand that may not be realised, directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the financial year. As at 31 August 2019, the carrying amounts of the Group's and the Company's inventories were $6,776,000 (31 August 2018: $5,249,000; 1 September 2017: $5,449,000) and $1,000 (31 August 2018: $12,000; 1 September 2017: $Nil) respectively.

Fair value of investment properties

The Group's investment properties are stated at fair value in accordance with the accounting policy stated in Note 2.11 to the financial statements. As at 31 August 2019, the fair value of the Group's investment properties was determined by independent professional valuation firms and the carrying amounts of the investment properties were $6,933,000 (31 August 2018: $6,827,000; 1 September 2017: $6,584,000). The valuation was based on certain assumptions, which are subject to uncertainty and might differ from the actual results. In making the judgement, consideration has been given to assumptions that are mainly based on market conditions existing as at the end of the financial year. These estimates are regularly compared to actual market data.

Notes to the Financial Statements

For the Financial Year ended 31 August 2019

4. Cash and cash equivalents

	Group			Company		
	31 August 2019	31 August 2018	1 September 2017	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Cash and bank balances	2,991	5,197	8,697	299	218	1,545
Fixed deposits	148	145	133	–	–	–
Cash and cash equivalents on statements of financial position	3,139	5,342	8,830	299	218	1,545
Bank overdraft (Note 17)	(415)	(1,572)	–			
Restricted cash	(148)	(145)	(133)			
Cash and cash equivalents on consolidated statement of cash flows	2,576	3,625	8,697			

The Group's fixed deposits earn interest at 3.35% (31 August 2018: 3.10%; 1 September 2017: 3.10%) per annum and are for a tenor ranging from 90 to 365 (31 August 2018: 90 to 365; 1 September 2017: 90 to 365) days.

Restricted cash pertains to fixed deposits of a subsidiary pledged with bank as securities for banking facilities granted.

The Group's and the Company's cash and cash equivalents that are not denominated in the functional currencies of the respective entities are as follows:

	Group			Company		
	31 August 2019	31 August 2018	1 September 2017	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000	$'000	$'000	$'000
United States dollar	673	1,499	2,750	–	–	–
Philippine peso	246	215	224	–	–	–
Malaysia ringgit	186	192	162	–	–	–
Singapore dollar	63	67	556	63	67	556

As at 31 August 2019, the Group had cash and bank balances of approximately $966,000 (31 August 2018: $1,088,000; 1 September 2017: $2,096,000) placed with the banks in the PRC. RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

5. Trade and other receivables

	Group			Company		
	31 August 2019 $'000	31 August 2018 $'000	1 September 2017 $'000	31 August 2019 $'000	31 August 2018 $'000 (Restated)	1 September 2017 $'000 (Restated)
Current						
Trade receivables						
- third parties	13,101	11,595	12,739	160	260	81
- subsidiaries	–	–	–	37	4,422	5,355
	13,101	11,595	12,739	197	4,682	5,436
Loss allowance for trade receivables	(361)	(69)	(77)	(1)	–	–
	12,740	11,526	12,662	196	4,682	5,436
Non-trade receivables						
- third parties	4,697	4,868	5,681	3,751	3,728	4,594
- loan to employees	300	476	312	273	476	312
- subsidiaries	–	–	–	2,172	5,738	4,932
	4,997	5,344	5,993	6,196	9,942	9,838
Loss allowance for non-trade receivables	(3,870)	(274)	(283)	(3,847)	(3,535)	(2,671)
	1,127	5,070	5,710	2,349	6,407	7,167
	13,867	16,596	18,372	2,545	11,089	12,603
Non-current						
Non-trade receivables						
- loan to employees	60	117	103	12	–	–
Financial assets at amortised costs (2018: loan and receivables)	13,927	16,713	18,475	2,557	11,089	12,603

Trade receivables from third parties are non–interest bearing and are generally on a 30 to 120 (31 August 2018: 30 to 120; 1 September 2017: 30 to 120) days credit terms. The amounts owing from subsidiaries are unsecured, interest–free and are generally on a 30 to 120 (31 August 2018: 30 to 120; 1 September 2017: 30 to 120) days.

The Group's and Company's current non-trade receivables due from third parties includes advances of $Nil (31 August 2018: $484,000; 1 September 2017: $692,000) and refundable deposit of $Nil (31 August 2018: $3,083,000; 1 September 2017: $3,088,000) due from Core Power (Fujian) Electric Co., Ltd, a shareholder of the associate (Note 9) for expansion of the electric vehicle business, involving the development, manufacturing, assembling and selling of electric vehicles and other infrastructure projects. The amount owing from third parties are unsecured, interest-free and repayable on demand.

The Company's current non-trade receivables due from subsidiaries are unsecured, interest–free and repayable on demand.

The Group's and Company's loan to employees are expected to be repaid within 5 years (31 August 2018: within 5 years; 1 September 2017: within 5 years). The amount is unsecured and bore interest ranging from 5% to 7% (31 August 2018: 5% to 7%; 1 September 2017: 5% to 7%) per annum. The carrying amount of the non-current loans to employees approximate their fair value.

5. Trade and other receivables (Continued)

The management estimates expected credit loss allowance using a forward-looking expected credit loss ("ECL") model. When measuring ECL, the Company performs a review of the historical trends, default payment information, profile of its customers to determine a reasonable probability of default.

For amount due from subsidiaries, the Board of Directors has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Board of Directors monitor and assess at each reporting date on any indicator of significant increase in credit risk on the amount due from the subsidiary, by considering the financial performance and any default in external debt. The loss allowance as at the financial year end represents allowances made for non-trade receivables that are credit impaired.

In the current financial year, the Company has restructured its amount owing from subsidiaries of $22,264,000 (Note 8 to the financial statement) which is deemed to be part of the Group's net investment in subsidiaries which the Company transferred additional trade and non-trade receivable from these subsidiaries of $4,219,000 and $5,219,000 respectively to loan deem as investment. These loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. Following the intercompany balances restructuring, the Board of Directors carried out impairment assessment on the investment in subsidiaries and these loans. The Company also made a prior year adjustment to reverse an impairment of trade receivables and other receivables of approximately $4,194,000 and $1,226,000 (31 August 2017: $4,183,000 and $1,463,000) respectively which was previously recorded to fully impaired in the previous financial year. Subsequent to the impairment assessment, it has come to the Company's attention that these balances could be recovered subsequently. Therefore comparative information has been restated to conform with the requirements of SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors as disclosed in Note 36 to the financial statements.

Movements in the loss allowance on trade receivables are as follows:

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000 (Restated)
At 1 September under FRS 39	69	77	–	–
Application of SFRS(I) 9	104	–	–	–
At 1 September under SFRS(I) 9	173	77	–	–
Loss allowance recognised during the year – credit impaired	210	–	1	–
Currency realignment	(22)	(8)	–	–
At 31 August	361	69	1	–
Comprising:				
- third parties	361	69	1	–
- subsidiaries	–	–	–	–
	361	69	1	–

5. Trade and other receivables (Continued)

Movements in the loss allowance on non-trade receivables are as follows:

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000 (Restated)
Balance at beginning of financial year under SFRS(I) 9/FRS 39	274	283	3,535	2,671
Loss allowance recognised during the year – credit impaired	3,551	–	270	824
Currency realignment	45	(9)	42	40
At 31 August	3,870	274	3,847	3,535
Comprising:				
- third parties	3,870	274	3,845	274
- subsidiaries	–	–	2	3,261
	3,870	274	3,847	3,535

The Group's and Company's trade receivables which are past due and not considered to be impaired are as follows:

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000 (Restated)
Past due < 3 months	5,567	5,644	92	23
Past due 3 to 6 months	183	173	36	7
Past due over 6 months	218	144	2	4,566

The Group's and Company's trade receivables which are past due and impaired are as follows:

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000 (Restated)
Past due and impaired	361	69	1	–

The Group's and the Company's trade and other receivables that are not denominated in the functional currencies of the respective entities are as follows:

	Group 31 August 2019 $'000	Group 31 August 2018 $'000	Group 1 September 2017 $'000	Company 31 August 2019 $'000	Company 31 August 2018 $'000	Company 1 September 2017 $'000
United States dollar	1,799	2,046	3,684	–	–	–
Chinese renminbi	–	493	692	–	493	692
Singapore dollar	123	268	254	525	366	357
Philippine peso	714	810	644	–	–	–
Malaysia ringgit	392	218	271	–	–	–
European euro	9	–	–	–	–	–

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6. Inventories

	Group 31 August 2019 $'000	Group 31 August 2018 $'000	Group 1 September 2017 $'000	Company 31 August 2019 $'000	Company 31 August 2018 $'000	Company 1 September 2017 $'000
Finished goods	2,182	2,186	2,812	1	12	–
Work-in-process	1,012	513	143	–	–	–
Raw materials	3,582	2,550	2,494	–	–	–
Total inventories at lower of cost and net realisable value	6,776	5,249	5,449	1	12	–

In the current financial year, allowance for inventory obsolescence of $61,000 was recognised in profit or loss under "raw materials, consumables used and charges in inventories" after a review of the realisability of the inventories conducted at the end of the financial year.

In the previous financial year, the Group recognised a reversal of write-down of inventories of $41,000 in profit or loss under "raw materials, consumables used and changes in inventories", as the inventories were sold above the carrying amounts.

The cost of inventories recognised as an expense in the Group's profit or loss amounted to $27,493,000 (2018: $25,974,000).

7. Assets classified as held for sale

	Group and Company 2019 $'000	Group and Company 2018 $'000
At beginning of financial year	3,601	3,569
Disposal during the year	(3,888)	–
Currency realignment	287	32
At end of financial year	–	3,601

In the previous financial years, the Company entered into an option to sell its leasehold building located at No. 5 Second Chin Bee Road, Singapore 618774 of gross floor area of approximately 4,883.80 square metre for a sales consideration of $7,800,000. The sale transaction of the property was completed during the financial year.

8. Subsidiaries

	Company 31 August 2019 $'000	Company 31 August 2018 $'000	Company 1 September 2017 $'000
Unquoted equity shares, at cost	20,417	20,417	20,383
Loans deemed as investments in subsidiaries	22,264	16,161	16,368
Currency alignment	(1,446)	(1,518)	(1,661)
	41,235	35,060	35,090
Allowance for impairment losses	(11,494)	(7,314)	(7,332)
	29,741	27,746	27,758

8. Subsidiaries (Continued)

Movements in the loans deemed as investment in subsidiaries are as follows:

	Company	
	2019	**2018**
	$'000	**$'000**
At beginning of financial year	16,161	16,368
Addition	9,438	237
Transfer to non-trade receivable	(1,301)	–
Repayment	(2,077)	(583)
Currency realignment	43	139
At end of financial year	22,264	16,161

Movements in the allowance for impairment losses in investment in subsidiaries and loans deemed as investment in subsidiaries are as follows:

	Company	
	2019	**2018**
	$'000	**$'000**
		(Restated)
At beginning of financial year	7,314	7,332
Recognised during the financial year	4,116	89
Reversal during the financial year	–	(147)
Currency realignment	64	40
At end of financial year	11,494	7,314

The impairment assessment carried out at the end of the reporting period indicated that the recoverable amount of the CGU was lower than its carrying amount. Accordingly, impairment loss on a loan deemed as investment in subsidiary of $4,116,000 (2018: $89,000) was recognised in profit or loss in view of the consecutive operating losses by the Malaysia's subsidiary. The management has assessed the recoverable amount of this CGU was determined using the fair value less costs of disposal method.

The management's assessment comprised primary the following methods and assumptions in determining the fair value less costs of disposal of this subsidiary:

Category	**Methods and assumptions**
Investment property	Independent professional valuation using the sales comparison method by making reference to market evidence of comparable properties in similar locations, adjusted for differences in key attributes as disclosed in Note 12.
Leasehold and freehold land	Sales comparison method by reference to the market evidence of recent transaction prices, adjusted for difference in size.
Leasehold and freehold buildings	Cost approach reference to the replacement cost of each replaceable asset, adjusted for accrued depreciation.
Plant and equipment	Selling price for similar plant and equipment, adjusted for age.
Other assets and liabilities	The carrying amount of current assets and current liabilities approximate their fair values in view of the relative short-term maturity.

8. Subsidiaries (Continued)

The fair value hierarchy used in determining the above is considered as Level 3 as the assessment included unobservable inputs.

In the previous financial year, due to the improved performance, the management assessed that there is an indication that the impairment loss recognised in prior financial years may no longer exist. The review led to a full reversal of impairment loss of $147,000 in a Philippines subsidiary which was recognised in "other income".

The loans deemed as investments in subsidiaries are unsecured.

Details of the Company's significant subsidiaries are as follows:

Name of company (Country of incorporation and principal place of business)	**Principal activities**	**Proportion of ownership interest held by the Group**			**Proportion of ownership interest held by non-controlling interest**		
		2019	**2018**	**2017**	**2019**	**2018**	**2017**
		%	**%**	**%**	**%**	**%**	**%**
Hua-San Pte. Ltd (formerly known as Miyoshi Saitoh Pte Ltd[1] (Singapore)	Investment holding and trading of machine	100	100	100	–	–	–
Miyoshi Precision (Malaysia) Sdn. Bhd.[2] (Malaysia)	Metal stamping, fabrication of parts and components of machine tools	100	100	100	–	–	–
Miyoshi Technologies Phils., Inc.[3] (Philippines)	Metal stamping, fabrication of parts and components of machine tools	100	100	100	–	–	–
Miyoshi International Philippines, Inc.[3][4] (Philippines)	Property holding	40	40	40	60	60	60
Miyoshi Hi-Tech Co., Ltd[5] (Thailand)	Metal stamping	80	80	80	20	20	20
Wuxi Miyoshi Precision Co., Ltd.[6] (People's Republic of China)	Metal stamping and plastic injection moulding	100	100	100	–	–	–
Miyoshi Precision Huizhou Co., Ltd[6] (People's Republic of China)	Metal stamping and assembly of electronic components	100	100	100	–	–	–

Notes:

(1) Audited by BDO LLP, Singapore.
(2) Audited by BDO, Malaysia.
(3) Audited by BDO Roxas Cruz Tagle and Co. Philippines.
(4) Deemed to be a subsidiary as the Company has the ability to direct relevant activities of the entity.
(5) Audited by BDO Limited, Thailand.
(6) Audited by BDO China Shu Lun Pan Certified Public Accountants, People's Republic of China, for consolidation purposes.

Subscription of additional shares

In the previous financial year, the Company subscribed additional equity shares in Miyoshi Precision (Malaysia) Sdn. Bhd. of 100,000 shares at RM1 per share by way of cash considerations of RM100,000 (equivalent to $34,000).

8. Subsidiaries (Continued)

Non-controlling interests

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Profit/(Loss) allocated to NCI			Total comprehensive income attributable to NCI			Accumulated NCI		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Miyoshi Hi-Tech Co., Ltd	(223)	(330)	194	(114)	(285)	276	1,652	1,830	2,239
Miyoshi International Philippines, Inc.	55	70	(199)	63	63	(231)	242	178	115
Total	(168)	(260)	(5)	(51)	(222)	45	1,894	2,008	2,354

Summarised financial information in respect of each of the Group's subsidiaries that has material NCI is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Miyoshi Hi-Tech Co., Ltd			Miyoshi International Philippines, Inc.		
	2019	2018	2017	2019	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000
Assets and liabilities						
Non-current assets	5,655	5,602	5,778	3,703	3,532	3,342
Current assets	4,394	4,867	7,087	331	189	215
Non-current liabilities	(212)	–	–	(331)	(265)	(2,970)
Current liabilities	(1,579)	(1,318)	(1,672)	(3,129)	(2,990)	(226)
Net assets	8,258	9,151	11,193	574	466	361
Revenue	5,653	6,453	13,016	89	75	70
Fair value gain in investment property	–	–	–	113	250	243
Expenses	(6,770)	(8,102)	(12,045)	(110)	(254)	(644)
(Loss)/Profit for the year	(1,117)	(1,649)	971	92	71	(331)
Other comprehensive income	545	225	410	13	(33)	(53)
Total comprehensive income	(572)	(1,424)	1,381	105	38	(384)
Dividend paid to non-controlling interests	(64)	(124)		–	–	
Net cash (outflow) inflow from operating activities	(774)	(641)		59	(195)	
Net cash (outflow) inflow from investing activities	(377)	(1,014)		(57)	–	
Net cash inflow (outflow) from financing activities	–	–		–	–	

Significant restrictions

Cash and cash equivalents of $966,000 (31 August 2018: $1,088,000; 1 September 2017: $2,096,000) held in People's Republic of China are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus significantly affect the Group's ability to access or use assets, and settle liabilities, of the Group.

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9. Associate

	Group		Company	
	31 August 2019	31 August 2018	31 August 2019	31 August 2018
	$'000	$'000	$'000	$'000
		(Restated)		(Restated)
Unquoted equity shares, at cost	19,501	19,501	19,501	19,501
Share of results, net of tax	(1,725)	–	–	–
Amount due from associate	780	1,082	780	1,082
Currency realignment	84	–	152	–
At end of financial year	18,640	20,583	20,433	20,583

In the previous financial year, the Group entered into an agreement with Core Power (the "Agreement") to increase the Group's investment in Core Power (Fujian) New Energy Automobile Co., Ltd ("Core Power") from 15% to 32% by way of new capital injection of RMB50,000,000 (equivalent to $10,400,000) into Core Power.

