

**CIRCULAR DATED 28 MARCH 2024**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS CIRCULAR OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

*Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.*

If you have sold or transferred all your Shares in the capital of Miyoshi Limited (the "**Company**", and together with its subsidiaries, the "**Group**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the enclosed Notice of EGM and the enclosed Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the enclosed Notice of EGM and the enclosed Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares in the capital of the Company represented by physical share certificate(s) which are not deposited with the CDP, you should at once forward this Circular with the enclosed Notice of EGM and the enclosed Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



**MIYOSHI LIMITED**

(Company Registration Number: 198703979K)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

in relation to

- (I) **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 497,353,940 NEW ORDINARY SHARES ("RIGHTS SHARES") OF THE COMPANY AT AN ISSUE PRICE OF S\$0.004 ("ISSUE PRICE") ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY FOUR (4) EXISTING ORDINARY SHARES OF THE COMPANY ("SHARES") HELD AS AT THE RECORD DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
- (II) **THE PROPOSED WHITEWASH RESOLUTION BY THE INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) FOR THE WAIVER OF THEIR RIGHTS TO RECEIVE A MANDATORY GENERAL OFFER FOR THE COMPANY FROM THE UNDERTAKING SHAREHOLDER (AS DEFINED HEREIN) AS A RESULT OF THE SUBSCRIPTION OF RIGHTS SHARES PURSUANT TO THE PROPOSED RIGHTS ISSUE.**

**Manager of the Proposed Rights Issue**

**ASIAN CORPORATE ADVISORS PTE. LTD.**

(Company Registration Number: 200310232R)  
(Incorporated in the Republic of Singapore)

**Independent Financial Adviser in respect of the Whitewash Resolution**



**HONG LEONG FINANCE**

**HONG LEONG FINANCE LIMITED**

(Company Registration Number: 196100003D)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	: 9 April 2024, Tuesday, at 10.00 a.m.
Date and time of Extraordinary General Meeting	: 12 April 2024, Friday, at 10.00 a.m.
Place of Extraordinary General Meeting	: 26 Boon Lay Way, #01-80 Tradehub 21, Singapore 609970

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## CORPORATE INFORMATION

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Directors of the Company	:	Andrew Sin Kwong Wah ( <i>Executive Director and Chief Executive Officer</i> ) Lo Kim Seng ( <i>Independent Non-Executive Chairman</i> ) Low See Lien ( <i>Independent Non-Executive Director</i> ) Thomas Pek Ee Perh ( <i>Non-Independent Non-Executive Director</i> )
Registered Office of the Company	:	26 Boon Lay Way #01-80 Tradehub 21 Singapore 609970
Manager of the Proposed Rights Issue	:	Asian Corporate Advisors Pte. Ltd. 160 Robinson Road #21-05 SBF Center Singapore 068914
Independent Financial Adviser in respect of the Whitewash Resolution	:	Hong Leong Finance Limited 16 Raffles Quay #01-05 Hong Leong Building Singapore 048581
Legal Adviser to the Company as to Singapore law in relation to this Circular	:	RHTLaw Asia LLP 1 Paya Lebar Link #06-08 PLQ 2 Paya Lebar Quarter Singapore 408533
Share Registrar	:	In.Corp Corporate Services Pte. Ltd. 30 Cecil Street #19-08 Prudential Tower Singapore 049712

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout the Circular:

- “1Q2023”** : The three (3)-month financial period ended 30 November 2022
- “1Q2024”** : The three (3)-month financial period ended 30 November 2023
- “Accepted Electronic Services”** : An accepted electronic payment service (such as PayNow) or electronic service delivery networks
- “Act”** : The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
- “Advance Deposit”** : The advance deposit of S\$800,000 from the Undertaking Shareholder
- “ARE”** : Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Proposed Rights Issue
- “ARS”** : Application and acceptance form for Rights Shares to be issued to Purchasers of the provisional allotments of Rights Shares under the Proposed Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
- “Associate”** : (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,
- or such other definitions as the Catalist Rules may from time to time prescribe
- “ATM”** : Automated teller machine of a Participating Bank
- “Board”** : The board of Directors for the time being
- “Catalist”** : The Catalist Board of the SGX-ST

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## DEFINITIONS

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<b>“Catalist Rules”</b>	: The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“Circular”</b>	: This circular to Shareholders dated 28 March 2024
<b>“Closing Date”</b>	: The time and date to be determined by the Directors and announced by the Company in due course, being the last time and date for acceptance of and/or excess application, and payment for and renunciation of the Rights Shares under the Proposed Rights Issue
<b>“Code”</b>	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
<b>“Company”</b>	: Miyoshi Limited
<b>“Constitution”</b>	: The constitution of the Company, as amended, modified or supplemented from time to time
<b>“control”</b>	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
<b>“Controlling Shareholder”</b>	: A person who:  (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or  (b) in fact exercises control over the Company
<b>“Directors”</b>	: The directors of the Company for the time being
<b>“EGM”</b>	: The extraordinary general meeting of the Company, notice of which is set out on pages N-1 to N-4 of this Circular
<b>“Entitled Depositors”</b>	: Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Record Date or who had, at least three (3) Market Days prior to the Record Date, provided the CDP with addresses in Singapore for the service of notices and documents
<b>“Entitled Scripholders”</b>	: Shareholders whose share certificates are not deposited with CDP and persons who have tendered to the Share Registrar, valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date and whose registered addresses with the Share Registrar are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the services of notices and documents

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## DEFINITIONS

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<b>“Entitled Shareholders”</b>	: Entitled Depositors and Entitled Scripholders, collectively
<b>“Excess Rights Shares”</b>	: Entitled Shareholders will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue
<b>“Existing Issued Share Capital”</b>	: The issued share capital of the Company comprising 663,138,587 Shares (excluding 16,358,600 treasury shares) as at the Latest Practicable Date
<b>“Foreign Purchasers”</b>	: Purchasers whose registered addresses with CDP are outside Singapore and who had not, at least three (3) Market Days prior to the Record Date, provided to CDP, addresses in Singapore for the service of notices and documents
<b>“Foreign Shareholders”</b>	: Shareholders whose registered addresses with CDP or the Company outside Singapore as at the Record and who have not, at least three (3) Market Days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<b>“FY”</b>	: The financial year ended 31 August
<b>“Group”</b>	: The Company and its subsidiaries, collectively and each a <b>“Group Company”</b>
<b>“IFA”</b>	: Hong Leong Finance Limited, the independent financial adviser appointed to advise the Recommending Directors in relation to the Whitewash Resolution
<b>“IFA Letter”</b>	: The letter dated 28 March 2024 from the IFA to the Recommending Directors in relation to the Whitewash Resolution set out in <b>Appendix A</b> to this Circular
<b>“Independent Shareholders”</b>	: Shareholders who are deemed to be independent for the purposes of the Whitewash Resolution, being Shareholders other than the SF Concert Party Group and parties not independent of them
<b>“Irrevocable Undertaking”</b>	: The irrevocable undertakings dated 28 November 2023 given by the Undertaking Shareholder in favour of the Company, details of which are disclosed in Section 2.11 of this Circular
<b>“Issue Price”</b>	: The issue price of the Rights Shares, being S\$0.004 for each Rights Share
<b>“Latest Practicable Date”</b>	: 14 March 2024, being the latest practicable date prior to the publication of this Circular
<b>“LPS”</b>	: Loss per Share
<b>“LQN”</b>	: The listing and quotation notice for the dealing in, listing of and quotation for the Rights Shares and the Excess Rights Shares on the Catalist board of the SGX-ST

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## DEFINITIONS

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- “Manager”** : Asian Corporate Advisors Pte. Ltd.
- “Market Day”** : A day on which the SGX-ST is open for trading in securities
- “MAS”** : The Monetary Authority of Singapore
- “Maximum Scenario”** : Based on the Existing Issued Share Capital and assuming no new Shares are issued on or prior to the Record Date and all Entitled Shareholders subscribe in full and pay for their *pro rata* entitlements of Rights Shares, the Company will allot and issue up to 497,353,940 Rights Shares under the Proposed Rights Issue
- “Minimum Scenario”** : Assuming that:
- (a) there is no change in the Existing Issued Share Capital on or prior to the Record Date; and
  - (b) none of the Entitled Shareholders subscribe for their *pro rata* entitlements of the Rights Shares other than the Undertaking Shareholder who subscribes and pays for (or procures the subscription and payment for) the Rights Shares in accordance with the Irrevocable Undertaking as further described in Section 2.11 of this Circular,
- 200,000,000 Rights Shares will be issued, and the enlarged issued share capital of the Company will increase to 863,138,587 Shares upon the allotment and issuance of such number of Rights Shares at completion of the Proposed Rights Issue
- “Net Proceeds”** : The net proceeds from the Proposed Rights Issue, after deducting the estimated expenses in connection with the Proposed Rights Issue
- “Notice of EGM”** : The notice of EGM as set out on pages N-1 to N-4 of this Circular, for the purposes of considering and, if thought fit, passing with or without modifications, the resolutions as set out therein
- “NTA”** : Net tangible assets
- “Offer Information Statement”** : The offer information statement referred to in Section 277 of the SFA, together with the ARE, the ARS, the PAL and all other accompanying documents (where applicable, including any supplementary or replacement document thereof) to be issued by the Company and to be lodged with the SGX-ST, acting as agent on behalf of MAS in connection with the Proposed Rights Issue
- “Ordinary Resolutions”** : The ordinary resolutions set out in the Notice of EGM

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## DEFINITIONS

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<b>“PAL”</b>	: The provisional allotment letter to be issued to Entitled Scripholders, setting out their provisional allotment of Rights Shares under the Proposed Rights Issue
<b>“Participating Banks”</b>	: The banks that will be participating in the Proposed Rights Issue by making available their ATMs and Accepted Electronic Services to Entitled Depositors and Purchasers for acceptances of the Rights Shares and/or applications for Excess Rights Shares, and to be set out in the Offer Information Statement in due course
<b>“Proposed Rights Issue”</b>	: The proposed renounceable non-underwritten rights issue of up to 497,353,940 Rights Shares at the Issue Price on the basis of three (3) Rights Shares for every four (4) existing Shares held by Entitled Shareholders as at the Record Date to be determined, fractional entitlements to be disregarded
<b>“Proposed Transactions”</b>	: The Proposed Rights Issue and the Whitewash Resolution, collectively
<b>“Proposed Whitewash Resolution”</b> or <b>“Whitewash Resolution”</b>	: The resolution proposed which requires approval by way of a poll by a majority of Independent Shareholders present and voting at the EGM to waive their rights to receive a mandatory general offer from the Undertaking Shareholder pursuant to Rule 14 of the Code and the Whitewash Waiver, further details of which are found in Section 3 of this Circular
<b>“Purchaser”</b>	: A purchaser of the provisional allotments of Rights Shares traded on the SGX-ST through the book-entry (scripless) settlement system
<b>“Recommending Directors”</b>	: The Directors who are regarded as independent in relation to the Whitewash Resolution, being Lo Kim Seng and Low See Lien
<b>“Record Date”</b>	: The time and date (to be announced by the Company) at and on which, subject to the approval of the Proposed Rights Issue being obtained at the EGM, the Register of Members and the Share Transfer Books of the Company will be closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Proposed Rights Issue
<b>“Register of Members”</b>	: Register of members of the Company
<b>“Rights Shares”</b>	: Up to 497,353,940 new Shares to be allotted and issued by the Company pursuant to the Proposed Rights Issue, each a <b>“Rights Share”</b>
<b>“Securities Account”</b>	: The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<b>“SF Associates”</b>	: Pek Yee Chew, Sin Shi Min, Andrea, and Sin Shi Han, Kenneth, collectively
<b>“SF Concert Party Group”</b>	: The Sin Family, Tan Tek Wee, Biondi and Pek Ee Perh, Thomas, and persons acting in concert with them, collectively