During the financial year, the management assessed and accounted for 32% equity interest in Core Power based on the registered authorised capital as at 31 July 2018 which represents the percentage of voting equity interests acquired and the rights of assets and obligation of liabilities of the investment.

The amount due from associates form part of the Group's net investment in associates. The loan is interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

The fair value of the identifiable assets and liabilities of Core Power as at the acquisition date were:

	Fair value recognised on acquisition
	$'000
	(Restated)
Core Power (Fujian) New Energy Automobile Co., Ltd	
Current assets	13,486
Non-current assets	54,686
Current liabilities	(39,891)
Non-current liabilities	(9,615)
Net assets	18,666
Proportion of equity interest	32%
Proportion of share of net assets	5,973
Goodwill	13,528
	19,501

Consideration transferred for the acquisition of Core Power

	$'000
	(Restated)
Previously held interest, at cost (Note 10)	9,059
Cash consideration	6,869
Deferred cash settlement	3,573
	19,501

9. Associate (Continued)

In accordance with SFRS(I) 3, Business Combinations, the management has completed the purchase price allocation exercise on 26 November 2019 pertaining the acquisition of associate, Core Power on 31 July 2018. The fair value of net tangible assets at the date of acquisition was $5,973,000, resulting in a goodwill of $13,528,000. The goodwill was previously recognised at $5,044,000 based on carrying amount of net tangible assets at the date of acquisition. As the purchase price allocation exercise was completed after twelve months from the acquisition date, the comparative figures have been restated retrospectively

Goodwill which amounted to $13,528,000 is measured as the excess of aggregate consideration transferred over the fair value of identifiable net assets acquired, and the amount forms part of carrying amount of investments in associates. The goodwill arising from the investment in Core Power is mainly for the Group's expansion plans in the electric vehicles market in the People's Republic of China.

Deferred cash settlement represents agreed consideration to be paid to Core Power for the investment purposes and the payment is expected to be paid in next twelve months.

In the previous financial year, a partial capital injection of RMB32,200,000 (equivalent to $6,869,000) into Core Power. The Group has accounted for the investment in Core Power as an associate as management assessed that there is significant influence as the Group has the power to participate in the financial and operating policy decisions of Core Power based on the Agreement. As a result, the Group's previously held interest of 15% equity interest in Core Power (Note 10) has been measured at cost at the date when significant influence was achieved.

Summarised financial information for the financial year ended 31 August 2019:

Summarised statement of financial position

	31 August 2019 $'000	31 August 2018 $'000 (Restated)
Core Power (Fujian) New Energy Automobile Co., Ltd		
Current assets	8,789	12,287
Non-current assets	46,344	45,822
Current liabilities	(36,067)	(34,591)
Non-current liabilities	(7,631)	(11,508)
Net assets	11,435	12,010

Summarised statement of comprehensive income

	31 August 2019 $'000	31 August 2018 $'000 (Restated)
Core Power (Fujian) New Energy Automobile Co., Ltd		
Revenue	7,212	8,135
Loss before tax, representing total comprehensive income	5,391	7,205

The financial year end date of Core Power is 31 December. This was the financial reporting date established when that company was incorporated, and a change of reporting date is not permitted in the People's Republic of China. For the purpose of applying the equity method of accounting, Core Power's management prepared a set of financial statements based on a realignment of its financial statements from 31 December 2018 to 31 August 2019.

9. Associate (Continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in the Core Power, is as follows:

	31 August 2019 $'000	31 August 2018 $'000 (Restated)
Net assets	11,435	12,010
Investment in associate (32%)	4,248	5,973
Goodwill	13,528	13,528
Amount due from associate	780	1,082
Currency realignment	84	–
Carrying value of the Group's investments in associates	18,640	20,583

The details of the associate are as follows:

Name of company	Place of incorporation/ registration and principal place of business	Principal activities	Proportion of ownership interest held by the Group 2019 %	Proportion of ownership interest held by the Group 2018 % (Restated)
Held by Company				
Core Power (Fujian) New Energy Automobile Co., Ltd	People's Republic of China	Develop, manufacture, assemble and sell electric vehicles ("EV Project")	32	32

Significant restrictions

Cash and cash equivalents of $2,552,000 (2018: $5,101,000) held in People's Republic of China are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends.

10. Available-for-sale financial assets

	Group and Company	
	2019	2018
	$'000	$'000
Unquoted equity shares, at fair value:		
At beginning of financial year	–	8,978
Derecognition of equity interests (Note 9)	–	(9,059)
Currency realignment	–	81
At end of financial year	–	–

In the previous financial year, the previously held interest in Core Power was recognised as an associate due to additional capital injection which resulted in an increase in equity interest and significant influence in Core Power as disclosed in Note 9 to the financial statements.

As at 1 September 2017, the Group held a 15% equity interest in Core Power amounting to RMB42,750,000 (equivalent to $8,978,000).

The valuation of the unquoted shares was performed by an external valuer and categorised into Level 3 of the fair value hierarchy as follow:

Description	Fair value at 31 August	Valuation technique	Significant unobservable inputs	Relationship of unobservable input to fair value
2017				
15% equity interest in Core Power	RMB 42.8 million (Approximately $9 million)	Income approach	● Revenue growth rate	The higher the revenue growth rate, the higher the fair value, vice versa.
			● Gross profit margin	The higher the gross profit margin, the higher the fair value, vice versa.
			● Discount rate	The lower the discount rate, the higher the fair value, vice versa.

The Group's and the Company's available-for-sale financial assets that are not denominated in the functional currencies of the respective entities are as follows:

	Group and Company		
	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000
Chinese renminbi	–	–	8,978

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11. Property, plant and equipment

	Freehold land	Buildings and improvements	Leasehold land and buildings	Plant and equipment	Office furniture and equipment	Motor vehicles	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Cost:								
At 1 September 2017	3,525	15,600	9,194	41,432	1,850	1,057	271	72,929
Currency realignment	(28)	206	(188)	303	2	10	57	362
Additions	–	363	1,690	2,989	249	539	2,608	8,438
Disposals/Write-offs	–	–	–	(1,864)	(6)	(159)	(5)	(2,034)
At 31 August 2018	3,497	16,169	10,696	42,860	2,095	1,447	2,931	79,695
Currency realignment	114	432	(300)	423	(5)	(1)	(116)	547
Additions	–	1,163	143	1,932	109	15	2,442	5,804
Transfer from investment properties	57	–	–	–	–	–	–	57
Transfer from constructions in progress	–	–	–	212	–	–	(212)	–
Disposals/Write-offs	–	–	–	(62)	(33)	(317)	(7)	(419)
At 31 August 2019	3,668	17,764	10,539	45,365	2,166	1,144	5,038	85,684
Accumulated depreciation and impairment:								
At 1 September 2017	–	7,018	1,229	36,038	189	951	–	45,425
Currency realignment	–	111	(51)	233	(3)	2	9	301
Depreciation for the financial year	–	597	516	1,430	90	152	–	2,785
Disposals/Write-offs	–	–	–	(1,198)	(5)	(159)	–	(1,362)
Impairment loss	–	–	–	65	–	–	432	497
At 31 August 2018	–	7,726	1,694	36,568	271	946	441	47,646
Currency realignment	–	272	(77)	392	(7)	(1)	6	585
Depreciation for the financial year	–	608	523	1,606	136	161	–	3,034
Disposals/Write-offs	–	–	–	(62)	(33)	(317)	–	(412)
Impairment loss	–	–	–	162	–	–	126	288
At 31 August 2019	–	8,606	2,140	38,666	367	789	573	51,141
Net carrying value:								
At 31 August 2019	3,668	9,158	8,399	6,699	1,799	355	4,465	34,543
At 31 August 2018	3,497	8,443	9,002	6,292	1,824	501	2,490	32,049
At 1 September 2017	3,525	8,582	7,965	5,394	1,661	106	271	27,504

11. Property, plant and equipment (Continued)

	Leasehold land and buildings $'000	Plant and equipment $'000	Furniture and equipment $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Company						
Cost:						
At 1 September 2017	638	380	102	476	–	1,596
Currency realignment	40	2	4	11	2	59
Additions	1,636	7	126	513	105	2,387
Disposals/Write-offs	–	(71)	–	(159)	–	(230)
At 31 August 2018	2,314	318	232	841	107	3,812
Currency realignment	9	2	1	2	(1)	13
Transfer from Construction-in-progress	–	106	–	–	(106)	–
Additions	63	5	9	15	–	92
Disposals/Write-offs	–	–	–	(317)	–	(317)
At 31 August 2019	2,386	431	242	541	–	3,600
Accumulated depreciation and impairment:						
At 1 September 2017	82	82	25	476	–	665
Currency realignment	3	–	2	4	–	9
Depreciation for the financial year	88	43	43	107	–	281
Disposals/Write-offs	–	(21)	–	(159)	–	(180)
At 31 August 2018	173	104	70	428	–	775
Currency realignment	1	1	1	–	–	3
Depreciation for the financial year	107	45	50	127	–	329
Disposals/Write-offs	–	–	–	(317)	–	(317)
At 31 August 2019	281	150	121	238	–	790
Net carrying value:						
At 31 August 2019	2,105	281	121	303	–	2,810
At 31 August 2018	2,141	214	162	413	107	3,037
At 1 September 2017	556	298	77	–	–	931

For the purpose of consolidated statement of cash flows, the additions to property, plant and equipment were financed as follows:

	31 August 2019 $'000	31 August 2018 $'000
Additions during the financial year	5,804	8,438
Additions through finance lease	–	(165)
Cash payment to acquire plant and equipment	5,804	8,273

As at 31 August 2019, the carrying amount of the Group's motor vehicles acquired under finance lease agreement was $147,000 (31 August 2018: $195,000; 1 September 2017: $Nil). Finance lease assets are pledged as securities for the related finance lease payables as set out in Note 16 to the financial statements.

11. Property, plant and equipment (Continued)

As at 31 August 2019, the Group's and Company's land and buildings with carrying amount of $17,815,000 (31 August 2018: $17,523,000; 1 September 2017: $14,071,000) and $2,104,000(31 August 2018: $2,141,000; 1 September 2017:$556,000) respectively are held as security for certain bank borrowings (Note 17).

At the end of the financial year, the Group and the Company carried out a review of the impairment loss of their property, plant and equipment in view of the declining operating performance by certain subsidiaries. The review led to an additional recognition of impairment by the Group, amounting to $288,000 (2018: $497,000) in profit or loss under "other operating expenses".

The impairment amount of the property, plant and equipment has been determined based on fair value less cost of disposal. Key assumptions used by management for assessing the fair value less cost of disposal of the plant and equipment and motor vehicle included the selling price for similar plant and equipment, adjusted for age and adjusted costs of disposal.

The Group's land and buildings comprise the following:

Location	Title	Description
Lot B1-5 Carmelray Industrial Park II, Barangay Tulo, Calamba, Laguna 4027, Philippines	Freehold	A two-storey factory building
Lot 3 Blk. 2 Daiichi Industrial Park, Barangay Maguyam, Silang Cavite, Philippines	Freehold	A two-storey factory building
38 Moo 1 Tumbol Banpo Amphur Bangpa-In Ayutthaya Province, Thailand	Freehold	A factory cum office building
Lot 16/17/18, Blk. 60, Carmel Ridge Residential Estates, Barangay Punta, City of Calamba, Laguna, Philippines	Freehold	Residential units
No. 4, Jalan Wira 3, Taman Tan Sri Yaacob, 81300 Skudai, Johor Bahru, Johor, Malaysia	Freehold	A factory cum office building
Tongqiao Industrial Base Huicheng District Huizhou, Guangdong China 516032	Leasehold (50 years from 12 March 2008)	A factory cum office building
No.108 Hongda Road, Hongshan Town, Wuxi City, Jiangsu, China	Leasehold (50 years from 25 December 2006)	A factory cum office building
28D Penjuru Close, #01-07, Singapore 609132	Leasehold (30 years from 16 November 1995)	A factory cum office building
26 Boon Lay Way, #01-80 Tradehub 21, Singapore 609970	Leasehold (60 years from 10 December 2003)	A 2-storey intermediate industrial unit

12. Investment properties

	Group 2019 $'000	Group 2018 $'000
At fair value		
At beginning of financial year	6,827	6,584
Additions	–	57
Transfer to property, plant and equipment (Note 11)	(57)	–
Net fair value gain recognised in profit or loss	86	200
Currency realignment	77	(14)
At end of financial year	6,933	6,827

During the financial year, the carrying amount of $57,000 was transferred to property, plant and equipment in view that the change of purpose of the residential estate purchased to be used by the Group.

As at 31 August 2019, the Group's investment properties with carrying amount of $5,171,000 (31 August 2018: $4,994,000; 1 September 2017: $4,772, 000) was held as security for a bank loan (Note 17).

The Group's investment properties were valued as at 31 August 2019, 31 August 2018 and 1 September 2017 by certain independent professional valuation firms with recent experience in the location and category of the investment properties held by the Group. The valuations were arrived at by using:

(i) the sales comparison approach whereby sale prices of comparable properties in similar locations are adjusted for unobservable inputs such as tenure, age, size, design, floor level, condition and standard of finishes amongst other factors. The most significant unobservable input into this valuation approach is selling price per square metre.

(ii) the cost approach whereby value of the property or another asset that consider as a substitute for the purchase of a given property, the possibility of constructing another property that is equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. The most significant unobservable input into this valuation approach is reproduction or replacement cost of the subject property or asset, less total (accrued) depreciation.

As at 31 August 2019, 31 August 2018 and 1 September 2017, the valuation is based on the asset's highest and best use, which is in line with its actual use. The resulting fair value of investment property is considered level 3 recurring fair value measurement.

12. Investment properties (Continued)

The following table presents the valuation technique and key input that was used to determine the fair value of investment property categorised under Level 3 of the fair value hierarchy:

Country	Description	Fair value at 31 August 2019 $'000	Fair value at 31 August 2018 $'000	Fair value at 1 September 2017 $'000	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Philippines	Industrial land	1,949	1,779	1,726	Sales comparison approach	Selling price per square metre	The higher the selling price per square metre, the higher the fair value, vice versa
Philippines	Residential Estate	–	57	–	Sales comparison approach	Selling price per square metre	The higher the selling price per square metre, the higher the fair value, vice versa
Philippines	Industrial building	3,222	3,158	3,046	Cost approach	Replacement cost of each replaceable asset, adjusted for accrued depreciation	The higher the replacement cost, the higher the fair value, vice versa
Malaysia	Industrial land	147	183	206	Sales comparison approach	Selling price per square metre	The higher the selling price per square metre, the higher the fair value, vice versa
Malaysia	Industrial building	1,615	1,650	1,606	Cost approach	Replacement cost of each replaceable asset, adjusted for accrued depreciation	The higher the replacement cost, the higher the fair value, vice versa

There were no changes to the valuation techniques during the year.

The Directors have exercised their judgement in relying on the valuation reports and are satisfied that the fair values are reflective of current market situations.

The following amounts are recognised in profit or loss:

	Group 2019 $'000	Group 2018 $'000
Rental income from investment properties	1,156	889
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment properties	72	26

12. Investment properties (Continued)

As at 31 August 2019, 31 August 2018 and 1 September 2017 the Group's investment properties comprise the following:

Location	Description	Tenure
31 August 2019 and 1 September 2017		
PLO 122, Jalan Cyber 5, Senai III Industrial Estate 81400 Senai, Johor, Malaysia	Land and a factory cum office building	30 years Leasehold from 1996
Lot B1-4 Carmelray Industrial Park II, Barangay Tulo, Calamba, Laguna 4027, Philippines	Land and two factory buildings	Freehold
Lot B1-5, Road 6, Carmelray Industrial Park II, Brgy. Milagrosa, Calamba Cuity, Laguna, Philippines	Land and two factory building	Freehold
31 August 2018		
PLO 122, Jalan Cyber 5, Senai III Industrial Estate 81400 Senai, Johor, Malaysia	Land and a factory cum office building	30 years Leasehold from 1996
Lot B1-4 Carmelray Industrial Park II, Barangay Tulo, Calamba, Laguna 4027, Philippines	Land and two factory buildings	Freehold
Lot B1-5, Road 6, Carmelray Industrial Park II, Brgy. Milagrosa, Calamba Cuity, Laguna, Philippines	Land and two factory building	Freehold
Lot 16/17/18, Blk. 60, Carmel Ridge Residential Estates, Barangay Punta, City of Calamba, Laguna, Philippines	Residential units	Freehold

13. Intangible assets

Intangible assets represent club memberships acquired at cost.

14. Deferred tax assets

The deferred tax assets recognised by the Group and movements thereon during the financial year:

	2019 $'000	2018 $'000
Group		
At 1 September	33	20
Credit to profit or loss	–	13
Credit to other comprehensive income (Note 18)	13	–
Currency alignment	5	–
At 31 August	51	33

Deferred tax are attributable to the unutilised tax losses and provision of retirement benefit computed at income tax rate which available for offset against future taxable profits subject to agreement by the tax authority and provision of the tax legislations.

15. Trade and other payables

	Group			Company		
	31 August 2019 $'000	31 August 2018 $'000	1 September 2017 $'000	31 August 2019 $'000	31 August 2018 $'000	1 September 2017 $'000
Current						
Trade payables						
- third parties	5,879	7,369	8,018	40	78	52
- subsidiaries	–	–	–	50	33	10
- related party	–	9	9	–	–	–
	5,879	7,378	8,027	90	111	62
Non-trade payables						
- third parties	2,703	2,167	98	291	1,762	210
- subsidiaries	–	–	–	3,105	3,308	1,830
- related party	–	–	1	–	–	1
Deferred consideration payable	583	3,573	–	583	3,573	–
Accrued expenses	1,932	548	927	258	654	640
	5,218	6,288	1,026	4,237	9,297	2,681
	11,097	13,666	9,053	4,327	9,408	2,743
Non-current						
Non-trade payables						
- third party	–	103	436	–	–	–
- subsidiaries	–	–	–	3,180	2,619	2,086
	–	103	436	3,180	2,619	2,086
Total	11,097	13,769	9,489	7,507	12,027	4,829

Trade payables to third parties are non-interest bearing and are normally settled on 30 to 90 (31 August 2018: 30 to 90; 1 September 2017: 30 to 90) days terms.

The trade payables due to subsidiaries and a related party are unsecured, interest-free and are normally settled on 30 to 120 (31 August 2018: 30 to 120; 1 September 2017: 30 to 120) days terms.

Non-trade payables to third parties and related parties are unsecured, interest-free and repayable on demand.

Deferred consideration payable represents agreed consideration to be paid to its associated company for the investment purposes. Management expects the payment to be made in the next twelve months.

The Group's non-current non-trade payables to a third party represents the amount payable in relation to a settlement with a customer. The amount is interest-free, unsecured and repayable in 42 monthly instalments commencing July 2016.

During the financial year, the Company's non-trade payables to subsidiaries comprise mainly of loans payable amounted to $6,138,000 (31 August 2018: $5,811,000; 1 September 2017: $3,614,000) which are expected to be repaid within 5 years. The amounts are unsecured and bore interest ranging from 5.6% to 7.0% (31 August 2018: 5.6% to 7.0%; 1 September 2017: 5.6% to 7.0%) per annum. The carrying amount of the non-trade payables to subsidiaries approximate their fair value as these payables are subject to market rates.

The carrying amount of the Group's non-current non-trade payables approximate its fair value.

15. Trade and other payables (Continued)

The Group's and the Company's trade and other payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group			Company		
	31 August 2019	31 August 2018	1 September 2017	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore dollar	594	2,479	898	2,962	4,677	2,008
Malaysia ringgit	156	144	302	4	–	–
Japanese yen	9	33	9	–	–	–
Philippine peso	1,610	2,075	1,689	–	–	–
United States dollar	715	550	–	–	–	–
Chinese renminbi	584	–	–	1,753	2,114	1,347
Euro	–	–	6	–	–	–

16. Finance lease

	Minimum lease payments	Future finance charges	Present value of minimum lease payments
	$'000	$'000	$'000
Group and Company			
2019			
Current liabilities			
Within one financial year	33	(4)	29
Non-current liabilities			
After one financial year but within five financial years	69	(9)	60
	102	(13)	89
2018			
Current liabilities			
Within one financial year	33	(4)	29
Non-current liabilities			
After one financial year but within five financial years	101	(12)	89
	134	(16)	118

The finance lease term was 5 (31 August 2018: 5) years for the financial year ended 31 August 2019. The effective interest rates for the finance lease obligations was 5.43% (31 August 2018: 5.43%) per annum for the financial year ended 31 August 2019.

Finance lease are denominated in Singapore dollar.

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17. Bank borrowings

	Group			Company		
	31 August 2019	31 August 2018	1 September 2017	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Current						
Secured						
Term loans	5,730	4,549	7,348	367	1,021	1,702
Bank overdrafts	415	1,572	–	415	1,572	–
	6,145	6,121	7,348	782	2,593	1,702
Non-current						
Secured						
Term loans	2,105	3,785	2,665	187	533	642
	8,250	9,906	10,013	969	3,126	2,344

The carrying amount of non-current bank borrowings approximates its fair value as they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

Non-current bank borrowings are repayable as follows:

	Group			Company		
	31 August 2019	31 August 2018	1 September 2017	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000	$'000	$'000	$'000
In the second year	1,473	1,715	1,327	187	377	642
In the third year	632	1,440	697	–	156	–
In the fourth year	–	630	641	–	–	–
	2,105	3,785	2,665	187	533	642

The effective interest rates per annum of the bank borrowings during the financial year are as follows:

	Group			Company		
	31 August 2019	31 August 2018	1 September 2017	31 August 2019	31 August 2018	1 September 2017
	%	%	%	%	%	%
Term loans	2.50 – 7.27	2.50 – 7.27	2.50 – 6.63	2.68 – 3.70	2.68 – 3.70	2.80 – 3.70
Bank overdrafts	6.00	5.00	–	6.00	5.00	–

Bank borrowings are arranged at floating rates, thus exposing the Group to interest rate risk.

The Group's secured term loans are secured as follows:

(i) legal charge over certain of the Group's properties (Note 11 and 12)

(ii) pledges over fixed deposits (Note 4)

The term loans have maturity dates between 2019 and 2022.

17. **Bank borrowings (Continued)**

As at the end of the reporting period, the Group has banking facilities as follows:

	Group		
	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000
Banking facilities granted	7,888	10,393	10,019
Banking facilities utilised	7,838	9,915	10,019

The Group's and the Company's bank borrowings that are not denominated in the functional currencies of the respective entities are as follows:

	Group			Company		
	31 August 2019	31 August 2018	1 September 2017	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore dollar	553	1,554	2,344	553	1,554	2,344
Malaysia ringgit	262	413	525	–	–	–

18. **Provisions**

Subsidiaries of the Group in Thailand and Philippine operate a non-contributory defined benefit plan for all its qualifying employees.

For Philippine's subsidiary, an employee, who retires at the age of 60, shall have a normal retirement benefit in accordance with the Retirement Pay Law (RA No. 7641). The regulatory benefit is paid in lump sum upon retirement.

For Thailand's subsidiary, an employee, who are terminated by the retirement age in condition that the employees have worked for an uninterrupted period commencing from the first working day to the retirement date as stipulated in Section 118, shall been paid severance pay, in accordance with the Thai Labour Protection Act B.E. 2553 (2010).

	Group		
	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000
Provision for employee service entitlement benefits	829	528	368

	Group		
	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000
Defined benefit plans			
Present value of defined benefit obligation	805	551	403
Currency alignment	24	(23)	(35)
Net benefit liability	829	528	368

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18. **Provisions (Continued)**

The amount recognised in profit or loss in respect of these employee benefits are as follows:

	Group		
	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000
Current services	41	252	42
Interest costs	28	24	17
Total	69	276	59

The amount included in the statement of financial position are as follows:

	Group	
	2019	2018
	$'000	$'000
At beginning of financial year	528	368
Charged to profit or loss	69	276
Employer direct benefit payment	(48)	–
Net actuarial gain recognised	252	(93)
Present value of unfunded obligations	801	551
Currency realignment	28	(23)
At end of financial year	829	528

The cost of providing for employee benefits is calculated by independent actuaries. The actuarial valuations were carried out using the following key assumptions:

	Group		
	2019	2018	2017
For Philippine's subsidiary			
Annual discount rate	5%	7%	5%
Annual salary growth rate	4%	3%	3%
Weighted average duration	17.10 years	16.30 years	18.60 years
Normal retirement age	60.00 years	60.00 years	60.00 years
For Thailand's subsidiary			
Annual discount rate	2%	3%	–
Annual salary growth rate	4%	4%	–
Weighted average duration	14.85 years	9.50 years	–
Normal retirement age	60.00 years	55.00 years	–

Significant actuarial assumptions for the determination of the defined obligation are annual discount rate and annual salary growth. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

18. Provisions (Continued)

For Philippine's subsidiary

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by $95,000 (increase by $117,000).
- If the salary growth rate increases (decreases) by 100 basis points, the defined benefit obligation would increase by $116,000 (decrease by $97,000).

For Thailand's subsidiary

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by $14,000 (increase by $13,000).
- If the salary growth rate increases (decreases) by 100 basis points, the defined benefit obligation would increase by $24,000 (decrease by $15,000).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

19. Deferred tax liabilities

	Revaluation of investment property	
	2019	2018
	$'000	$'000
Group		
At beginning of the financial year	265	226
Charge to profit or loss	52	44
Currency realignment	15	(5)
At end of the financial year	332	265

As at the end of the financial year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $19,147,000 (31 August 2018: $15,065,000; 1 September 2017: $11,043,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

20. Share capital and reserves

Share capital

	Group and Company					
	31 August 2019		31 August 2018		1 September 2017	
	Number of ordinary shares		Number of ordinary shares		Number of ordinary shares	
	'000	$'000	'000	$'000	'000	$'000
Issued and fully paid:						
Share capital	612,670	49,079	497,670	42,259	452,670	39,309
Issued for cash	–	–	115,000	7,050	45,000	3,060
Share issue expenses	–	–	–	(230)	–	(110)
	612,670	49,079	612,670	49,079	497,670	42,259

In the previous financial year, the Company issued and placed 115,000,000 (1 September 2017: 45,000,000) of ordinary shares for cash consideration of $6,820,000 (1 September 2017: $2,950,000) net of share issue expenses $230,000 (1 September 2017:$110,000).

The Company has one class of ordinary shares which have no par value and carry no right to fixed income. All ordinary shares carry one vote per share without restriction. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company.

Treasury shares

	Group and Company			
	2019		2018	
	Number of ordinary shares		Number of ordinary shares	
	'000	$'000	'000	$'000
At beginning of the financial year	3,597	203	3,640	200
Repurchase during the year	3,700	153	2,102	151
Transferred on vesting of PSP shares (Note 21)	(2,231)	(103)	(2,145)	(148)
At the end of the financial year	5,066	253	3,597	203

During the financial year, the Company acquired 3,700,000 (31 August 2018: 2,102,000) of its own shares through purchases on the Singapore Exchange during the year. The total amount paid to acquire the shares was $153,000 (31 August 2018: $151,000) and has been deducted from shareholders' equity.

Reserves

The amounts of the Group's reserves and the movements therein for the financial year ended 31 August 2019 are presented in the consolidated statement of changes in equity of the financial statements.

20. Share capital and reserves (Continued)

Reserves (Continued)

(a) Revaluation reserve

Revaluation reserve arises when an owner-occupied property becomes an investment property and the property is remeasured to fair value which results in a revaluation of such property.

(b) Other reserve comprises:

(i) Statutory reserve of subsidiaries in the following countries:

- People's Republic of China

  In accordance with the Foreign Enterprise Law applicable to foreign companies in the People's Republic of China ("PRC"), the companies are required to make appropriation to a Statutory Reserve Fund ("SRF") of at least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

- Thailand

  Under the provisions of the Civil and Commercial Code, companies in Thailand are required to appropriate at least 5% of their net earnings as reserve fund until the reserve reaches 10% of the authorised capital. This reserve fund is not available for dividend distribution.

(ii) Actuarial gains/losses on defined benefit plan

The Group operates a non-contributory defined benefit plan for all qualifying employees of a subsidiary to comply with local statutory requirements. The Group has recognised the actuarial gains/losses on remeasuring defined benefit obligations in other comprehensive income, rather than profit or loss.

(iii) Capital reserve

Capital reserve is non-distributable and represents the difference between fair value of the share based payment grants to the Group's employee and the cash consideration paid for acquire treasury shares for share based payments.

(c) Share awards reserve

Share awards reserve represents the equity-settled shares granted to employees (Note 21). The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled shares.

(d) Currency translation reserve

The currency translation reserve is used to record exchange differences arising from the translation of financial statements of the Company and foreign operations whose functional currencies are different from that of the Group's presentation currency.

21. Share-based payments

Share plans

The Miyoshi Restricted Share Plan ("RSP") and the Miyoshi Performance Share Plan ("PSP") were approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 December 2016. The two share plans are administrated by the Remuneration Committee where members are:

Mr Lim Thean Ee (Chairman)
Mr Masayoshi Taira
Mr Wee Piew

The number of shares available under the two share plans shall not exceed 15% of the issued share capital of the Company.

Details of share plans under the RSP and PSP as set out in the circular to the shareholders dated 30 November 2016 as follows:

Miyoshi RSP

Awards granted under the RSP will typically vest only after the satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years (time-based restricted awards) or, where the award is performance-related (performance-based restricted awards), after a further period of service beyond the performance target completion date. No minimum vesting periods are prescribed under the RSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

A time-based restricted award may be granted, for example, as a supplement to the cash component of the remuneration packages of senior executives. A performance-based restricted award may be granted, for example, with a performance target based on the successful completion of a project, or on the Company meeting certain specified corporate target(s), and thereafter with a further vesting period to encourage the participant to continue serving the Group for a further period of time following completion of the project.

During the financial year, the Group and the Company granted 792,700 (31 August 2018: 421,000) shares to eligible employees of the Group under RSP scheme. Eligible employees under the approved RSP scheme are subject to the fulfilment of service conditions at vesting, the 792,700 (31 August 2018: 421,000) shares will vest over three years from February 2019 and February 2018 onwards respectively. During the financial year, 115,200 shares under RSP has been forfeited as certain employees have left the Company.

Details of share plans awarded under RSP scheme as follows:

	2019 Number of shares	2018 Number of shares
At beginning of financial year	339,139	–
Granted	792,700	421,000
Forfeited	(115,200)	–
Vested	(272,070)	(81,861)
At the end of financial year	744,569	339,139

During the financial year, the equity-settled share based expenses in relation to the RSP scheme of $24,000 (31 August 2018: $6,000) has been recognised in profit or loss under "employee benefit expenses". The cost of these equity-settled share based payment transactions with employees was measured by reference to the fair value of the RSP at the date of grant which takes into account non-vesting conditions. The estimated fair value of the each RSP share using the prevailing share price of $0.046 (31 August 2018: $0.069) at the date of grant.

21. Share-based payments (Continued)

Miyoshi PSP

Awards granted under the PSP are performance-based. Performance targets set under the PSP are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth. Examples of performance targets to be set include targets based on criteria such as total shareholders' return, economic value added, market share, market ranking or return on sales.

Awards granted under the RSP differ from those granted under the PSP in that an extended vesting period is normally (but not always) imposed for performance based restricted awards granted under the RSP beyond the performance target completion date, that is, they also incorporate a time-based service condition as well, to encourage participants to continue serving the Group beyond the achievement date of the pre-determined performance targets.

On 11 February 2019, the Company granted 2,230,600 shares at $0.046 per share under PSP scheme which were immediately vested. The equity-settled share-based expenses in relation to PSP scheme of $103,000 has been recognised in profit or loss under "employee benefit expenses". The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the PSP which is based on the prevailing share price at date of grant.

In the previous financial year, the Company granted 2,145,500 shares at $0.069 per share under PSP scheme which were immediately vested. The equity-settled share-based expenses in relation to PSP scheme of $148,000 has been recognised in profit or loss under "employee benefit expenses". The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the PSP which is based on the prevailing share price at date of grant.

22. Revenue

Disaggregation of revenue

The Group has disaggregated revenue into various categorical in the following table which is intended to:

(i) depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and

(ii) enable users to understand the relationship with revenue segment information provided in Note 35 to the financial statements.

Type of goods	Sales of goods	
	2019	2018
	$'000	$'000
Consumer electronics	22,646	21,526
Automotive	16,604	15,316
Data storage	12,945	13,461
	52,195	50,303

The revenue generated from the above sale of goods is recognised at point in time.

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23. Other income

	Group	
	2019	2018
	$'000	$'000
Fair value gain on investment property	86	200
Gain on disposal of assets classified as held for sale	3,888	–
Gain on disposal of plant and equipment	54	128
Interest income from bank deposits	15	19
Miscellaneous income	195	91
	4,238	438

24. Employee benefit expenses

	Group	
	2019	2018
	$'000	$'000
Short-term benefits	10,466	10,059
Post-employment benefits	947	839
Share based payments	127	154
	11,540	11,052

The above includes remuneration of Directors and key management as disclosed in Note 34 to the financial statements.