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## DEFINITIONS

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<b>“SFA”</b>	: The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“SGXNet”</b>	: The SGXNet Corporate Announcement System
<b>“Share Registrar”</b>	: The share registrar of the Company, In.Corp Corporate Services Pte. Ltd.
<b>“Shareholder(s)”</b>	: The registered holders of Shares in the Register of Members, except that where the registered holder is the CDP, the term <b>“Shareholders”</b> shall mean the Depositors into whose Securities Accounts are credited with Shares
<b>“Shares”</b>	: Ordinary shares in the capital of the Company and each a <b>“Share”</b>
<b>“SIC”</b>	: The Securities Industry Council of Singapore
<b>“SIC Conditions”</b>	: Conditions imposed by the SIC to which the Whitewash Waiver is subject, details of which are set out in Section 3.2.1 of this Circular
<b>“Sin Family”</b>	: The Undertaking Shareholder, Pek Yee Chew, Sin Shi Min, Andrea, Sin Shi Han, Kenneth and Sin Kwong Chong, Augustine, collectively
<b>“Sponsor”</b>	: SAC Capital Private Limited
<b>“Substantial Shareholder”</b>	: A person who has an interest in the Shares (excluding treasury shares), the total votes attached to which are not less than 5% of the total votes attached to all the voting Shares of the Company
<b>“Undertaking Shareholder”</b>	: Sin Kwong Wah, Andrew
<b>“Whitewash Waiver”</b>	: The waiver granted by the SIC of the obligations of the Undertaking Shareholder to make a mandatory general offer under Rule 14 of the Code in the event that the Undertaking Shareholder incurs an obligation to do so as a result of his subscription of his <i>pro rata</i> entitlement of Rights Shares and any Excess Rights Shares pursuant to the Irrevocable Undertaking. The waiver granted to the Undertaking Shareholder is subject to the satisfaction of the SIC Conditions. Please refer to Section 3.2 of this Circular for more information in this regard
<b>“S\$” and “cents”</b>	: Singapore dollars and cents respectively, unless otherwise stated
<b>“%”</b>	: Per centum or percentage

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## DEFINITIONS

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The terms “**Depositor**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The term “**treasury shares**” has the meaning ascribed to it in Section 4 of the Act.

The term “**subsidiary**” has the meaning ascribed to it in Section 5 of the 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 and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any term defined under the Act, the SFA, the Code, the Catalist Rules or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Act, the SFA, the Code the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the table included in this Circular between the listed amounts and the totals are due to rounding. Accordingly, figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### MIYOSHI LIMITED

(Company Registration Number 198703979K)  
(Incorporated in the Republic of Singapore)

**Directors:**

Lo Kim Seng *(Independent Non-Executive Chairman)*  
Andrew Sin Kwong Wah *(Executive Director and Chief Executive Officer)*  
Low See Lien *(Independent Non-Executive Director)*  
Thomas Pek Ee Perh *(Non-Independent Non-Executive Director)*

**Registered Office:**

26 Boon Lay Way  
#01-80  
Tradehub 21  
Singapore 609970

28 March 2024

To: The Shareholders of Miyoshi Limited

Dear Sir / Madam,

- (I) **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 497,353,940 NEW ORDINARY SHARES (“RIGHTS SHARES”) OF THE COMPANY AT AN ISSUE PRICE OF S\$0.004 (“ISSUE PRICE”) ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY FOUR (4) EXISTING ORDINARY SHARES OF THE COMPANY (“SHARES”) HELD AS AT THE RECORD DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
- (II) **THE PROPOSED WHITEWASH RESOLUTION BY THE INDEPENDENT SHAREHOLDERS FOR THE WAIVER OF THEIR RIGHTS TO RECEIVE A MANDATORY GENERAL OFFER FOR THE COMPANY FROM THE UNDERTAKING SHAREHOLDER AS A RESULT OF THE SUBSCRIPTION OF RIGHTS SHARES PURSUANT TO THE PROPOSED RIGHTS ISSUE.**

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## 1. INTRODUCTION

### 1.1. Previous Announcement

On 28 November 2023, the Company announced, amongst others:

- (a) that it is proposing to undertake a renounceable non-underwritten rights issue (the **“Proposed Rights Issue”**) of up to 497,353,940 Rights Shares at the Issue Price, on the basis of three (3) Rights Shares for every four (4) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded;
- (b) that the Undertaking Shareholder has provided the Company with the Irrevocable Undertaking, details of which are found in Section 2.11 of this Circular; and
- (c) that the Proposed Rights Issue will be subject to and conditional upon, amongst others, the Whitewash Waiver having been granted by the SIC and Independent Shareholders' approval for the Whitewash Resolution.

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## LETTER TO SHAREHOLDERS

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### 1.2. EGM

The Directors are convening an EGM to be held on 12 April 2024 to seek Shareholders' approval for:

- (a) the Proposed Rights Issue; and
- (b) the Whitewash Resolution

(collectively, the “**Proposed Transactions**”).

### 1.3. Conditionality

Shareholders should note that the passing of Ordinary Resolution 2 (the Whitewash Resolution) is conditional upon the passing of Ordinary Resolution 1 (the Proposed Rights Issue). If Ordinary Resolution 1 is not passed at the EGM, Ordinary Resolution 2 will not be tabled.

For the avoidance of doubt, in the event that Ordinary Resolution 2 is not carried out, the Company may still proceed to with the Proposed Rights Issue except that the number of Rights Shares to be allotted and issued will be dependent on the level of subscription of the Proposed Rights Issue so that the SF Concert Party Group will not hold 30% or more interest in the Company after the completion of the Proposed Rights Issue.

### 1.4. Circular

The purpose of this Circular is to provide Shareholders with the relevant information in relation to the above, and to seek the approval of Shareholders at the EGM for the matters set out in this Circular.

### 1.5. Disclaimer

The SGX-ST assumes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained in this Circular.

## 2. THE PROPOSED RIGHTS ISSUE

### 2.1. Introduction

On 28 November 2023, the Company announced the Proposed Rights Issue. In the announcement, it was stated that the Proposed Rights Issue was subject to, *inter alia*, the approval of the Shareholders, which will be sought at the EGM. The Company has appointed Asian Corporate Advisors Pte. Ltd. as the Manager for the Proposed Rights Issue.

### 2.2. Rationale for the Proposed Rights Issue

The Proposed Rights Issue is a means of fundraising to (i) settle partially certain bank borrowings of the Group; and (ii) improve the Group's working capital position and strengthen the Group's financial position (being the enhancement of the Company's capital base and reduction in reliance on bank borrowings). This would in turn supplement the financial resources (including cash) available to the Group, thereby providing the financial flexibility for the Group's existing and future operations and allow the Group to seize any opportunities for business growth and expansion into other business areas in a timely manner as and when opportunities arise. A stronger financial position will also enhance the Group's ability to

## LETTER TO SHAREHOLDERS

formulate, strategize and execute business plans given the need to improve the Group's financial performance. The Group has certain credit facilities available as at the Latest Practicable Date, however the Board notes the current high interest rates for the said credit facilities.

In addition, the Proposed Rights Issue is priced to encourage participation of all Shareholders in the Company's capital and would also provide current Shareholders who are confident of the prospects of the Company with the opportunity to further participate in the equity of the Company and maintain their equity stake in the Company at a discounted price. The Issue Price and discount were arrived at after taking into consideration factors stated in Section 2.3 below.