25. Other operating expenses

	Group	
	2019	2018
	$'000	$'000
Impairment of property, plant and equipment	288	497
Loss on foreign exchange, net	270	238
Repairs and maintenance	387	432
Professional fees	570	764
Plant and equipment written off	–	5
Supplies and services	4,834	4,209
Office and sundry expenses	513	490
Transportation and travelling	869	884
Utilities	1,849	1,768
Others	625	591
	10,205	9,878

26. Finance costs

	Group 2019 $'000	Group 2018 $'000
Interest expense on:		
- bank borrowings	414	412
- finance lease	4	4
	418	416

27. Income tax expense

	Group 2019 $'000	Group 2018 $'000
Current tax		
- Current year	419	479
- (Over)/Under provision in prior financial years	(37)	45
Deferred tax		
- Current year	52	31
Withholding tax	53	79
	487	634

Domestic income tax is calculated at 17% (2018: 17%) of the estimated assessable (loss)/profit for the financial year. Taxation of other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total tax charge for the financial year can be reconciled to the accounting (loss)/profit as follows:

	Group 2019 $'000	Group 2018 $'000
(Loss)/Profit before income tax	(486)	1,651
Share of results of an associate	1,725	–
	1,239	1,651
Income tax calculated at statutory tax rate	211	281
Effect of different tax rates of overseas operations	(679)	(774)
Expenses not deductible for income tax purposes	1,179	781
Income not subject to tax	(166)	(214)
Income tax exemptions	(12)	(35)
Utilisation of deferred tax assets not recognised in prior financial years	(278)	(480)
Deferred tax assets not recognised	245	990
(Over)/Under provision of current income tax in prior years	(37)	45
Withholding tax	53	79
Other items	(29)	(39)
	487	634

27. Income tax expense (Continued)

The amount of unutilised tax losses and unabsorbed capital allowance for which no deferred tax assets is recognised is as follows:

	Group 2019 $'000	Group 2018 $'000
Unabsorbed capital allowance	345	4,054
Unutilised tax losses	28,418	25,251
	28,763	29,304
Deferred tax benefits not recognised	5,626	5,659

Deferred tax benefits for certain subsidiaries have not been recognised due to the unpredictability of future profit stream.

The future income tax benefits of the Group's unutilised tax losses as at 31 August 2019 are available for an unlimited future period, except for unutilised tax losses amounting to $7,131,000 (31 August 2018: $1,311,000) which will expire 2020 to 2026 (31 August 2018: 2020 to 2022), and are subject to the conditions imposed by law including the retention of majority shareholders.

28. Profit for the financial year

In addition to the charges and credits disclosed elsewhere in the notes, this item includes the following charges:

	Group 2019 $'000	Group 2018 $'000
Audit fees:		
Auditors of the Company	90	90
Other auditors	97	61
Non-audit fees:		
Other auditors	1	14
Directors' remuneration:		
Directors of the Company	536	572
Other directors of the subsidiaries	158	189
Directors' fees:		
Directors of the Company	94	106
Other directors of the subsidiaries	56	35

29. (Loss)/Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2019 $'000	2018 $'000
(Loss)/Earnings		
(Loss)/Earnings for the purposes of basic and diluted (loss)/earnings per share (loss/profit attributable to the owners of the parent)	(805)	1,277

	2019	2018
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	607,675	527,961
Effects of:		
Weighted average of share-based payment	858	238
Weighted average number of shares used in diluted EPS	608,533	528,199

	2019	2018
(Loss)/Earnings per share (cents)		
Basic and diluted	(0.13)	0.24

The basic earnings per share is computed by dividing the (loss)/profit attributable to owners of the parent in each financial year by the weighted average of ordinary shares in issue during the respective financial year.

For the purpose of calculating diluted earnings per share, (loss)/profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares including weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For the current financial year, diluted loss per share was the same as the basic loss per share because the potential ordinary shares to be converted were anti-dilutive as the effect of the shares conversion would be to decrease the loss per share.

30. Dividends

The Directors of the Company recommend a final tax-exempt dividend of $0.002 per share amounting to approximately $1,218,000 to be paid in the previous financial year. In the current financial year, the Directors did not recommend any tax-exempt dividend to be paid.

31. Operating lease arrangements

The Group and the Company as lessees

	Group and Company	
	2019 $'000	2018 $'000
Minimum lease payments under operating leases included in profit or loss	126	161

Notes to the Financial Statements
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31. Operating lease arrangements (Continued)

The Group and the Company as lessees (Continued)

At the end of the financial year, the commitments in respect of non-cancellable operating leases were as follows:

	Group and Company	
	2019 $'000	2018 $'000
Within one year	117	161
After one year but within five years	152	641
After five years	20	2,344
	289	3,146

Leases for the rental of leasehold land and building and machinery are negotiated for a term of ranging from 3 to 30 (2018: 30) years.

The Group as lessor

The Group leased out its investment properties in Malaysia and Philippines under non-cancellable operating leases. The leases are contracted for 1 to 4 (2018: 1 to 6) years.

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	Group	
	2019 $'000	2018 $'000
Within one year	1,227	821
After one year but within five years	2,091	1,359
After five years	–	196
	3,318	2,376

32. Contingent liabilities, unsecured

As at 31 August 2019, the Company had given guarantees amounting to $262,000 (31 August 2018: $419,000, 1 September 2017: $531,000) to certain banks in respect of banking facilities granted to the subsidiaries. Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facility.

33. Financial instruments, financial risks and capital management

The Group's overall policy with respect to managing risk arising in the normal course of the Group's business as well as that associated with financial instruments is to minimise the potential adverse effects on the financial performance of the Group. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures them. The Group's policies for managing specific risks and its risk exposures are summarised below.

33.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

In respect of the Group and Company, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position except as follows.

	Company		
	31 August		1 September
	2019	2018	2017
	$'000	$'000	$'000
Corporate guarantees provided to bank for a subsidiary's banking facilities utilised as at the end of financial year	262	419	531

For the corporate guarantee issued, the Company has assessed that these subsidiaries have sufficient financial capabilities to meet its contractual cash flows obligation in the near future hence, does not expect any material loss allowance under 12-month expected credit loss model.

Based on assessment at the end of the financial year, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Group and Company do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except the Group and the Company have trade and non-trade receivables from a third parties of $Nil (2018: $3,567,000) and $Nil (2018: $3,567,000) respectively which are neither past due nor impaired. As at 31 August 2019, these receivables comprises 26% (2018: 21%) and Nil (2018: 63%) of the Group's and the Company's total trade and other receivables respectively.

The management estimates expected credit loss allowance using a forward-looking expected credit loss ("ECL") model. When measuring ECL, the Group performs a review of the historical trends, default payment information, profile of its customers to determine a reasonable probability of default.

For amount due from subsidiaries, Board of Directors has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Board of Directors monitor and assess at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their financial performance and any default in external debt. The loss allowance as at the financial year end represents allowances made for non-trade receivables that are credit impaired.

The Group's and Company's major classes of financial assets are cash and cash equivalents and trade and other receivables and available-for-sales financial assets.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "BBB" are accepted and hence, subjected to insignificant credit loss.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in Note 5 to the financial statements.

33. Financial instruments, financial risks and capital management (Continued)

33.2 Market risks

Foreign exchange risk

The Group transacts in various foreign currencies, including United States dollar (USD), Singapore dollar (SGD), Philippine peso (PHP), Chinese renminbi (RMB), Malaysia ringgit and Euro and therefore is exposed to foreign exchange risk.

The Group uses a combination of natural hedges of matching assets and liabilities to manage its exposure to fluctuation in foreign exchange rates. Foreign currency exposures are monitored by management on an ongoing basis.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the financial year are as follows:

Net monetary assets/ (liabilities)

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
United States dollar	1,870	4,426	–	–
Singapore dollar	(1,466)	(7,164)	3,154	(6,798)
Philippine peso	(650)	(612)	–	–
Chinese renminbi	(583)	(1,621)	(2,336)	(1,621)
Malaysia ringgit	161	(145)	–	–

The following table details the Group's and the Company's sensitivity to a 5% (2018: 5%) change in USD against RMB, SGD against USD, Peso against USD and RMB against USD respectively, which are functional currencies of certain Group entities. In the analysis, the net monetary assets/liabilities of only certain entities in the Group are used in sensitivity analysis. The sensitivity analysis assumes an instantaneous 5% (2018: 5%) change in the foreign currency exchange rates from the end of the financial year, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in USD, SGD and RMB are included in the analysis.

Foreign currency sensitivity analysis

	Gain/(Loss)			
	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
USD				
Strengthens against RMB	94	221	–	–
Weakens against RMB	(94)	(221)	–	–
SGD				
Strengthens against USD	(73)	(358)	158	(290)
Weakens against USD	73	358	(158)	290
Peso				
Strengthens against USD	(33)	(31)	–	–
Weakens against USD	33	31	–	–
RMB				
Strengthens against USD	(29)	(81)	(117)	(81)
Weakens against USD	29	81	117	81

33. Financial instruments, financial risks and capital management (Continued)

33.2 Market risks (Continued)

Interest rate risk

The Group's and the Company's exposure to interest rate risk mainly arises from bank borrowings. Their interest rates and terms of repayment are disclosed in Notes 17 to the financial statements.

The Group's and the Company's borrowings as at the end of the financial year are as follows:

	Group			Company		
	31 August 2019	31 August 2018	1 September 2017	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000	$'000	$'000	$'000
Bank borrowings	8,250	9,906	10,013	969	3,126	2,344

Assuming that the amount of borrowings outstanding at the end of the financial year was outstanding for the whole year and interest rates increase/decrease instantaneously by 100 basis points from the end of the financial year, with all other variables held constant, the interest expense of the Group would increase/decrease by approximately $83,000 (2018: $99,000), while the interest expense of the Company would increase/decrease by approximately $10,000 (2018: $31,000).

33.3 Liquidity risk

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short–term obligations. The Group's and the Company's liquidity risk management policy is to maintain a sufficient level of liquid financial assets through proper management of its receivables and payables and by arranging for appropriate bank financing facilities.

Contract maturity analysis

The following table details the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

Financial liabilities

	1 year or less	2 to 5 years	Total
	$'000	$'000	$'000
2019			
Group			
Trade and other payables	11,097	–	11,097
Bank borrowings	6,397	2,222	8,619
Finance lease	33	69	102
	17,560	2,291	19,818
Company			
Trade and other payables	4,367	3,620	7,987
Bank borrowings	792	197	989
Finance lease	33	69	102
	5,192	3,886	9,078
Financial Guarantee Contracts	262	–	262

33. Financial instruments, financial risks and capital management (Continued)

33.3 Liquidity risk (Continued)

Contract maturity analysis (Continued)

Financial liabilities (Continued)

	1 year or less	2 to 5 years	Total
	$'000	$'000	$'000
2018			
Group			
Trade and other payables	13,666	103	13,769
Bank borrowings	6,361	4,103	10,464
Finance lease	33	101	134
	20,060	4,307	24,367
Company			
Trade and other payables	9,408	2,619	12,027
Bank borrowings	2,655	664	3,319
Finance lease	33	101	134
	12,096	3,384	15,480
Financial Guarantee Contracts	419	–	419
2017			
Group			
Trade and other payables	9,053	436	9,489
Bank borrowings	7,636	2,845	10,481
	16,689	3,281	19,970
Company			
Trade and other payables	2,743	2,086	4,829
Bank borrowings	1,772	688	2,460
	4,515	2,774	7,289
Financial Guarantee Contracts	531	–	531

The disclosures for financial guarantees contracts represent the maximum amount of issued financial guarantees in the earliest period for which the guarantees would be called upon in the contractual maturity analysis.

33.4 Capital management policies and objectives

The Group manages capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. It maintains sufficient cash and cash equivalents and internally generated cash flows to finance its activities. Adequate lines of credit and availability of committed funding lines are maintained at all times to meet its obligations as and when they fall due.

The capital structure of the Group consists of equity attributable to owners of the parent, comprising issued capital, reserves and retained earnings.

Management monitors its capital to ensure that there is adequate liquidity, taking into consideration internal funding requirements as well as external economic conditions.

33. Financial instruments, financial risks and capital management (Continued)

33.4 Capital management policies and objectives (Continued)

As disclosed in Note 20 to the financial statements, the Group's subsidiaries in the People's Republic of China and Thailand are required by local regulations to contribute to and maintain a non-distributable statutory reserve fund.

The Group and the Company are in compliance with the externally imposed capital requirements for the financial years ended 31 August 2019 and 2018.

The Group's overall strategy remains unchanged from 2018.

33.5 Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments that are not carried at fair value

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, approximate their respective fair values due to the relatively short–term maturity of these financial instruments.

The fair values of non-current financial liabilities that are not carried at fair value in relation to non-trade payables, finance lease and bank borrowings are disclosed in Notes 15, 16 and 17 to the financial statements respectively. The management considers that the fair values of Group's and Company's non-current financial liabilities were not materially different from their carrying amounts at the end of the reporting years as explained in Notes 15 and 17 to the financial statements.

Fair value of financial instruments carried at fair value

The fair value of available-for-sale financial assets is disclosed in Note 10 to the financial statements.

Notes to the Financial Statements
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33. Financial instruments, financial risks and capital management (Continued)

33.6 Categories of financial instruments

The following table sets out the financial instruments as at the end of the financial year:

	Group			Company		
	31 August 2019	31 August 2018	1 September 2017	31 August 2019	31 August 2018	1 September 2017
	$'000	$'000	$'000	$'000	$'000	$'000
					(Restated)	(Restated)
Financial assets						
Cash and bank balances	2,991	5,197	8,697	299	218	1,545
Fixed deposits	148	145	133	–	–	–
Trade and other receivables	13,927	16,713	18,475	2,557	11,089	12,603
Financial assets, at amortised cost (2018: loan and receivables)	17,066	22,055	27,305	2,856	11,307	14,148
Available-for-sale financial assets	–	–	8,978	–	–	8,978
Financial liabilities						
Trade and other payables	11,097	13,769	9,489	7,507	12,027	4,829
Bank borrowings	8,250	9,906	10,013	969	3,126	2,344
Finance lease	89	118	–	89	118	–
Financial liabilities, at amortised cost	19,436	23,793	19,502	8,565	15,271	7,173

34. Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the year, in addition to the information disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

	Company	
	2019	2018
	$'000	$'000
With subsidiaries		
Sales	284	9
Management fee charged	235	161
Payment on behalf of	605	863
Purchases	13	17

34. Significant related party transactions (Continued)

Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management during the financial year was as follows:

	Group	
	2019	2018
	$'000	$'000
Short-term benefits	1,597	1,650
Post-employment benefits	60	63
Share based payments	65	126
	1,722	1,839

	Group	
	2019	2018
	$'000	$'000
Directors' remuneration		
- of the Company	630	678
- of the subsidiaries	214	224
	844	902

The remuneration of Directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

35. Group segmental information

35.1 Analysis by Business Segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of the Group.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

Segment assets and liabilities: Segment assets include all operating assets used by a reportable segment and consist principally of property, plant and equipment, investment properties, inventories and operating receivables, net of allowances and provisions. Segment liabilities include all operating liabilities and consist principally of trade and other payables, finance lease and borrowings.

Notes to the Financial Statements
For the Financial Year ended 31 August 2019

35. Group segmental information (Continued)

35.1 Analysis by Business Segments (Continued)

The Group is primarily engaged in four business segments, namely:

(i) Data Storage

Manufacture of metal semi-finished components for hard disk drives and removable storage devices.

(ii) Consumer Electronics

Manufacture of metal semi-finished components for photocopiers, scanners and printers.

(iii) Automotive

Manufacture of finished products of light electric vehicles and semi-finished metal components for motor vehicles.

(iv) Rental

Rental income arising from investment properties.

The revenue from one customer from each of the Group's data storage and automotive segment represents $7,307,000 (2018: $7,886,000) and $13,396,000 (2018: $12,216,000) respectively.

The Group adopts these four business segments for segment reporting.

	Consumer electronics		Automotive		Data storage		Rental		Unallocated		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue												
External sales	22,646	21,526	16,604	15,316	12,945	13,461	1,257	1,015	–	–	53,452	51,318
Results												
Segment results	80	1,200	1,167	1,195	(652)	(1,038)	1,249	988	(1,927)	(297)	(83)	2,048
Interest expense	–	–	–	–	–	–	–	–	(418)	(416)	(418)	(416)
Interest income	–	–	–	–	–	–	–	–	15	19	15	19
(Loss)/profit before income tax	80	1,200	1,167	1,195	(652)	(1,038)	1,249	988	(2,330)	(694)	(486)	1,651
Income tax expense											(487)	(634)
(Loss)/profit for the financial year											(973)	1,017

35. Group segmental information (Continued)

35.1 Analysis by Business Segments (Continued)

	Consumer electronics		Automotive		Data storage		Rental		Unallocated		Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
(Reversal of)/ Allowance for impairment of:												
- trade and other receivables	175	–	3,413	–	173	–	–	–	–	–	3,761	–
- plant and equipment	200	135	7	–	81	–	–	362	–	–	288	497
- inventory obsolescence	32	2	29	–	–	(43)	–	–	–	–	61	(41)
Depreciation	1,255	742	795	616	984	1,365	–	62	–	–	3,034	2,785
Fair value loss/ (gain) on investment property	–	–	–	–	–	–	(86)	–	–	(200)	(86)	(200)
Plant and equipment written off	–	5	–	1	–	–	–	–	–	–	–	6
Segment assets	35,379	28,816	18,474	32,280	21,378	10,472	8,954	18,971	48	48	84,233	90,587
Segment assets include:												
Associate	–	–	18,640	20,583	–	–	–	–	–	–	18,640	20,583
Additions to:												
- capital expenditure	2,518	3,158	1,846	2,433	1,440	2,138	–	709	–	–	5,804	8,438
Segment liabilities	6,005	6,065	4,462	1,121	3,015	633	–	6,478	7,227	10,457	20,709	24,754

35.2 Analysis by Geographical Segments

Revenue is analysed by the location of the customers. Non-current assets excluding available-for-sale financial assets and deferred tax assets are analysed by the location of the assets:

	External sales		Non-current assets	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Philippines	25,241	21,009	21,900	19,833
China	12,841	13,091	25,789	28,546
Thailand	5,899	6,496	2,497	2,569
Mexico	4,763	5,022	–	–
Hungary	1,463	2,012	–	–
Malaysia	1,301	1,243	4,455	4,585
Singapore	529	758	23,874	3,941
Others	1,415	1,687	–	–
	53,452	51,318	78,515	59,474

36. Restatements and comparative figures

The prior year's comparative figures have been restated to adjust for the effects of the following:

(a) the Group and the Company had not accounted for the deferred cash settlement on investment in an associate in the previous financial year. Accordingly, adjustments amounting to $3,573,000 were made to associate and trade and other payables as at 31 August 2018;

(b) the management completed the purchase price allocation exercise on 26 November 2019 in relation to the acquisition of associate, Core Power (Fujian) New Energy Automobile Co., Ltd. As the purchase price allocation exercise was completed after twelve months from the acquisition date, the comparative figures have been restated retrospectively. The revised goodwill has disclosed in Note 9 to the financial statement; and

(c) the Company had overstated the allowance for impairment loss made during the financial year ended 31 August 2017 and 31 August 2018. Accordingly, adjustments amounting to $5,420,000 and $5,645,000 were made to trade and other receivables from its subsidiary, Miyoshi Precision (Malaysia) Sdn. Bhd. as at 31 August 2017 and 31 August 2018 respectively and profit or loss during the financial year ended 31 August 2017 and 31 August 2018.

As a result of the above restatements to the comparative figures, certain line items have been amended in the statement of financial position and statement of comprehensive income, statement of cash flows as disclosed below. Comparative figures have been restated to conform to the current year's presentation.

Statement of Financial Position as at 31 August 2018:

	As previously reported	Restatements	As restated
	$'000	$'000	$'000
Group			
Assets			
Non-current assets			
Associate	17,010	3,573	20,583
Current liabilities			
Trade and other payables	10,093	3,573	13,666
Company			
Assets			
Current assets:			
Trade and other receivables	5,669	5,420	11,089
Non-current assets:			
Associate	17,010	3,573	20,583
Current liabilities:			
Trade and other payables	5,835	3,573	9,408
Equity:			
Currency translation reserve	(11,090)	(102)	(11,192)
Retained earnings	7,847	5,522	13,369

36. Restatements and comparative figures (Continued)

Statement of Financial Position as at 31 August 2017

	As previously reported $'000	Adjustment $'000	As restated $'000
Company			
Current assets:			
Trade and other receivables	6,958	5,645	12,603
Equity:			
Currency translation reserve	(11,625)	(147)	(11,772)
Retained earnings	12,230	5,792	18,022

The above restatements have no impact to the statement of comprehensive income and statement of cash flows of the comparative period. Hence, there is no separate statement of comprehensive income and statement of cash flows for year ended 31 August 2018 presented.

37. Convergence to SFRS(I)

The Group transited to SFRS(I) on 1 January 2018. In transiting to SFRS(I), the Company is required to apply all of the specific transition requirements under SFRS(I) 1 *First-time Adoption of SFRS(I).*

The accounting policies set out in Note 2 to the financial statements comply with SFRS(I) effective on 1 January 2018. These accounting policies have been applied in preparing the financial statements of the Company for the financial year ended 31 August 2019, as well as comparative information presented in these financial statements for the financial year ended 31 August 2018 and in the preparation of the opening statement of financial position at 1 September 2017 ("date of transition").

37.1 Optional exemptions applied

The Group applied the following exemptions in preparing its first set of financial statements in accordance with SFRS(I):

Short-term exemption on adoption of SFRS(I) 9 *Financial Instruments*

The Group applied to apply the short-term exemptions upon adoption of SFRS(I) 9 on 1 September 2018. As a result, the financial instruments included in the comparatives have been accounted for in accordance with FRS 39 *Financial Instruments: Recognition and Measurement.* The Company is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* on the disclosure requirements in relation to SFRS(I) 9.

Practical expedients on adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

There is no impact on revenue recognition for the Group and Company when the standard is effective.

37. Convergence to SFRS(I) (Continued)

37.2 Reconciliation of the Group's equity reported in accordance with FRS to SFRS(I)

As there was no impact arising from the first-time adoption of SFRS(I) including application of the new accounting standards on 1 September 2018 to the statement of financial position of the Group and the Company, no reconciliation statement has been presented.

	Note	1 September 2018 As reported under FRS $'000	Effects of applying SFRS(I) 9 $'000	As reported under SFRS(I) $'000
(Restated)				
ASSETS				
Current assets:				
Cash and bank balances		5,197	–	5,197
Fixed deposits		145	–	145
Trade and other receivables	(i)	16,596	(104)	16,492
Prepayments		175	–	175
Inventories		5,249	–	5,249
		27,362	(104)	27,258
Assets classified as held for sale		3,601	–	3,601
Total current assets		30,963	(104)	30,859
Non-current assets:				
Associate		20,583	–	20,583
Property, plant and equipment		32,049	–	32,049
Investment properties		6,827	–	6,827
Intangible assets		15	–	15
Deferred tax assets		33	–	33
Other receivables		117	–	117
Total non-current assets		59,624	–	59,624
Total assets		90,587	(104)	90,483
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables		13,666	–	13,666
Current income tax payable		168	–	168
Finance lease		29	–	29
Bank borrowings		6,121	–	6,121
Total current liabilities		19,984	–	19,984

37. Convergence to SFRS(I) (Continued)

37.3 Reconciliation to the Company's statement of cash flows under FRS to SFRS(I)

There were no material adjustments to the Company's statement of cash flows arising from the transition from FRS to SFRS(I).

Explanatory notes to reconciliation of effect of current framework to SFRS(I) framework

The effects of transition to SFRS (I) mainly arises from the optional exemptions provided under SFRS(I) 9.

	Note	1 September 2018 As reported under FRS $'000	Effects of applying SFRS(I) 9 $'000	As reported under SFRS(I) $'000
(Restated)				
LIABILITIES AND EQUITY				
Current liabilities:		89	–	89
Trade and other payables		3,785	–	3,785
Current income tax payable		103	–	103
Finance lease		528	–	528
Bank borrowings		265	–	265
Total current liabilities		4,770	–	4,770
Total liabilities		24,754	–	24,754
Equity:				
Share capital		49,079	–	49,079
Treasury shares		(203)	–	(203)
Revaluation reserve		666	–	666
Other reserve		1,073	–	1,073
Share awards reserve		6	–	6
Currency translation reserve		(10,851)	–	(10,851)
Retained earnings	(i)	24,055	(104)	23,951
Equity attributable to owners of the parent		63,825	(104)	63,721
Non-controlling interests		2,008	–	2,008
Total equity		65,833	(104)	65,729
Total liabilities and equity		90,587	(104)	90,483

There were no material adjustments to the Group's statement of cash flows arising from the transition from FRS to SFRS(I).

Explanatory notes to reconciliation of effect of current framework to SFRS(I) framework

The effects of transition to SFRS (I) mainly arises from the optional exemptions provided under SFRS(I) 9.

(i) SFRS(I) 9

The Group applies the simplified approach and record lifetime expected credit loss ("ECL") on all trade receivables and record an allowance for lifetime expected losses from initial recognition. Upon adoption of SFRS(I) 9, the Group recognises impairment for trade receivables of $104,000, with an adjustment of $104,000 to the retained earnings as at 1 September 2018.

As disclosed above in Note 37.1, the Group elected to apply the short-term exemption by not restating the comparatives on adoption of SFRS(I) 9. The relevant accounting policy for financial instruments is disclosed in Note 2.5 to the financial statements.

The Directors of Miyoshi Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 August 2019 and the statement of financial position of the Company as at 31 August 2019.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2019, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Mr Sin Kwong Wah, Andrew
Mr Masayoshi Taira
Mr Lim Thean Ee
Mr Wee Piew
Mr Pek Ee Perh, Thomas

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except as disclosed in paragraph 5 of this statement.

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act") except as follows:

Name of Directors and company in which interests are held	Shareholdings registered in the name of Directors or their nominees: At beginning of year	At end of year	Shareholdings in which Directors are deemed to have an interest: At beginning of year	At end of year
The Company	**Number of ordinary shares**			
Mr Sin Kwong Wah, Andrew	83,886,500[(1)]	62,624,800	77,944,000[(2)]	103,726,500
Mr Masayoshi Taira	–	–	63,009,290[(3)]	53,009,290
Mr Lim Thean Ee	100,000	100,000	–	–
Mr Pek Ee Perh, Thomas	16,454,500	16,454,500	–	–

4. **Directors' interests in shares or debentures (Continued)**

Name of Directors and company in which interests are held	Shareholdings registered in the name of the Directors	
	At beginning of year	At end of year
	Ordinary shares of Philippine Peso 1,000 each	
Subsidiaries		
- Miyoshi Technologies Phils., Inc.	Held in the name of Directors	
Mr Sin Kwong Wah, Andrew	1[(4)]	1[(4)]

(1) By virtue of Section 7 of the Act, Mr Sin Kwong Wah, Andrew is deemed to have an interest in all the subsidiaries of the Company.

(2) Mr Sin Kwong Wah, Andrew is deemed to have an interest in the 70,175,000 shares held by DBS Nominees Pte Ltd, 31,269,000 shares held by his spouse, Mdm Pek Yee Chew and 1,500,000 shares held by his daughter, Sin Shi Min Andrea and 782,500 shares held by his son, Sin Shi Han.

(3) Mr Masayoshi Taira is deemed to have an interest in the 53,009,290 (2018: 63,009,290) shares held by Miyoshi Industry Co., Ltd.

(4) Shares held in trust for the Company.

In accordance with the continuing listing requirements of the Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 September 2019 in the shares or debentures of the Company and its related corporations have not changed from those disclosed as at 31 August 2019.

5. **Share plans**

Restricted Share Plan and Performance Share Plan

The Company implemented a Miyoshi Restricted Share Plan ("RSP") and Miyoshi Performance Share Plan ("PSP") which were approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 23 December 2016. Both the RSP and PSP are administered by the Remuneration Committee.

The RSP and PSP apply to group employees, executive directors and non-executive directors, who are not controlling shareholders or their associate.

During the financial year, the Company granted 792,700 shares and 2,230,600 shares to eligible employees of the Group under RSP and PSP respectively. The share awards granted under the RSP are subject to the fulfilment of service conditions and will vest over three years from 11 February 2019. The share awards granted under PSP were vested on the date of grant on 11 February 2019.

Details of the RSP and PSP are disclosed in Note 21 to the financial statements.

The shares awarded under PSP and RSP are as follows:

	Number of Shares				
Date of grant	**Balance at 01.09.2018**	**Granted**	**Vested**	**Forfeited**	**Balance at 31.08.2019**
PSP 2016					
11 February 2019	–	2,230,600	(2,230,600)	–	–
RSP 2016					
11 February 2019	339,139	792,700	(272,070)	(115,200)	744,569
	339,139	3,023,300	(2,502,670)	(115,200)	744,569

5. **Share plans (Continued)**

Restricted Share Plan and Performance Share Plan (Continued)

A Director of the Company who received 5% or more of the total number of shares awarded under the PSP is as follows:

	Awards granted during financial year under review	Aggregate awards granted since commencement of plans to the end of financial year	Aggregate awards vested since commencement of plans to the end of financial year	Aggregate awards granted but not vested as at the end of financial year
PSP				
Sin Kwong Wah, Andrew	448,600	1,091,600	(1,091,600)	–

Save for the above, there were no options or share awards granted under PSP and RSP to:

(i) Directors of the Company;

(ii) Participants who are controlling shareholders of the Company and their associates; and

(iii) Participants who receive 5% or more of the total number of options or share awards under the PSP and RSP.

6. **Audit committee**

The members of the Audit Committee are:

Mr Wee Piew (Chairman)
Mr Lim Thean Ee
Mr Masayoshi Taira

The Audit Committee, which has written terms of reference, performs the following delegated functions:

(i) Reviews the audit plans and scope of audit examination of external auditor and approves the audit plans of the internal auditors;

(ii) Reviews the nature and extent of non-audit services performed by the external auditor;

(iii) Evaluates the overall effectiveness of both the internal and external audits through meetings with each group of auditors;

(iv) Evaluates the adequacy of the Group's internal controls by reviewing written reports from the internal and external auditors, and management's responses and actions to correct any deficiencies;

(v) Reviews the annual financial statements and quarterly financial announcements to shareholders before submission to the Board of Directors for approval;

(vi) Reviews interested person transactions;

(vii) Nominates the internal and external auditors for re-appointment;

(viii) Reviews the statement of financial position of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company; and

(ix) Reviews the co-operation and assistance given by the management to the Company's internal and external auditors.

6. **Audit committee (Continued)**

The Audit Committee has full access to and has the co-operation of the Management, and has been given the resources required for it to discharge its function properly. It has also full discretion to invite any Director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee also carried out annual review of non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor prior to recommending their re-nomination.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting of the Company.

7. **Auditor**

The auditor, BDO LLP, has expressed its willingness to accept re-appointment.

8. **Additional disclosure requirements of the Listing Manual of the SGX-ST**

The auditors of the subsidiaries and associated company of the Company are disclosed in Note 8 to the financial statements. In the opinion of the Board of Directors and the Audit Committee, Rules 712 and 715 of the Listing Manual of SGX-ST have been complied with.

On behalf of the Board of Directors

Sin Kwong Wah, Andrew
Director

Pek Ee Perh, Thomas
Director

Singapore
6 December 2019

Independent Auditor's Report

To the Members of Miyoshi Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Miyoshi Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 84 to 154, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 August 2019;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 August 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Qualified Opinion

As at 31 August 2019, the Group's and Company's investment in Core Power (Fujian) New Energy Automobile Co., Ltd ("Core Power"), a foreign associate, are carried at $18,640,000 and $20,433,000 respectively. The Group accounted for the investment in associate using the equity method. The Group's share of associate's loss and foreign currency translation differences amounted to $1,725,000 and $53,000 are included in the Group's consolidated statement of comprehensive income for the financial year ended 31 August 2019.

The component auditor were not able to obtain sufficient appropriate audit evidence on certain balances of which these sets of account was used for the Purchase Price Allocation report and equity accounting. In addition, there were impairment indications from the investment in associate as Core Power has been suffering consecutive losses. However, the management has not finalised the impairment assessment on the date of this report. We were therefore unable to obtain sufficient appropriate audit evidence about the carrying amount of the Group's and Company's investment in associate as at 31 August 2019 and the Group's equity accounting, which includes share of associate's loss and foreign currency translation differences for the financial year then ended. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	AUDIT RESPONSE
Impairment assessment of property, plant and equipment ("PPE")	
As at 31 August 2019, the Group's carrying amount of PPE amounted to approximately $34,543,000 and accounted for 41.1% of the Group's total assets. During the financial year, there were impairment indications on its PPE for loss-making operating facilities in Singapore, Thailand and Malaysia. Management had carried out an impairment assessment to determine whether the recoverable amounts of these PPEs are less than the respective carrying amounts using the fair value less costs of disposal method. The assessment involved critical assumptions and judgement in determining the recoverable amounts. The review led to the recognition of impairment loss amounted to $288,000 during the financial year. The critical assumptions used for assessing: ● the fair value of freehold land was based on selling price of comparable properties in similar locations adjusted for property size and costs of disposal; ● the fair value of leasehold land was based on selling price of comparable properties in similar locations adjusted for property size, ages and costs of disposal; ● the fair value of leasehold and freehold buildings was based on cost approach for buildings and costs of disposal; and ● the fair value of plant and equipment, motor vehicles was based on the selling price for similar item adjusted for age and costs of disposal. We have determined the impairment assessment of PPE to be a key audit matter as the impairment assessment involved significant judgements and critical assumptions applied by management in their assessment of the recoverable amount of PPE. Refer to Notes 3 and 11 to the financial statements.	Our procedures included, amongst others, the following: ■ Reviewed the management's impairment assessment of the PPE in accordance with SFRS(I) 1-36; ■ Assessed the reasonableness of the key assumptions such as similar property, plant and equipment, adjusted for age and cost of disposal by evaluating the underlying data; ■ Independently verified the external sources data used by the management in deriving at the fair value of PPE; ■ Performed sensitivity analysis on the related key assumptions such as adjusted equipment and motor vehicle age and cost of disposal used in management's computation; ■ Checked the mathematical accuracy of management's computation of the fair value less costs of disposal; and ■ Reviewed adequacy of the related disclosures in the financial statements.