For the foregoing reasons, the Board is of the view that the Proposed Rights Issue would be in the interests of the Group and the Shareholders.

### 2.3. Principal Terms of the Proposed Rights Issue

<b>Issue Price</b>	S\$0.004 per Rights Share
<b>Discount (specifying benchmarks and periods)</b>	<p>The Issue Price represents a discount of approximately:</p> <p>(i) 69.2% to the volume weighted average price (“<b>VWAP</b>”) of S\$0.0130 and 69.2% to the closing price of S\$0.0130 per Share on the Catalist on 20 November 2023, being the last full Market Day on which the Shares were traded on the Catalist immediately prior to the day on which the Proposed Rights Issue is announced (“<b>Last Trading Day</b>”); and</p> <p>(ii) 56.3% to the theoretical ex-rights price of S\$0.0091 per Share.<sup>(1)</sup></p> <p>The Issue Price and the discount have been determined taking into account, <i>inter alia</i>, the prevailing market conditions (being general economics, interest rate, market conditions, sentiments and uncertainties), the issue price, market price and also the discounts from the relevant market prices and theoretical ex-rights prices for such past rights issue transactions on the Catalist for the past three (3) years, and the rationale for the Proposed Rights Issue as stated above at Section 2.2.</p>
<b>Allotment Ratio</b>	Three (3) Rights Shares for every four (4) existing Shares held by Entitled Shareholders as at the Record Date.
<b>Use of Proceeds</b>	Please refer to Section 2.8 of this Circular.
<b>Purpose of Issue</b>	Please refer to Section 2.2 of this Circular.
<b>Shareholders' Approval</b>	The Proposed Rights Issue is subject to, <i>inter alia</i> , the approval of Shareholders at the EGM. Please refer to Section 2.5 of this Circular for more information regarding the conditions of the Proposed Rights Issue.

## LETTER TO SHAREHOLDERS

<p><b>Ranking of the Rights Shares</b></p>	<p>The Rights Shares will be payable in full upon acceptance and/or application. The Rights Shares, when issued and allotted, will rank <i>pari passu</i> in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.</p>
<p><b>Non-underwritten</b></p>	<p>The Proposed Rights Issue will not be underwritten. The Directors are of the opinion after taking into account the Irrevocable Undertaking provided by the Undertaking Shareholder, credit facilities available to the Group, and the Undertaking Shareholder's commitment to continue providing financial support as and when required for a period of up to 18 months from completion of the Proposed Rights Issue, there is no minimum amount which must be raised from the Proposed Rights Issue. Accordingly, the Company has decided to undertake the Proposed Rights Issue on a non-underwritten basis in view of the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and commission. The Proposed Rights Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Catalist Rules.</p> <p>The estimated fees and expenses for the Proposed Rights Issue of approximately S\$250,000 is approximately 12.6% and 31.3% of the gross proceeds from the Proposed Rights Issue under the Maximum and Minimum Scenarios of approximately S\$2,000,000 and S\$800,000 respectively.</p>
<p><b>Option to Scale Down Subscription</b></p>	<p>Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares and/or excess applications for Rights Shares by any Shareholder (if such Shareholder chooses to subscribe for its <i>pro rata</i> Rights Shares entitlement and/or apply for Excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with him in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully; or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting.</p>
<p><b>Offer Information Statement</b></p>	<p>The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors, after consultation with the Manager, may deem fit. The final terms and conditions of the Proposed Rights Issue, including the procedures for acceptances and applications for the Rights Shares, will be contained in the Offer Information Statement and its accompanying documents to be lodged with the SGX-ST, acting as agent on behalf of the MAS, and to be despatched or disseminated by the Company to the Entitled Shareholders in due course.</p>

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## LETTER TO SHAREHOLDERS

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**Note:**

- (1) The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Proposed Rights Issue, and is calculated based on the closing price for the Share on 20 November 2023, and the number of Shares following completion of the Proposed Rights Issue.

### 2.4. Issue Size

As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprises of 663,138,587 Shares (excluding 16,358,600 treasury shares) (the “**Existing Issued Share Capital**”) and assuming no new Shares are issued on or prior to the Record Date and all Entitled Shareholders subscribe in full and pay for their *pro rata* entitlements of Rights Shares, the Company will allot and issue up to 497,353,940 Rights Shares under the Proposed Rights Issue.

As at the Latest Practicable Date, the Company does not hold any subsidiary holdings and has no existing warrants or other convertibles.

#### 2.4.1 Minimum Scenario

Based on the Existing Issued Share Capital, 200,000,000 Rights Shares will be issued under the Minimum Scenario, which represents approximately 30.2% and 23.2% of the Existing Issued Share Capital and the enlarged issued share capital of the Company, respectively. The enlarged share capital of the Company after the completion of the Proposed Rights Issue will be 863,138,587 Shares.

#### 2.4.2 Maximum Scenario

Based on the Existing Issued Share Capital, 497,353,940 Rights Shares will be issued under the Maximum Scenario, which represents approximately 75.0% of the Existing Issued Share Capital and 42.9% of the enlarged issued share capital of the Company. The enlarged share capital of the Company after the completion of the Proposed Rights Issue will be 1,160,492,527 Shares.

### 2.5. Conditions for the Proposed Rights Issue

Shareholders should note that the Proposed Rights Issue is subject to, *inter alia*, the following conditions:

- (a) the Whitewash Waiver having been granted by the SIC of the requirement on the part of the Undertaking Shareholder to make a mandatory general offer under Rule 14 of the Code as result of (i) the Undertaking Shareholder subscribing for his *pro rata* entitlement of the Rights Shares and applying for Excess Rights Shares pursuant to the Irrevocable Undertaking; and (ii) the Whitewash Waiver not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue;
- (b) approval having been obtained from the Shareholders at the EGM for the Proposed Rights Issue, including, *inter alia*, the allotment and issue of the Rights Shares;
- (c) approval having been obtained from Independent Shareholders at the EGM for the Whitewash Resolution;

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## LETTER TO SHAREHOLDERS

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- (d) the receipt of LQN from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Issue) for the dealing in, listing of and quotation for the Rights Shares on the Catalist and, where the LQN is subject to conditions, such conditions being acceptable to the Company;
- (e) all conditions of the Whitewash Waiver and the LQN having been complied with;
- (f) the lodgement of the Offer Information Statement, together with all other necessary accompanying documents, in connection with the Proposed Rights Issue with the SGX-ST, acting as an agent on behalf of the MAS; and
- (g) all other necessary approvals, consents and/or waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights Issue and to give effect to the Proposed Rights Issue, being obtained and not having been withdrawn or revoked before the completion of the Proposed Rights Issue.