KEY AUDIT MATTER	AUDIT RESPONSE
Impairment assessment of investments in subsidiaries and loans deemed as investments in subsidiaries	
As at 31 August 2019, the Company's investments in subsidiaries and loans deemed as investments in subsidiaries amounted to $18.1million and $11.6 million respectively. During the financial year, the impairment indications were arising from certain cash-generating units ("CGUs") in Malaysia and Thailand after these CGUs suffered consecutive losses over the financial years. Management had carried out an impairment assessment to determine whether the recoverable amounts of the investments in subsidiaries and loans deemed as investments in subsidiaries are less than the carrying amounts. Management determined the recoverable amounts based on fair value less costs of disposal method using the adjusted net tangible assets, which approximate the fair value less costs of disposal. In the current financial year, the Company recognised an impairment of investments in subsidiaries and loans deemed as investment in Malaysia's CGU of $4,116,000. We focused on the impairment assessment of the subsidiaries as a key audit matter owing to the significant management judgements involved in the key assumptions used in assessment of the recoverable amount of investment in subsidiaries and loans deemed as investment in subsidiaries. Refer to Notes 3 and 8 to the financial statements.	Our procedures included, amongst others, the following: ■ Discussed with management and evaluated their assessment of the indication of the impairment loss; ■ Assessed the reasonableness of the key assumptions such as similar property, adjusted for age and cost of disposal by evaluating the underlying data; ■ Independently verified the external sources data used by the management in deriving at the adjustments to net tangible assets; ■ Checked the mathematical accuracy of management's computation of the fair value less costs of disposal; ■ Reviewed adequacy of the related disclosures in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the Basis for Qualified Opinion section above, we have concluded that the other information is materially misstated with respect to the Directors' opinion in the Directors' Statement whereby the Directors opined that "*the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up in accordance with the provisions of Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2019 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date*".

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is William Ng Wee Liang.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
6 December 2019

GROUP FINANCIAL HIGHLIGHTS

FOR THE YEAR ($'000)	FY2015	FY2016	FY2017	FY2018	FY2019
Revenue	57,278	51,308	52,763	51,318	53,452
Revenue Growth (%)	-19%	-10%	3%	-3%	4%
Profit for the Period	627	1,045	2,202	1,017	(973)

GROUP SEGMENTAL INFORMATION

FOR THE YEAR ($'000)	FY2015	FY2016	FY2017	FY2018	FY2019
Consumer Electronics	23,948	22,989	19,875	21,526	22,646
Automotive	3,924	7,242	11,720	15,316	16,604
Data Storage	29,279	20,312	20,194	13,461	12,945
Rental	127	765	974	1,015	1,257
	57,278	**51,308**	**52,763**	**51,318**	**53,452**

GROUP CASH FLOWS

FOR THE YEAR ($'000)	FY2015	FY2016	FY2017	FY2018	FY2019
Operating cash flow before working capital changes	4,070	3,917	5,930	5,512	4,465
Work capital Changes	(4,586)	4,263	(990)	2,917	250
Interest paid, net	(218)	(347)	(469)	(397)	(403)
Income tax paid	(348)	(488)	(463)	(447)	(458)
Net cash (used in)/from operating activities	(1,082)	7,345	4,008	7,585	3,854
Net cash used in investing activities	(5,966)	(6,734)	(7,472)	(15,279)	(2,914)
Net cash used in financial activities	3,508	5,483	(500)	2,843	(1,956)
(Decrease)/increase in cash and cash equivalents	**(3,540)**	**6,094**	**(3,964)**	**(4,851)**	**(1,016)**

Group Five-Year Financial Summary

GROUP FINANCIAL RATIOS

FOR THE YEAR ($'000)	FY2015	FY2016	FY2017	FY2018	FY2019
Earnings per share (cents)	0.12	0.25	0.48	0.24	(0.13)
Net asset value per share (cents)	12.11	11.86	11.55	10.48	10.14
Dividend per share (cents)	–	0.4	0.4	0.2	–
Return on equity (%)	1.00	2.15	3.87	2.11	(1.28)
Return on assets (%)	0.92	1.38	2.80	1.22	(1.11)
Gearing ratio	0.11	0.21	0.18	0.16	0.13
Current ratio	2.65	2.16	2.21	1.89	1.38
Cash ratio	0.56	0.85	0.53	0.33	0.18

GROUP FINANCIAL POSITION

FOR THE YEAR ($'000)	FY2015	FY2016	FY2017	FY2018	FY2019
Property, plant and equipment	30,676	28,883	27,504	32,049	34,543
Available-for-sale financial assets (non-current)	17	9,031	8,978	–	–
Investment properties	7,357	7,503	6,584	6,827	6,933
Associate	–	–	–	20,583	18,640
Intangible assets	2,883	–	13	15	39
Other assets	376	99	215	208	296
Cash and cash equivalents	6,812	12,559	8,830	5,342	3,139
Trade and other receivables	18,099	14,385	18,475	16,713	13,867
Inventories	7,321	5,203	5,449	5,249	6,776
Assets classified as held for sale	–	–	3,569	3,601	–
Total Assets	**73,541**	**77,663**	**79,617**	**90,587**	**84,233**
Equity attributable to owners of the parent	54,831	53,680	57,057	63,825	61,630
Non-controlling interests	3,252	2,511	2,354	2,008	1,894
Borrowings: non-current	2,603	5,009	2,665	3,874	2,165
Borrowings: current	3,381	6,241	7,348	6,150	6,174
Trade and other payables	8,661	8,476	9,053	13,769	11,097
Other liabilities	813	1,746	1,140	1,064	1,273
Total Equity and Liabilities	**73,541**	**77,663**	**79,617**	**90,587**	**84,233**

Contact Details

MIYOSHI LIMITED
HUA-SAN PTE. LTD.
OE AQUITECH (SINGAPORE) PTE LTD
26 Boon Lay Way #01-80
Singapore 609970
Tel: (65) 6265-5221

MIYOSHI OPTRONICS (S) PTE LTD
28D Penjuru Close #01-07
Singapore 609132
Tel: (65) 6904-4376

MIYOSHI TECHNOLOGIES PHILS., INC.
MIYOSHI INTERNATIONAL PHILIPPINES., INC.
Lot B1-5, Road 6, Carmelray Industrial Park II,
Barangay Tulo, Calamba City, Laguna 4027,
The Philippines
Tel: (63) (049) 508-1388

Lot 3 Block 2, Daiichi Industrial Park,
Barangay Maguyam, Silang Cavite 4118,
The Philippines

MIYOSHI HI-TECH CO., LTD
38 Moo 1, Hi-Tech Industrial Estate,
BanPo, Ban Pa-In, Ayutthaya 13160
Thailand
Tel: (66) (35) 314-031

WUXI MIYOSHI PRECISION CO., LTD
No. 108, Hong Da Road, Hongshan Machine Photoelectric Industrial Park,
Wuxi New District, Jiangsu Province, 214115,
People's Republic of China
Tel: (86) (510) 8530-0128

MIYOSHI PRECISION HUIZHOU CO., LTD
Jin Chuan Road, Tong Qiao Industrial Park
Huicheng District, Huizhou,
516032 Guangdong Province,
People's Republic of China
Tel: (86) (752) 711-9926

MIYOSHI PRECISION (MALAYSIA) SDN BHD
OE AQUITECH (M) SDN BHD
No. 4, Jalan Wira 3, Taman Tan Sri Yaacob
81300 Skudai, Johor D.T.,
Malaysia
Tel: (60) 7511-1855

CORE POWER (FUJIAN) NEW ENERGY AUTOMOBILE CO., LTD
229 Luo Xi Road, Yong An City, Fujian Province,
People's Republic of China
Tel: (86) (598) 513-3888

Shareholding Statistics

As at 25 November 2019

Class of equity securities	:	Ordinary Shares
No. of equity securities (excluding treasury shares)	:	607,603,590
Number of subsidiary holdings	:	Nil
Voting Rights	:	One vote per share

As at 25 November 2019, the total number of treasury shares held is 5,065,900 (0.83%)

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 1000	255	9.08	136,306	0.02
1,001 - 10,000	942	33.56	5,203,500	0.86
10,001 - 1,000,000	1,563	55.68	154,492,181	25.43
1,000,001 and above	47	1.68	447,771,603	73.69
TOTAL	**2,807**	**100.00**	**607,603,590**	**100.00**

LIST OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Substantial shareholders				
Miyoshi Industry Co., Ltd	50,901,890	8.38%	–	–
Masayoshi Taira	–	–	50,901,890	8.38%
Sin Kwong Wah Andrew	62,624,800	10.31%	103,726,500	17.07%
Pek Yee Chew	31,269,000	5.15%	135,082,300	22.23%

Notes:

1 Mr Masayoshi Taira is deemed to have an interest in the 50,901,890 shares held by Miyoshi Industry Co., Ltd.

2 Mr Sin Kwong Wah, Andrew is deemed to have an interest in the 70,175,000 shares held by DBS Nominees Pte Ltd, 31,269,000 shares held by his spouse, Mdm Pek Yee Chew and 1,500,000 shares held by his daughter, Sin Shi Min Andrea and 782,500 shares held by his son, Sin Shi Han.

3 Mdm. Pek Yee Chew is deemed to have an interest in the Shares held or deemed to be held by her spouse, Mr. Sin Kwong Wah, Andrew and 1,500,000 Shares held by her daughter, Sin Shi Min Andrea and 782,500 shares held by her son, Sin Shi Han.

Shareholding Statistics

As at 25 November 2019

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES PTE LTD	109,460,889	18.02
2	SIN KWONG WAH ANDREW	62,624,800	10.31
3	MIYOSHI INDUSTRY CO LTD	50,901,890	8.38
4	PEK YEE CHEW	31,269,000	5.15
5	HONG LEONG FINANCE NOMINEES PTE LTD	21,475,800	3.53
6	KHOO TECK POH	16,700,000	2.75
7	PEK EE PERH THOMAS	16,454,500	2.71
8	MAYBANK KIM ENG SECURITIES PTE LTD	12,977,230	2.14
9	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	12,588,049	2.07
10	LOW HUAT YEW	11,771,700	1.94
11	LIM YUH PING	10,528,900	1.73
12	RAFFLES NOMINEES (PTE) LIMITED	9,757,500	1.61
13	JEREMY LEE SHENG POH	8,216,400	1.35
14	OCBC SECURITIES PRIVATE LTD	6,626,800	1.09
15	KUAN BON HENG	6,007,000	0.99
16	NG HWEE KOON	5,663,200	0.93
17	LIM BUAN HUA	4,532,000	0.75
18	PHILLIP SECURITIES PTE LTD	4,391,245	0.72
19	WOO KOON CHEE	2,830,000	0.47
20	CITIBANK NOMINEES SINGAPORE PTE LTD	2,807,000	0.46
	TOTAL	**407,583,903**	**67.10**

As at 25 November 2019, 61.52% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST which require that at least 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**") of **Miyoshi Limited** (the "**Company**") will be held at 81 Choa Chu Kang Way, Warren Golf & Country Club, Singapore 688263, Conference Room 1 & 2 (Level 2) on 27 December 2019 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 August 2019 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Director of the Company who retire by rotation in accordance with Regulation 89 of the Company's Constitution and who, being eligible, offer himself for re-election:

   Mr Pek Ee Perh, Thomas **(Resolution 2)**

   Note: The Company has received a letter from Mr Masayoshi Taira that he does not wish to seek re-election and will retire at the close of this Annual General Meeting. Mr Taira will relinquish all his positions in the Board Committees.

3. To approve the payment of Directors' fees of S$70,000 for the year ended 31 August 2019 (2018: S$90,000). **(Resolution 3)**

4. To re-appoint BDO LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 4)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as Ordinary Resolutions, with or without amendments:-

6. **Authority to issue shares**

   That that pursuant to Section 161 of the Companies Act and subject to Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of bonus issue, rights issue or otherwise; and/or

   (ii) to make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

   provided that:

   (i) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Ordinary Resolution) and Instruments to be issued pursuant to this Ordinary Resolution on a pro rata basis, shall not exceed 100% of the total issued Shares at the time of passing of this Ordinary Resolution (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 50% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(ii) (subject to such manner of calculation as may be prescribed by the Catalist Rules) for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(1) new Shares arising from the conversion or exercise of any convertible securities;

(2) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(3) any subsequent bonus issue, consolidation or subdivision of shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)] **(Resolution 5)**

7. **Authority to allot, issue and deliver shares pursuant to Miyoshi Restricted Share Plan 2016**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant awards under the prevailing Miyoshi Restricted Share Plan ("**Miyoshi RSP**") and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be delivered pursuant to the vesting of RSP Awards under the Miyoshi RSP, provided that the aggregate number of (1) new Shares allotted and issued and/or be allotted and issued and (2) existing Shares (including Shares held in treasury) delivered and/or to be delivered, and (3) Shares released and/or to be released in the form of cash in lieu of Shares, pursuant to the Miyoshi RSP and the Miyoshi Performance Share Plan and all options or awards granted under any other share option schemes or share schemes implemented by the Company and for the time being in force shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (ii)] **(Resolution 6)**

8. **Authority to allot, issue and deliver shares pursuant to Miyoshi Performance Share Plan 2016**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant awards under the prevailing Miyoshi Performance Share Plan ("**Miyoshi PSP**") and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be delivered pursuant to the vesting of PSP Awards under the Miyoshi PSP, provided that the aggregate number of (1) new Shares allotted and issued and/or be allotted and issued and (2) existing Shares (including Shares held in treasury) delivered and/or to be delivered, and (3) Shares released and/or to be released in the form of cash in lieu of Shares, pursuant to the Miyoshi RSP and the Miyoshi Performance Share Plan and all options or awards granted under any other share option schemes or share schemes implemented by the Company and for the time being in force shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (iii)] **(Resolution 7)**

9. **Proposed Renewal of Share Buy-Back Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchase(s) (each a "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Catalist Rules and the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the Catalist Rules as may for the time being be applicable be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the conclusion of the next annual general meeting of the Company is held or date by which such annual general meeting is required to be held;

(ii) the date on which the Share Buy-Backs are carried out to the full extent of the Share Buy-Back Mandate; or

(iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) for purposes of this ordinary resolution:

"**Average Closing Price**" means the average of the closing market prices of the Shares for the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the Catalist Rules of the SGX-ST for any corporate action that occurs after the relevant five (5)-Market Day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price (as hereinafter defined) for an off-market purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means ten per cent. (10%) of the total issued Shares of the Company as at the date of the passing of this ordinary resolution, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued Shares of the Company shall be taken to be the total number of the issued Shares as altered by such capital reduction (the total number of Shares shall exclude any Shares that may be held as treasury shares by the Company from time to time);

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(d) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;

(e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and

(f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this ordinary resolution.
[See explanatory note (iv)] **(Resolution 8)**

By Order Of The Board

Ong Wei Jin
Company Secretary

7 December 2019
Singapore

Explanatory Notes:

(i) The Ordinary Resolution 5 in item 6 above, if passed, will empower the Directors, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to existing shareholders of the Company.

(ii) The Ordinary Resolution 6 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards under the RSP and such other share-based incentive schemes up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(iii) The Ordinary Resolution 7 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards under the RSP and such other share-based incentive schemes up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(iv) The Ordinary Resolution 8 in item 9 above, if passed, will empower the Directors of the Company to exercise all powers of the Company in purchasing or acquiring Shares pursuant to the terms of the Share Buy-Back Mandate. This authority will continue in force until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting or the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated, whichever is the earlier. Information relating to this proposed Resolution is set out in the Circular dated 7 December 2019 (in relation to the proposed renewal of the Share Buy-Back Mandate) attached to the Company's Annual Report 2019.

Notes:

1. (a) A member entitled to attend and vote at the AGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

   (b) A member of the Company who is entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

3. The Proxy Form must be deposited at the Company's business office at 26 Boon Lay Way #01-80 Tradehub 21 Singapore 609970, not less than 72 hours before the time fixed for holding the AGM in order to be entitled to attend and to vote at the AGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person if he finds that he is unable to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

4. A Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order to be entitled to attend and vote at the AGM.

5. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instruction appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

6. By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Disclosure of Information on Directors seeking Re-election

Mr Pek Ee Perh, Thomas is the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 27 December 2019 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR PEK EE PERH, THOMAS
Date of Appointment	27 October 2014
Date of last re-appointment	23 December 2016
Age	59
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Pek Ee Perh, Thomas for re-appointment as Non-Executive and Non-Independent Director of the Company. The Board have reviewed and concluded that Mr Pek Ee Perh, Thomas possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Director
Professional qualifications	Diploma of Business Management
Working experience and occupation(s) during the past 10 years	1. Managing Director, Tai Hua Food Industries Pte Ltd 2. Managing Director, Cheng Chuan Holdings Pte Ltd 3. Director, Food Corporation (S) Pte Ltd, Trustee 4. Director, Miyoshi Limited
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 16,454,500
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	1. Brother-in-law of Mr Andrew Sin Kwong Wah 2. Brother of Ms Pek Yee Chew
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

Disclosure of Information on Directors seeking Re-election

	MR PEK EE PERH, THOMAS
Other Principal Commitments* Including Directorships#	
Past (for the last 5 years)	**NIL**
Present	1. Chairman, General Affairs Committee, Singapore Chinese Chamber of Commerce & Industry 2. Council Member and Chairman of Member Affairs Committee, Singapore Federation of Chinese Clan Associations 3. Honorary Adviser, Lions Club of Singapore Oriental 4. Advisor, Chinese Airlines Singapore Office 5. Patron, Telok Blangah Community Club Management Committee 6. Vice Chairman, Telok Blangah Citizen's Consultative Committee 7. Life Honorary President, Singapore Noodles Manufacturers' Association 8. Life Honorary President, Kwan-In Welfare Society Singapore 9. Life Honorary President, Singapore Food Manufacturers' Association 10. Immediate Past President, Singapore Food Manufacturers' Association 11 Life Honorary President, Peh Clan Association 12. Chairman, Clementi Town Secondary School Advisory Committee 13. Treasurer, Sarawak Importers & Exporters Association 14. Council Member, Eng Ho Trading Association 15. Vice President/Director, Ee Hoe Hean Club 16. Committee Member, Singapore Ann Kway Association 17. Apex Committee Member, Business China 18. Go East Committee Member, Business China 19. Member of Total Defence Awards (TDA) Evaluation Board 20. Member, Board of Directors, Singapore Corporation of Rehabilitative Enterprises (SCORE)

		MR PEK EE PERH, THOMAS
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c)	Whether there is any unsatisfied judgment against him?	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

Disclosure of Information on Directors seeking Re-election

		MR PEK EE PERH, THOMAS
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

Disclosure of Information on Directors seeking Re-election

	MR PEK EE PERH, THOMAS
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Yes Mr Pek has been a Director of Miyoshi Limited since October 2014.

Appendix

APPENDIX DATED 7 DECEMBER 2019

This Appendix is circulated to shareholders of Miyoshi Limited (the "**Company**") ("**Shareholders**") together with the Company's annual report for the financial year ended 31 August 2019 ("**Annual Report**"). Its purpose is to provide Shareholders with the relevant information relating to, and seek Shareholders' approval for the renewal of the Share Buyback Mandate (as defined herein) to be tabled at the Annual General Meeting of the Company to be held on 27 December 2019 at 10:00 am at 81 Choa Chu Kang Way, Warren Golf & Country Club, Singapore 688263, Conference Room 1 & 2 (Level 2).

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

IF YOU ARE IN ANY DOUBT IN RELATION TO THIS APPENDIX OR AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

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

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.

MIYOSHI

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

APPENDIX IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

Appendix

In this Appendix, the following definitions apply throughout unless otherwise stated:

"**Annual Report 2019**"	:	Annual report of the Company for the financial year ended 31 August 2019
"**ACRA**"	:	Accounting & Corporate Regulatory Authority of Singapore
"**AGM**"	:	The annual general meeting of the Company
"**Associates**"	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"**Auditors**"	:	The auditors of the Company for the time being
"**Board**" or "**Directors**"	:	The board of directors of the Company for the time being
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended, supplemented or modified from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Appendix**"	:	This Appendix to Shareholders dated 7 December 2019
"**Company**"	:	Miyoshi Limited
"**Companies Act**" **or** "**Act**"	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
"**Concert Parties**"	:	Collectively, Mr. Sin Kwong Wah, Andrew, Mdm. Pek Yee Chew, Ms. Sin Shi Min Andrea and Mr. Sin Shi Han Kenneth.
"**Constitution**"	:	The constitution of the Company, comprising the memorandum and articles of association of the Company or other regulations of the Company for the time being in force
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the of the issued Shares (excluding treasury shares) in the Company; or (b) (subject to the SGX-ST determining that such a person is not a controlling shareholder) in fact exercises control over the Company
"**EPS**"	:	Earnings per Share
"**FRS**"	:	Financial Reporting Standard
"**FY**"	:	Financial year ending or ended (as the case may be) 31 August of a particular year as stated
"**Group**"	:	The Company and its subsidiaries
"**Latest Practicable Date**"	:	25 November 2019, being the latest practicable date prior to the printing of this Appendix
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Market Purchases**"	:	On-market purchases transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose
"**NTA**"	:	Net tangible assets
"**Off-Market Purchases**"	:	Off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as defined in Section 76C of the Companies Act
"**Relevant Period**"	:	The Period commencing from the date on which the forthcoming AGM is held and the resolution relation to the proposed renewal of the Share Buy-Back Mandate is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier.
"**Relevant Persons**"	:	The Concert Parties and the parties acting in concert with them
"**ROE**"	:	Return on equity
"**Securities Account**"	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"**SFA**"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Buy-Back**"	:	The Buy-Back of Shares by the Company pursuant to the terms of the Share Buy-Back Mandate
"**Share Buy-Back Mandate**"	:	The mandate to authorize the Directors to exercise all powers of the Company to purchase or otherwise acquire, on behalf of the Company, its issued Shares on the terms of such mandate in accordance with the terms set out in the Appendix as well as the rules and regulations set forth in the Companies Act and Catalist Rules
"**Shareholders**"	:	Registered holder(s) of the Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares
"**Shares**"	:	Ordinary shares in the capital of the Company
"**SIC**"	:	The Securities Industry Council of Singapore
"**Sponsor**"	:	CIMB Bank Berhad, Singapore Branch
"**Substantial Shareholder**"	:	A person who has an interest (directly or indirectly) in 5% or more of the total issued share capital of the Company

"**Take-over Code**" or "**Code**"	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
"**Treasury Share(s)**"	:	A share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been called
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively
"**%**" or "**per cent**"	:	Per cent. or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**subsidiary**" shall have the meaning ascribed to it under Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any term defined under the SFA, the Companies Act or the Catalist Rules, or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the SFA, the Companies Act or the Catalist Rules, or such modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in figures included in this Appendix between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

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

Directors:	**Registered Office:**
Lim Thean Ee (Non-Executive Chairman and Independent Director)	26 Boon Lay Way
Sin Kwong Wah, Andrew (Chief Executive Officer and Executive Director)	#01-80
Wee Piew (Independent Director)	Singapore 609970
Masayoshi Taira (Non-Independent & Non-Executive Director)	
Pek Ee Perh, Thomas (Non-Independent & Non-Executive Director)	

7 December 2019

To: Shareholders of Miyoshi Limited (the "**Company**")

Dear Sir/Madam

1. INTRODUCTION

1.1 The Directors wish to refer to (i) the Notice of AGM dated 7 December 2019, accompanying the Annual Report 2019 to convene the AGM to be held on 27 December 2019; and (ii) the ordinary resolution to seek Shareholders' approval for the proposed renewal of the Share Buy-Back Mandate.

1.2 The purpose of this Appendix is to provide Shareholders with relevant information relating to the proposed renewal of the Share Buy-Back Mandate and to seek Shareholders' to be tabled at the AGM.

1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Background

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act and the Catalist Rules and such other laws and regulations as may, for the time being, be applicable. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders.

Shareholders had at the last AGM held on 28 December 2018 ("**2018 AGM**"), renewed the share Buy-Back mandate (the "**Share Buy-Back Mandate**") for the Directors to exercise all the powers of the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of the resolution on the terms of the Share Buy-Back Mandate.

As the said Share Buy-Back Mandate will expire on the forthcoming annual general meeting, being 27 December 2019, the Directors propose that the Share Buy-Back Mandate be renewed at the forthcoming AGM to be held on 27 December 2019.

If approved by the Shareholders at the AGM, the authority conferred by the renewed Share Buy-Back Mandate will take effect from the date of the AGM and continue in force until the date of the next AGM of the Company or such date as the next AGM is required by law or by the Constitution of the Company, whereupon it will lapse, unless renewed at such meeting, unless prior thereto, Share Buy-Backs are carried out to the full extent mandated or the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting. The Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent general meetings of the Company.

Appendix

2.2 Rationale

The approval of the Share Buy-Back Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share Buy-Back of not more than ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), as described in paragraph 2.3.1 below, at any time during the period when the Share Buy-Back Mandate is in force.

The rationale for the Company to undertake the Buy-Back or acquisition of its issued Shares is as follows:-

a) In line with international practice, the Share Buy-Back Mandate will provide the Company with greater flexibility in managing its capital and maximizing returns to Shareholders. To the extent that the Company has capital and sufficient funds which are in excess of its working capital needs, taking into account its growth and expansion plans, the Share Buy-Back Mandate will facilitate the return of excess cash and surplus funds (if any) to Shareholders in an expedient, effective and cost-efficient manner

b) In managing the business of the Group, the management of the Group will strive to increase Shareholders' value by improving, amongst others, the ROE of the Company. In addition to growth and expansion of the business, Share Buy-Backs may be considered as one of the ways through which the ROE of the Company may be enhanced.

c) The Share Buy-Back Mandate will provide the Company with the flexibility to undertake Share Buy-Backs or acquisitions at any time, subject to market conditions and compliance with the Catalist Rules, during the period when the Share Buy-Back Mandate is in force.

d) Share Buy-Backs may help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence. The lack of liquidity most times makes it difficult for Shareholders to realise their gains. The Company now offers Shareholders an exit path.

e) The Company is also able to protect Shareholders' investments in the Company in a depressed share price situation through judicious purchases of Shares to enhance the EPS. Shares purchased or acquired by the Company may also enhance the net asset value per Share of the Group if the Share Purchases are made at a price below the net asset value per Share of the Group.

While the Share Buy-Back Mandate would authorise a purchase or acquisition of Shares up to the said ten per cent. (10%) limit during the duration referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate may not be carried out to the full ten per cent. (10%) limit as authorised. In particular, no purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from Catalist. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on Catalist.

2.3 Authority and Limits on the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Buy-Back Mandate are summarised below:-

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (ascertained as at the date of the forthcoming AGM at which the Share Buy-Back Mandate is approved), unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions under the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the capital reduction. Any Shares which are held as Treasury Shares or subsidiary holdings will be disregarded for purposes of computing the ten per cent. (10%) limit.

For illustrative purposes only, on the basis of 607,603,590 Shares (excluding 5,065,900 Treasury Shares and subsidiary holdings) in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, not more than 60,760,359 Shares (representing not more than ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buy-Back Mandate during the duration referred to in paragraph 2.3.2 below.

2.3.2 Duration of authority

Purchases or acquisitions of Shares pursuant to the proposed Share Buy-Back Mandate may be made, at any time and from time to time, on and from the date of the forthcoming AGM, at which the renewal of the Share Buy-Back Mandate is approved, up to the earlier of:-

(a) the conclusion of the next AGM;

(b) the date by which the next AGM is required by law to be held;

(c) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Buy-Back Mandate are carried out to the full extent mandated; or

(d) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by Shareholders in a general meeting.

The authority conferred on the Directors by the Share Buy-Back Mandate to purchase or acquire Shares may be renewed at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buy-Back Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buy-Back Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2.3.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:-

(a) on-market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the ready market, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchase(s) ("**Off-Market Purchase**"), effected pursuant to an equal access scheme or schemes as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are consistent with the Share Buy-Back Mandate, the Catalist Rules and the Companies Act, as they consider appropriate in the interests of the Company in connection with or in relation to any equal access scheme(s). An Off-Market Purchase must, however, satisfy all the following conditions:-

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Appendix

In addition, pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will have to issue an offer document to all Shareholders containing, amongst others, the following information:-

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances;

(3) the reasons for the proposed purchase or acquisition of Shares;

(4) the consequences, if any, of the purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(5) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST; and

(6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases

2.3.4 Purchase price

The purchase price per Share (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for Shares to be purchased or acquired pursuant to the Share Buy-Back Mandate will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

(a) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes of determining the Maximum Price:

(i) "**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-Market Day period; and

(ii) "**date of making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

2.4.1 Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as Treasury Shares to the extent permitted under the Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as is reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company and as the Directors deem fit in the interest of the Company at that time.

2.4.2 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Act are summarised below:-

(i) Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares ("**Treasury Shares Limit**"). Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months or such further periods as ACRA may allow.

(ii) Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of Treasury Shares is allowed. A subdivision or consolidation of any treasury share into Treasury Shares of a smaller amount is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(iii) Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:-

(a) sell the Treasury Shares for cash;

(b) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;

(c) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the Treasury Shares; or

(e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

Where Shares purchased pursuant to the Share Buy-Back Mandate are held as Treasury Shares, the number of such Shares to be held as Treasury Shares, when aggregated with the existing Treasury Shares held, shall not, subject to the Act, exceed the Treasury Shares Limit at any time.

Under the Catalist Rules, immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the "usage"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, and the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage.

Appendix

2.5 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, amongst others, the details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Company shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

The Catalist Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:-

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.6 Source of Funds

The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent (as defined in paragraph 2.7 below). The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such an extent that the working capital position and/or the gearing of the Group would be materially adversely affected.

The Company intends to use internal sources of funds and/or if need be, external borrowings, to finance purchases or acquisitions of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the proposed Share Buy-Back Mandate will depend on, amongst others, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

2.7 Solvency Test

Under the Act in force as at the Latest Practicable Date, we may not purchase Shares if we know that our Company is not solvent. For this purpose, a company is "solvent" if:-

(a) the company is able to pay its debts in full at the time of the payment for the purchase and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment; and

(b) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) having regard to the most recent financial statements of the company and all other circumstances that the directors or managers of the company know or ought to know affect, or may affect, such values.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-Back Mandate as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The purchase price paid by the Company for the Shares, if made out of profits, such consideration (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the Share Purchase is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

(a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the Company has 607,603,590 issued Shares (excluding 5,065,900 Shares held in treasury).

(b) Illustrative Financial Effects

Purely for **illustrative purposes**, on the basis of 607,603,590 Shares (excluding the 5,065,900 Treasury Shares) in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as Treasury Shares on or prior to the AGM, the purchase by the Company of 10% of its issued Shares (excluding Shares held in treasury or subsidiary holdings) will result in the purchase of 60,760,359 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 60,760,359 Shares at the Maximum Price of S$0.036 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the 5 Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 60,760,359 Shares is approximately S$2,187,000.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 60,760,359 Shares at the Maximum Price of S$0.041 for each Share (being the price equivalent to twenty per cent. (20%) above the Average Closing Price of the Shares over the last five (5) Market Days on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 60,760,359 Shares is approximately S$2,491,000.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:-

(i) the Share Buy Back Mandate had been effective since 1 September 2018;

(ii) such Share purchases are funded solely by internal resources and/or borrowings;

(iii) purchase or acquisition of 60,760,359 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and cancelled;

(iv) purchase or acquisition of 60,760,359 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled;

(v) purchase or acquisition of 60,760,359 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and held in treasury; and

(vi) purchase or acquisition of 60,760,359 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and held in treasury, the financial effects on the audited consolidated financial results of the Group for FY2019, are set out below:-

Scenario 1: Purchases made entirely out of capital and cancelled

	Group			
	Market Purchase		Off-Market Purchase	
(S$'000) As at 31 August 2019	**Before Share Buy-Back**	**After Share Buy-Back**	**Before Share Buy-Back**	**After Share Buy-Back**
Share capital and Reserves	61,883	59,696	61,883	59,392
Treasury Shares	(253)	(253)	(253)	(253)
Total Shareholders' Equity	61,630	59,443	61,630	59,139
Net Tangible Assets attributable to owners of the Company	61,590	59,403	61,590	59,099
Current Assets	23,967	21,781	23,968	21,476
Current Liabilities	17,383	17,383	17,383	17,383
Working Capital	6,585	4,398	6,585	4,093
Total Borrowings	8,339	8,339	8,339	8,339
Number of shares (excluding treasury shares ('000))	607,604	546,843	607,604	546,843
Number of treasury shares ('000)	5,066	5,066	5,066	5,066
Weighted average number of shares ('000)	607,675	546,893	607,675	546,893
Financial Ratios				
NTA per share (cents)	10.14	10.86	10.14	10.81
Gearing (times)	0.14	0.14	0.14	0.14
Current Ratio (times)	1.38	1.25	1.38	1.24
Basic EPS (cents)	(0.13)	(0.15)	(0.13)	(0.15)

Scenario 2: Purchases made entirely out of capital and held as treasury shares

	Group			
	Market Purchase		Off-Market Purchase	
(S$'000) As at 31 August 2019	**Before Share Buy-Back**	**After Share Buy-Back**	**Before Share Buy-Back**	**After Share Buy-Back**
Share capital and Reserves	61,883	61,883	61,883	61,883
Treasury Shares	(253)	(2,440)	(253)	(2,744)
Total Shareholders' Equity	61,630	59,443	61,630	59,139
Net Tangible Assets attributable to owners of the Company	61,590	59,443	61,590	59,099
Current Assets	23,968	21,781	23,968	21,476
Current Liabilities	17,383	17,383	17,383	17,383
Working Capital	6,584	4,397	6,584	4,093
Total Borrowings	8,340	8,340	8,340	8,340
Number of shares (excluding treasury shares ('000))	607,604	546,843	607,604	546,843
Number of treasury shares ('000)	5,066	65,826	5,066	65,826
Weighted average number of shares ('000)	607,653	546,893	607,653	456,893
Financial Ratios				
NTA per share (cents)	10.14	10.86	10.14	10.81
Gearing (times)	0.14	0.14	0.14	0.14
Current Ratio (times)	1.38	1.25	1.38	1.24
Basic EPS (cents)	(0.13)	(0.15)	(0.13)	(0.15)

Appendix

Shareholders should note that the financial effects set out herein are purely for illustrative purposes only. In particular, it is important to note that the analysis herein is based on the audited consolidated financial statements of the Company and the Group for FY2019 and is not necessarily representative of future financial performance.