The Company has received SIC's Whitewash Waiver on 26 January 2024. Please refer to Section 3.2 of this Circular for more information on the Whitewash Waiver. As at the Latest Practicable Date, only the condition under Section 2.5(a) has been met. The EGM has been held to obtain approvals for conditions under Sections 2.5(b) and 2.5(c).

### **2.6. Provisional Allotments and Excess Applications**

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renouncement or, in the case of Entitled Depositors, trade (during the "nil-paid" rights trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares will be eligible to apply for Excess Rights Shares.

Entitlements which are not allotted or taken up for any reason will be aggregated and issued to satisfy applications, if any, for Excess Rights Shares or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Catalist Rules.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights Issue or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The Company will not make any issuance and allotment of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares and for the applications for Excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

Shareholders who hold odd lots of the Rights Shares, and who wish to trade in odd lots on the Catalist should note that they will be able to do so on the Unit Share Market.



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### 2.7. Eligibility of Entitled Shareholders to participate in the Proposed Rights Issue

#### 2.7.1 Entitled Shareholders

The Company proposes to provisionally allot the Rights Shares to the Entitled Shareholders, comprising the Entitled Depositors and the Entitled Scripholders. Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and receive the Offer Information Statement together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the CDP or the Share Registrar, as the case may be.

(a) Entitled Depositors

**“Entitled Depositors”** are Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date provided CDP with addresses in Singapore for the service of notices and documents.

Entitled Depositors will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Record Date.

(b) Entitled Scripholders

**“Entitled Scripholders”** are Shareholders whose share certificates are not deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the share certificates relating thereto for registration up to 5.00 p.m. (Singapore time) on the Record Date and whose registered addresses with the Company are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date provided the Share Registrar with addresses in Singapore for the service of notices and documents.

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Record Date by the Share Registrar, in order to be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

#### 2.7.2 Foreign Shareholders

The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

**For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will NOT be despatched to Foreign Shareholders and who have not, at least three (3) Market Days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents and accordingly, the Rights Shares will NOT be offered to Foreign Shareholders.**

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The Offer Information Statement and its accompanying documents will not be despatched, lodged, registered or filed in any jurisdiction other than Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights Issue and no provisional allotment of Rights Shares will be made to Foreign Shareholders. No purported acceptance thereof or application for any Excess Rights Shares therefor by any Foreign Shareholder will be valid. The Offer Information Statement and its accompanying documents will also NOT be despatched to Foreign Purchasers. Foreign Purchasers may not accept any "nil-paid" rights credited to their Securities Account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold "nil-paid" on the SGX-ST, as soon as practicable, after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register maintained by CDP as at the Record Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Manager, the Share Registrar, or CDP and their respective officers in connection therewith.

Where the provisional allotments of Rights Shares are sold "nil-paid" on the Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Manager, the Share Registrar, or CDP and their respective officers in connection therewith. If such provisional allotments of Rights Shares cannot be sold or are not sold on the Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for Excess Rights Shares or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Sponsor, the Manager, the Share Registrar, or CDP and their respective officers in connection therewith.

**SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE PROPOSED RIGHTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, TO (I) CDP AT 2 SHENTON WAY, #02-02, SGX CENTRE 1, SINGAPORE 068804 OR (II) MIYOSHI LIMITED C/O IN.CORP CORPORATE SERVICES PTE. LTD. AT 30 CECIL STREET, #19-08, PRUDENTIAL TOWER, SINGAPORE 049712, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE RECORD DATE.**

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### 2.8. Use of Proceeds

#### 2.8.1 Minimum Scenario

In the Minimum Scenario, the Net Proceeds will be approximately S\$550,000 (after deducting estimated expenses of approximately S\$250,000). Estimated fee and expenses of S\$250,000 constitutes approximately 31.3% of the gross proceeds in the Minimum Scenario.

#### 2.8.2 Maximum Scenario

In the Maximum Scenario, the estimated Net Proceeds (after deducting estimated expenses of approximately S\$250,000) will be approximately S\$1,739,416. Estimated fee and expenses of S\$250,000 constitutes approximately 12.6% of the gross proceeds in the Maximum Scenario.

#### 2.8.3 Utilisation of Net Proceeds

The Company intends to use the Net Proceeds raised from the Proposed Rights Issue in the follow manner:

##### *Minimum Scenario*

<b>Purpose</b>	<b>Amount (S\$)</b>	<b>Percentage Allocation (%)</b>
Bank borrowings of the Group	550,000	100
<b>Total</b>	<b>550,000</b>	<b>100</b>

##### *Maximum Scenario*

<b>Purpose</b>	<b>Amount (S\$)</b>	<b>Percentage Allocation (%)</b>
Bank borrowings of the Group	550,000	31.6
General working capital requirements	1,189,416	68.4
<b>Total</b>	<b>1,739,416</b>	<b>100</b>

Based on the unaudited financial statements of the Group for 1Q2024, the Group and the Company have positive working capital of S\$3.6 million and negative working capital of S\$3.2 million as at 30 November 2023 respectively. In relation to the Net Proceeds to be utilised for general working capital purposes, it includes but is not limited to, payments of operating expenses and costs, continuing listing expenses, staff salaries and other administrative expenses.

Pending deployment of the Net Proceeds for the purposes stated, the Net Proceeds will be deposited with banks and/or financial institutions, invested in short-term money markets or marketable securities or used for other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Group.

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The Company will make periodic announcements on the utilisation of Net Proceeds as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated in the Offer Information Statement and provide a status report on the use of the Net Proceeds in the Company's annual reports until such time the Net Proceeds have been fully utilised. Where the proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds in the announcements and status reports. Where there is a material deviation in the use of the Net Proceeds, the Company will announce the reasons for such deviation.

### 2.9. Listing and Quotation of the Rights Shares

As at the Latest Practicable Date, an application will be made by the Company, through its Sponsor, to the SGX-ST for the listing and quotation for the Rights Shares on the Catalist. An appropriate announcement will be made in due course when the Company receives the LQN from the SGX-ST.

### 2.10. Previous Equity Fundraising

The Company has not undertaken any equity fundraising exercise in the past twelve (12) months.

### 2.11. Irrevocable Undertaking

#### 2.11.1 Undertaking Shareholder

As at the Latest Practicable Date, the Undertaking Shareholder holds directly 117,624,800 Shares representing approximately 17.7% of the Existing Issued Share Capital. In addition, he is deemed to have an interest in 46,444,000 Shares held by his spouse, Pek Yee Chew, 1,500,000 Shares held by his daughter, Sin Shi Min, Andrea and 782,500 Shares held by his son, Sin Shi Han, Kenneth. For the avoidance of doubt, the Undertaking Shareholder is not interested in the shares held by his brother, Sin Kwong Chong, Augustine.

To demonstrate his support for the Proposed Rights Issue, the Undertaking Shareholder has executed an irrevocable deed of undertaking dated 28 November 2023 ("**Irrevocable Undertaking**"), pursuant to which, among others:

- (a) the Undertaking Shareholder has undertaken to ensure that the aggregate registered shareholding of the Undertaking Shareholder and the SF Associates shall not be less than 166,351,300 Shares from the date of the Irrevocable Undertaking until the close of the Proposed Rights Issue;
- (b) the Undertaking Shareholder will vote and/or procure the voting of, all his and the SF Associates' shareholding, whether held directly or indirectly, in favour of the resolutions relating to the Proposed Rights Issue at the EGM (except the Whitewash Resolution);
- (c) the Undertaking Shareholder will subscribe and pay for (and/or procure the subscription and payment for) his *pro rata* entitlement of 88,218,600 Rights Shares and the SF Associates' *pro rata* entitlement of 36,544,875 Rights Shares pursuant to the Proposed Rights Issue for the subscription amount of S\$499,053.90;
- (d) the Undertaking Shareholder shall subscribe and pay for (and/or procure the subscription and payment for) up to 75,236,525 Excess Rights Shares in excess of his

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provisional allotments under the Proposed Rights Issue which remain unsubscribed for by other Entitled Shareholders or their renounees at the closing date of the Proposed Rights Issue after satisfying all applications and excess applications (if any) for the Rights Shares, on the basis that he will rank last in priority in the rounding of odd lots and allotment of Excess Rights Shares which are not taken up by other Entitled Shareholders; and

- (e) the Undertaking Shareholder shall provide the Advance Deposit to the Company no later than the date when the Company makes an application through its Sponsor to the SGX-ST for the listing and quotation for the Rights Shares on the Catalist, or the Latest Practicable Date (whichever is earlier). This Advance Deposit shall be used towards the satisfaction of his and the SF Associates' subscription amounts pursuant to the Irrevocable Undertaking under the Proposed Rights Issue. As at the Latest Practicable Date, the Company has received the Advance Deposit from the Undertaking Shareholder.

Based on the foregoing, the Undertaking Shareholder has undertaken to subscribe for (or procure the subscription for) an aggregate of up to 200,000,000 Rights Shares for an aggregate subscription amount of up to S\$800,000, with the number of undertaken Shares representing approximately 40.2% of all available Rights Shares.

The Undertaking Shareholder has not been offered additional terms or benefits in connection with the giving of the Irrevocable Undertaking set out above.

In light of the Advance Deposit, the Undertaking Shareholder will not be providing a confirmation of financial resources in connection with his Irrevocable Undertaking to the Company.

### 2.11.2 Conditions pursuant to the Irrevocable Undertaking

The Irrevocable Undertaking is subject to the same conditions as the Proposed Rights Issue as described in Section 2.5 of the Circular.

### 2.12. **Financial Effects of the Proposed Rights Issue**

The *pro forma* financial effects of the Proposed Rights Issue under the Minimum Scenario and the Maximum Scenario presented below:

- (a) are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Proposed Rights Issue;
- (b) are based on the audited consolidated financial statements of the Group for FY2023 and the unaudited consolidated financial statements of the Group for 1Q2024 (as the case may be);
- (c) assume that there is no return earned from the Proposed Rights Issue proceeds;
- (d) assume the estimated expenses in relation to the Proposed Rights Issue is S\$250,000;

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- (e) assume that the Proposed Rights Issue was completed on (i) 31 August 2023 for the purposes of computing the financial effects on the share capital, NTA and gearing as at 31 August 2023; and (ii) 30 November 2023 for the purposes of computing the financial effects on the share capital, NTA and gearing as at 30 November 2023 (as the case may be); and
- (f) assume that the Proposed Rights Issue was completed on (i) 1 September 2022 for the purposes of computing the financial effects on the LPS for FY2023; and (ii) 1 September 2023 for the purposes of computing the financial effects on the LPS for 1Q2024 (as the case may be).

### 2.12.1 Share Capital

	<b>Before the Proposed Rights Issue</b>	<b>Immediately after completion of the Proposed Rights Issue</b>	
		<b>Minimum Scenario</b>	<b>Maximum Scenario</b>
<b>As at 31 August 2023 and 30 November 2023</b>			
Issued and paid-up share capital (S\$'000)	50,377	51,177	52,366
Number of Shares (excluding treasury shares) ('000)	663,139	863,139	1,160,493

### 2.12.2 NTA per Share

	<b>Before the Proposed Rights Issue</b>	<b>Immediately after completion of the Proposed Rights Issue</b>	
		<b>Minimum Scenario</b>	<b>Maximum Scenario</b>
<b>As at 31 August 2023</b>			
NTA attributable to owners of the Company (S\$'000)	27,347	27,897	29,086
Number of Shares (excluding treasury shares) ('000)	663,139	863,139	1,160,493
NTA per Share (cents)	4.12	3.23	2.51
<b>As at 30 November 2023</b>			
NTA attributable to owners of the Company (S\$'000)	27,312	27,862	29,051
Number of Shares (excluding treasury shares) ('000)	663,139	863,139	1,160,493
NTA per Share (cents)	4.12	3.23	2.50

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### 2.12.3 LPS

	Before the Proposed Rights Issue	Immediately after completion of the Proposed Rights Issue	
		Minimum Scenario	Maximum Scenario
<b>FY2023</b>			
Loss attributable to the owners of the Company (S\$'000)	(1,623)	(1,873)	(1,873)
Number of Shares ('000)	663,139	863,139	1,160,493
LPS (cents)	(0.24)	(0.22)	(0.16)
<b>1Q2024</b>			
Loss attributable to the owners of the Company (S\$'000)	(234)	(484)	(484)
Number of Shares ('000)	663,139	863,139	1,160,493
LPS (cents)	(0.04)	(0.06)	(0.04)

### 2.12.4 Gearing

	Before the Proposed Rights Issue	Immediately after completion of the Proposed Rights Issue	
		Minimum Scenario	Maximum Scenario
<b>As at 31 August 2023</b>			
Total bank borrowings (S\$'000)	10,743	10,193	10,193
Shareholder's Equity (S\$'000)	27,374	27,924	29,113
Gearing (times)	0.39	0.37	0.35
<b>As at 30 November 2023</b>			
Total bank borrowings (S\$'000)	10,087	9,537	9,537
Shareholder's Equity (S\$'000)	27,335	27,885	29,074
Gearing (times)	0.37	0.34	0.33

### 2.12.5 Financial Information of the Group

The audited financial statements of the Group (the consolidated income statements, consolidated balance sheets, working capital position and consolidated cash flow statements of the Group) for the last three (3) financial years, being FY2023, FY2022 and FY2021 as well as the review thereof are set out in **Appendix B** to this Circular.