Although the proposed Share Buy-Back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of its total number of issued Shares (excluding Treasury Shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of its total number of issued Shares (excluding Treasury Shares and subsidiary holdings). In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or acquired.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the proposed Share Buy-Back Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a take-over offer

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of SIC, where:

(a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or

(b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights.

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentage of voting rights of such person and their concert parties, treasury shares shall be excluded.

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert under the Take-over Code:

(a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of any purchase or acquisition by the Company of its Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or in the event that such Directors and their concert parties hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Buy-Back Mandate.

2.9.4 Application of the Take-over Code

As at the Latest Practicable Date, Mr, Sin Kwong Wah, Andrew, has a total direct and deemed interest of approximately 27.4% of the entire issued and paid up share capital of the Company, and is the chief executive officer and executive Director, and Controlling Shareholder of the Company. Mr. Sin Kwong Wah, Andrew is deemed to have an interest in the 70,175,000 Shares held by DBS Nominees Pte Ltd, 31,269,000 Shares held by his spouse, Mdm. Pek Yee Chew, 1,500,000 Shares held by his daughter, Ms. Sin Shi Min Andrea and 782,500 Shares held by his son, Mr. Sin Shi Han Kenneth. Please refer to shareholding details as set out in paragraph 3 of this Appendix.

Accordingly, by virtue of their relationships, Mr, Sin Kwong Wah, Andrew, Mdm. Pek Yee Chew, Ms. Sin Shi Min Andrea and Mr. Sin Shi Han Kenneth ("**Concert Parties**") are presumed acting in concert with each other in relation to the Company for the purposes of the Take-over Code in respect of their combined direct and deemed holdings of approximately 27.4% of the entire issued and paid up share capital of our Company.

The obligation of the Concert Parties under (i) Market Purchase; and (ii) Off-Market Purchase in accordance with an equal access scheme, is illustrated using the following examples:

(a) Market Purchase

Assumptions

(i) the Company purchases a maximum 60,760,359 Shares, the total being ten per cent (10%) of the total number of Shares in issue (excluding Treasury Shares and subsidiary holdings);

(ii) the 60,760,359 Shares are not held as treasury shares and are cancelled; and

(iii) there was no change in the number of Shares held or deemed to be held by the Concert Parties.

Concert Parties	Interests in Shares directly held or held by a nominee company before Share Buy-Back (No. of Shares)	Interests in Shares directly held or held by a nominee company after Share Buy-Back (No. of shares)	Before Share Buy-Back assuming Market Purchases (%)(1)	After Share Buy-Back assuming Market Purchases (%)(2)
Mr. Sin Kwong Wah, Andrew	132,799,800	132,799,800	21.9	24.3
Mdm. Pek Yee Chew	31,269,000	31,269,000	5.2	5.7
Ms. Sin Shi Min Andrea	1,500,000	1,500,000	0.2	0.3
Mr. Sin Shi Han Kenneth	782,500	782,500	0.1	0.1
Total	166,351,300	166,351,300	27.4	30.4

Notes: -

(1) The percentages are calculated on the basis of the share capital of 607,603,590 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.

(2) The percentages are calculated on the basis of the issued share capital of 546,843,231 Shares after the purchase or acquisition by the Company of 60,760,359 Shares, being ten per cent. (10%) of the Shares (excluding Treasury Shares and subsidiary holdings).

Based on the example above, in the event that the Company purchases or acquires up to ten per cent. (10%) of its Shares (excluding Treasury Shares and subsidiary holdings) pursuant to the proposed Share Buy-Back Mandate, the aggregate holdings of Mr. Sin Kwong Wah, Andrew, Mdm. Pek Yee Chew and Ms. Sin Shi Min Andrea and their concert parties will increase by more than one per cent. (1%) within a six (6) month period.

Accordingly, under the Take-over Code, the Concert Parties and the parties acting in concert with them (collectively the "**Relevant Persons**"), unless exempted, will become obliged to make a general offer under the Take-over Code for the Shares not owned by them, if as a result of the exercise of the Share Buy-Back Mandate, their interest in the voting rights of the Company increase by more than one per cent. (1%) within a six (6) month period.

(b) Off-Market Purchase

Assumptions

(i) the Company purchases a maximum 60,760,359 Shares, total being ten per cent (10%) of the total number of Shares in issue (excluding Treasury Shares and subsidiary holdings); and

(ii) the 60,760,359 Shares are not held as treasury shares and are cancelled.

Concert Parties	Interests in Shares directly held or held by a nominee company before Share Buy-Back (No. of shares)	Interests in Shares directly held or held by a nominee company after Share Buy-Back (No. of shares)	Before Share Buy-Back assuming Off-Market Purchases (%)[1]	After Share Buy-Back assuming Off-Market Purchases (%)[2]
Mr. Sin Kwong Wah, Andrew	132,799,800	119,519,820	21.9	21.9
Mdm. Pek Yee Chew	31,269,000	28,142,100	5.2	5.2
Ms. Sin Shi Min Andrea	1,500,000	1,350,000	0.2	0.2
Mr. Sin Shi Han Kenneth	782,500	704,250	0.1	0.1
Total	166,351,300	149,716,170	27.4	27.4

Notes: -

(1) The percentages are calculated on the basis of the share capital of 607,603,590 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.

(2) The percentages are calculated on the basis of the issued share capital of 546,843,231 Shares after the purchase or acquisition by the Company of 60,760,359 Shares, being ten per cent. (10%) of the Shares (excluding Treasury Shares and subsidiary holdings).

Based on the example above, in the event that the Company purchases or acquires up to ten per cent. (10%) of its Shares (excluding Treasury Shares and subsidiary holdings) pursuant to the proposed Share Buy-Back Mandate, the percentage shareholding interests of Mr. Sin Kwong Wah, Andrew, Mdm. Pek Yee Chew and Ms. Sin Shi Min Andrea and their concert parties will remain the same after the purchases or acquisition of up to ten per cent. (10%) by the Company of its Shares pursuant to the proposed Share Buy-Back Mandate and the Relevant Persons will not be obliged to make a general offer under the Take-over Code for the Shares not owned by them.

2.9.5 Exemptions under the Take-over Code

The Relevant Persons will be exempted from the requirement under Rule 14.1, Note 6 of notes on dispensation from Rule 14, and Appendix 2 – Share Buy-Back Guidance Note of the Take-over Code to make a general offer for the Company in the event that their total shareholding increases by more than one per cent. (1%) in any six (6) month period as a result of the Company acquiring its own shares under the proposed Share Buy-Back Mandate ("**Relevant Scenario**"), subject to the following conditions:

(a) this Appendix to Shareholders on the resolution to authorise the proposed Share Buy-Back Mandate contains advice to the effect that by voting for the approval of the proposed Share Buy-Back Mandate, Shareholders are waiving their rights to a general offer at the required price from Relevant Persons who, as a result of the Company buying back its Shares, would increase their voting rights by more than one per cent. (1%) in any six (6) month period and the names of the Relevant Persons and their voting rights at the time of the resolution and after the share Buy-Back are disclosed in the same Appendix;

(b) the resolution to authorise the proposed Share Buy-Back Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share Buy-Back;

(c) the Relevant Persons abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the proposed Share Buy-Back Mandate;

(d) within seven (7) days after the passing of the resolution to authorise the proposed Share Buy-Back Mandate, each of the Directors is to submit to the SIC a duly signed form as prescribed by the SIC;

(e) the Relevant Persons have not acquired and will not acquire any Shares of the Company between the date on which they know that the announcement of the proposed Share Buy-Back Mandate is imminent and the earlier of:

(i) the date on which the authority of the proposed Share Buy-Back Mandate expires; and

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(ii) the date on which the Company announces it has bought back such number of Shares as authorised by the proposed Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Buy-Back, would cause their aggregate voting rights to increase to thirty per cent. (30%) or more; and

(f) the Relevant Persons, together holding between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the proposed Share Buy-Back Mandate is imminent and the earlier of:

(i) the date on which the authority of the proposed Share Buy-Back Mandate expires; and

(ii) the date on which the Company announces it has bought back such number of Shares as authorised by the proposed Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Buy-Back would cause their aggregate voting rights to increase by more than one per cent. (1%) in the preceding six (6) months.

The required price in relation to the obligation of the Relevant Persons to make a general offer arising from the proposed Share Buy-Back Mandate is the higher of:

(a) the highest price paid by the Relevant Persons for the Shares in the preceding six (6) months; or

(b) the highest price paid by the Company for the Shares in the preceding six (6) months.

It follows that where the aggregate voting rights held by the Relevant Persons increase by more than one per cent. (1%) solely as a result of the Relevant Scenario and none of them has acquired any Shares during the relevant period defined in paragraph (f) above, then the Relevant Persons would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buy back its Shares under the proposed Share Buy-Back Mandate and the increase in the aggregate voting rights held by the Relevant Persons as a result of the Company repurchasing its Shares at the time of such cessation is less than one per cent. (1%) in any six (6) month period, the Relevant Persons will be allowed to acquire Shares. However, any increase in the Relevant Persons' percentage of voting rights in the Company as a result of the share Buy-Back will be taken into account together with any Shares acquired by the Relevant Persons (by whatever means) in determining whether the Relevant Parties have increased their aggregate voting rights in the Company by more than one per cent. (1%) in any six (6) month period.

Shareholders should therefore note that by voting in favour of the ordinary resolution to approve the proposed Share Buy-Back Mandate, they will be waiving their rights to a general offer at the required price by Relevant Persons in the circumstances set out above.

For the purposes of this Appendix, "**required price**" shall mean in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 of the Take-over Code which is the highest of the price paid by the Relevant Persons for the Company's Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquire through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by SIC under Rule 14.3 of the Take-over Code.

Save as disclosed, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the proposed Share Buy-Back Mandate.

As at the Latest Practicable Date, the Relevant Persons consist of the Concert Parties.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share Buy-Backs by the Company.

2.9.6 Listing status of Shares on the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent. (10%) of its Shares (excluding treasury shares, preference shares and convertible equity securities) are in the hands of the public. The term "public", as defined under the Catalist Rules, are persons other than (a) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries; and (b) the Associates of persons in (a).

As at the Latest Practicable Date, approximately 373,795,900 issued Shares were held by the public, representing approximately 61.52% of the total number of issued Shares. For illustration purposes only, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares (excluding treasury shares and subsidiary holdings), being 60,760,359 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be 313,035,541 Shares, representing approximately 57.2% of the remaining issued Shares of the Company.

Before deciding to effect a purchase of Shares, the Directors will consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

2.10 Timing of purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of two (2) weeks immediately preceding the announcement of the Company's results for each of the first three (3) quarters and one (1) month immediately preceding the announcement of the Company's full-year results, as the case may be, and ending on the date of announcement of the relevant results.

2.11 Previous Share Purchases

Information on the Share Purchases carried out by the Company during the 12 months preceding the Latest Practicable Date is set out below:-

Date of Share Purchase	Type of Transaction	Total Number of Shares Purchased	Highest Price paid per Share (S$)	Lowest Price paid per Share (S$)	Total Consideration (S$)(1)
11 December 2018	On-Market Share Purchase	1,200,000	0.041	0.041	49,326.35
13 December 2018	On-Market Share Purchase	1,300,000	0.041	0.041	53,436.87
21 December 2018	On-Market Share Purchase	1,200,000	0.042	0.042	50,529.43

Note:-

(1) Inclusive of stamp duties, clearing charges, etc, paid or payable for the Shares.

None of the Shares purchased was resold or cancelled in the preceding 12 months. All the purchased Shares were held as Treasury Shares.

2.12 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or Substantial Shareholders of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.13 Tax Implications

Shareholders who are in doubt as to their respective tax positions or tax implications of a Share Buy-Back by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders (both direct and deemed) in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	(%)(1)	Number of Shares	(%)(1)	Number of Shares	(%)(1)
Directors						
Sin Kwong Wah, Andrew(2)	62,624,800	10.3	103,726,500	17.1	166,351,300	27.4
Masayoshi Taira(3)	–	–	50,901,890	8.38	50,901,890	8.38
Pek Ee Perh, Thomas	16,454,500	2.7	–	–	16,454,500	2.7
Wee Piew	–	–	–	–	–	–
Lim Thean Ee	100,000	n.m.	–	–	100,000	n.m.
Substantial Shareholders (other than Directors)						
Miyoshi Industry Co., Ltd	50,901,890	8.38	–	–	53,009,290	8.38
Pek Yee Chew(4)	31,269,000	5.2	135,082,300	22.2	166,351,300	27.4

Notes: -

(1) Based on the issued share capital of the Company of 607,603,590 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.

(2) Mr. Sin Kwong Wah, Andrew is deemed to have an interest in the 70,175,000 Shares held by DBS Nominees Pte Ltd, 31,269,000 Shares held by his spouse, Mdm. Pek Yee Chew, 1,500,000 Shares held by his daughter, Ms. Sin Shi Min Andrea and 782,500 Shares held by his son, Mr. Sin Shi Han Kenneth.

(3) Mr. Masayoshi Taira is deemed to have an interest in the 53,009,290 Shares held by Miyoshi Industry Co., Ltd.

(4) Mdm. Pek Yee Chew is deemed to have an interest in the Shares held or deemed to be held by her spouse, Mr. Sin Kwong Wah, Andrew, 1,500,000 Shares held by her daughter, Ms. Sin Shin Min Andrea and 782,500 Shares held by her son, Mr. Sin Shi Han, Kenneth.

4. DIRECTORS' RECOMMENDATION

The Directors (save for Mr. Sin Kwong Wah, Andrew, who is a Relevant Person, has accordingly refrained from making any voting recommendations to Shareholders) are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 8 in set out in the Notice of AGM dispatched to Shareholders together with the Annual Report 2019 of the Company.

Appendix

5. APPROVAL AND RESOLUTION

Shareholders' approval for the proposed renewal of the Share Buy-Back Mandate will be sought at the AGM. The resolution relating to the proposed renewal of the Share Buy-Back Mandate is contained in the Notice of AGM as Resolution 8.

6. ABSTENTION FROM VOTING

The Relevant Persons will abstain from voting at the AGM in respect of the resolution relating to the proposed renewal of the Share Buy-Back Mandate in view of Note 3(iii) of Appendix 2 of the Take-over Code and would not accept nominations as proxy or otherwise for voting at the AGM in respect of the said ordinary resolution.

The Relevant Persons have also undertaken to ensure that their Associates will abstain from making any recommendation and from voting at the AGM in respect of the ordinary resolution relating to the proposed renewal of the Share Buy-Back Mandate and would not accept nominations as proxy or otherwise for voting at the AGM relating to the proposed renewal of the Share Buy-Back Mandate.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 26 Boon Lay Way #01-80 Singapore 609970 during normal business hours for a period of three (3) months from the date of this Appendix: -

(a) the annual report of the Company for FY2019; and

(b) the Constitution of the Company.

By Order of the Board
MIYOSHI LIMITED

Sin Kwong Wah, Andrew
Chief Executive Officer and Executive Director
7 December 2019

MIYOSHI LIMITED

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

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 2 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy Miyoshi Limited's shares ("CPF Investors"), this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely for information only.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 December 2019.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____________________

of ____________________

being a member / members of **MIYOSHI LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Annual General Meeting of the Company (the "AGM") as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Meeting to be held at 81 Choa Chu Kang Way, Warren Golf & Country Club, Singapore 688263, Conference Room 1 & 2 (Level 2) on Friday, 27 December 2019 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. All resolutions put to vote at the AGM shall be decided by way of poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	No. of Votes For	No. of Votes Against
1	Adoption of Directors' Statement and the Audited Financial Statements for the year ended 31 August 2019		
2	Re-election of Mr Pek Ee Perh, Thomas as a Director		
3	Approval of Directors' fees amounting to S$70,000		
4	Re-appointment of BDO LLP as Auditors		
5	Authority to issue new shares		
6	Authority to allot, issue and deliver shares pursuant to Miyoshi Restricted Share Plan 2016		
7	Authority to allot, issue and deliver shares pursuant to Miyoshi Performance Share Plan 2016		
8	Proposed renewal of Share Buy-Back Mandate		

Dated this __________ day of __________ 2019

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (a) A member of the Company who is entitled to attend and vote at the AGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

   (b) A member of the Company who is entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 26 Boon Lay Way #01-80 Tradehub 21 Singapore 609970 not less than 72 hours before the time appointed for the AGM.

4. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

5. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.

7. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the AGM if he so wishes.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

A TOMORROW-FOCUSED MANUFACTURER

MIYOSHI LIMITED

Company Registration No.: 198703979K
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Singapore 609970
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