The unaudited consolidated income statements of the Group for 1Q2023 and 1Q2024, and the unaudited consolidated balance sheets, working capital position and consolidated cash flow statements of the Group for 1Q2024, as well as the review thereof are also set out in **Appendix B** to this Circular.

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### 3. THE WHITEWASH RESOLUTION

#### 3.1. General Offer Requirement under the Code

As at the Latest Practicable Date, the shareholding of the SF Concert Party Group are as follows:

Name	Number of Shares	% of Existing Issued Share Capital	% of the enlarged share capital (assuming the Minimum Scenario)
Sin Kwong Wah, Andrew <sup>(1)</sup>	117,624,800	17.7	32.6
Pek Yee Chew	46,444,000	7.0	9.4
Pek Ee Perh, Thomas <sup>(2)</sup>	16,454,500	2.5	1.9
Tan Tek Wee, Biondi <sup>(3)</sup>	3,530,000	0.5	0.4
Sin Shi Min, Andrea	1,500,000	0.2	0.3
Sin Shi Han, Kenneth	782,500	0.1	0.2
Sin Kwong Chong, Augustine <sup>(4)</sup>	136,900	0.02	0.02
<b>Total</b>	<b>186,472,700</b>	<b>28.1</b>	<b>44.8</b>

**Notes:**

- (1) The Undertaking Shareholder is no longer a director of Miyoshi Industry Co Ltd (who holds 50,901,890 Shares constituting approximately 7.7% of the Existing Issued Share Capital). As such, Miyoshi Industry Co Ltd is not deemed to be a party acting in concert with the Undertaking Shareholder.
- (2) Tan Tek Wee, Biondi is the son-in-law of the Undertaking Shareholder. SIC had conveyed that he is presumed to be acting in concert with the Undertaking Shareholder.
- (3) Pek Ee Perh, Thomas (who is the Non-Independent Non-Executive Director of the Company) is the brother-in-law of the Undertaking Shareholder. SIC had conveyed that he is presumed to be acting in concert with the Undertaking Shareholder.
- (4) Sin Kwong Chong, Augustine, is the brother of the Undertaking Shareholder. He is thus deemed to be acting in concert with the Undertaking Shareholder.

As at the Latest Practicable Date, the SF Concert Party Group is not holding to any instrument convertible into, right to subscribe for, or option in respect of Shares in the Company.

Under Rule 14.1 of the Code, 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 30% or more of the voting rights in the Company; or (b) any person who together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1% of the voting rights, he is required to make a mandatory general offer for all the Shares in the Company which he does not already own or control.

Assuming the Minimum Scenario, the aggregate shareholding of the SF Concert Party Group will increase from approximately 28.1% of the Existing Issued Share Capital (based on 663,138,587 Shares) to approximately 44.8% of the enlarged share capital of the Company (based on 863,138,587 Shares) following the completion of the Proposed Rights Issue.



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Accordingly, the fulfilment of the obligations under the Irrevocable Undertaking by the Undertaking Shareholder may result in the SF Concert Party Group obtaining a shareholding interest in the Company of more than 30%. In such an event, the Undertaking Shareholder would incur an obligation to make a mandatory general offer for the Company pursuant to Rule 14 of the Code unless such obligation is waived by the SIC on such terms and conditions as it may impose, and the Whitewash Resolution is approved by Independent Shareholders for waiver of the rights of the Independent Shareholders to receive a mandatory general offer from the Undertaking Shareholder.

### 3.2. Whitewash Waiver

#### 3.2.1 Grant of waiver by SIC

On 26 January 2024, the SIC granted a waiver to the Undertaking Shareholder from the obligation to make a mandatory general offer for the Company under Rule 14 of the Code in the event that aggregate voting rights of SF Concert Party Group reaches or exceeds 30.0% as a result of the Undertaking Shareholder subscribing for his *pro rata* entitlement of Rights Shares and any Excess Rights Shares under the Proposed Rights Issue, pursuant to the Irrevocable Undertaking and subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approving the Whitewash Resolution at a general meeting, before the issuance of securities under the Proposed Rights Issue, by way of poll to waive their rights to receive a mandatory general offer from the Undertaking Shareholder;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the SF Concert Party Group as well as parties not independent of them, abstain from voting on the Whitewash Resolution;
- (d) the SF Concert Party Group did not acquire or is not to acquire any Shares or instruments convertible into and options in respect of the Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular in relation to the Proposed Rights Issue):
  - (i) during the period between 28 November 2023, being the date the Company announced the Proposed Rights Issue, and the date Independent Shareholders' approval is obtained for the Whitewash Resolution; and
  - (ii) in the six (6) months prior to the date of the announcement on 28 November 2023, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors of the Company in relation to the Proposed Rights Issue;
- (e) the Company appoints an independent financial adviser to advise its Independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in its Circular:
  - (i) details of the Proposed Rights Issue and the Irrevocable Undertaking given by the Undertaking Shareholder;

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## LETTER TO SHAREHOLDERS

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- (ii) the dilution effect to existing holders of voting rights upon the issue of the Rights Shares;
  - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares in the Company held by the SF Concert Party Group as at the Latest Practicable Date;
  - (iv) the number and percentage of voting rights to be acquired by the SF Concert Party Group as a result of the Undertaking Shareholder's and the SF Associates' subscription of their *pro rata* entitlement of Rights Shares and any Excess Rights Shares pursuant to the Irrevocable Undertaking; and
  - (v) specific and prominent reference to the fact that shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the SF Concert Party Group at the highest price paid by any of them for the Shares in the six (6) months preceding 28 November 2023;
- (g) the Circular states that Whitewash Waiver is subject to the conditions stated at 3.2.1(a) to 3.2.1(f) above;
  - (h) the Company obtaining SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and
  - (i) to rely on the Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within three (3) months from 26 January 2024, being the date of the Whitewash Waiver, and the subscription of the Rights Shares and any Excess Rights Shares by the SF Concert Party Group pursuant to the Proposed Rights Issue, must be completed within three (3) months of the date of the approval of the Whitewash Resolution,

(collectively, the "**SIC Conditions**").

### 3.2.2 Fulfilment of SIC Conditions

As at the Latest Practicable Date, save for conditions set out in Sections 3.2.1(a), 3.2.1(c), 3.2.1(d)(i) and 3.2.1(i), all the other SIC Conditions set out above have been satisfied. Hong Leong Finance Limited has been appointed as the IFA to the Recommending Directors in relation to the Whitewash Resolution.

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### 3.3. Potential Dilution

#### 3.3.1 Minimum Scenario

Under the Minimum Scenario, the collective shareholding interests of Shareholders (other than the SF Concert Party Group) may be diluted from 71.9% to 55.2%, assuming that the share capital as at the Record Date is the Existing Issued Share Capital. Further details of the potential dilution are set out as below:

Shareholder	Before the Proposed Rights Issue		After the Proposed Rights Issue <sup>(2)</sup>		
	No. of Shares	% <sup>(1)</sup>	No. of Rights Shares subscribed for	Resultant No. of Shares	% <sup>(3)</sup>
Undertaking Shareholder	117,624,800	17.7	163,455,125	281,079,925	32.6
Pek Yee Chew	46,444,000	7.0	34,833,000	81,277,000	9.4
Pek Ee Perh, Thomas	16,454,500	2.5	-	16,454,500	1.9
Tan Tek Wee, Biondi	3,530,000	0.5	-	3,530,000	0.4
Sin Shi Min, Andrea	1,500,000	0.2	1,125,000	2,625,000	0.3
Sin Shi Han, Kenneth	782,500	0.1	586,875	1,369,375	0.2
Sin Kwong Chong, Augustine	136,900	0.02	-	136,900	0.02
<b>SF Concert Party Group</b>	<b>186,472,700</b>	<b>28.1</b>	<b>200,000,000</b>	<b>386,472,700</b>	<b>44.8</b>
Other Shareholders	476,665,887	71.9	-	476,665,887	55.2

\*Percentages in the above table may not add up to the respective totals due to rounding.

#### Notes:

- (1) Based on the Existing Issued Share Capital comprising 663,138,587 Shares (excluding 16,358,600 treasury shares).
- (2) Assuming that:
  - (i) none of the entitled Shareholders (excluding the Undertaking Shareholder and the SF Associates) subscribe for their *pro rata* entitlements of Rights Shares under the Proposed Rights Issue and/or apply for Excess Rights Shares; and
  - (ii) the Undertaking Shareholder (pursuant to the Irrevocable Undertaking) subscribes for (or procures the subscription for) his *pro rata* entitlement of 88,218,600 Rights Shares, the SF Associates' *pro rata* entitlement of 36,544,875 Rights Shares under the Proposed Rights Issue and 75,236,525 Excess Rights Shares,
  - (iii) up to 200,000,000 Rights Shares will be issued under the Proposed Rights Issue.
- (3) Upon completion of the Proposed Rights Issue, under the Minimum Scenario, the enlarged share capital of the Company will comprise of 863,138,587 Shares (excluding treasury Shares).

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## LETTER TO SHAREHOLDERS

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### 3.3.2 Maximum Scenario

Under the Maximum Scenario, there is no dilutive effect on any Shareholder.

### 3.4. **Whitewash Resolution**

**Independent Shareholders should note that by voting in favour of the Whitewash Resolution, they will be waiving their rights to receive a mandatory general offer for their Shares from the Undertaking Shareholder at the highest price paid by the SF Concert Party Group in the six (6) months preceding the date of the commencement of the offer (i.e. the announcement dated 28 November 2023).**

The Independent Shareholders are asked to vote, by way of a poll, on the Whitewash Resolution set out as Ordinary Resolution 2 in the Notice of EGM.

### 3.5. **Advice from the IFA**

Hong Leong Finance Limited has been appointed as the IFA to advise the Recommending Directors in relation to the Whitewash Resolution. A copy of the IFA Letter, setting out its advice to the Recommending Directors, is reproduced in full in **Appendix A** to this Circular.

Based on the IFA's analysis and after having considered the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the terms of the Proposed Rights Issue are fair and reasonable, and the Whitewash Resolution, when considered in the context of the Proposed Rights Issue, is not prejudicial to the interest of the Independent Shareholders. Accordingly, the IFA has advised the Recommending Directors to recommend that Independent Shareholders vote in favour of the Whitewash Resolution at the EGM.

**Independent Shareholders are advised to read the IFA Letter set out in Appendix A to this Circular in full and consider carefully the IFA's advice and recommendations of the Recommending Directors set out in Section 4.2 of this Circular.**

## 4. **DIRECTORS' STATEMENTS AND RECOMMENDATIONS**

### 4.1. **Proposed Rights Issue**

#### 4.1.1 Recommendation

The Directors, having considered, amongst others, the rationale for the Proposed Rights Issue as set out in Section 2.2 of the Circular, are of the opinion that the Proposed Rights Issue is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating the Proposed Rights Issue, including the allotment and issue of the Rights Shares pursuant to the Proposed Rights Issue, to be proposed at the EGM.

In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, or other professional adviser(s).

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### 4.1.2 Working Capital

As at the Latest Practicable Date, the Directors are of the opinion that under normal business conditions, and without any contingencies, assuming, *inter alia*: (i) the Group is able to maintain its: (a) revenue and profit margins; (b) normal and usual working capital cycle of the Group (in terms of inventory, receivable and trade payable days); and (c) inventory obsolescence level; (ii) no material or adverse changes in revenue, profit margins, material costs, utilities and labour cost or wages, foreign exchange rates; and (iii) the Group is able to collect trade and other receivables, and minimal capital expenditure requirements given the state of the existing property, plant and equipment:

- (a) subject to market and economic conditions as well as the industries for which the Group operates and barring unforeseen circumstances, the current working capital available to the Group is sufficient for its present requirements for the next twelve (12) months after taking into account, *inter alia*, the operating cash flows of the Group, financial resources, the continued compliance with all terms and conditions (including, *inter alia*, covenants) and availability of its existing credit facilities, borrowings available to the Group and the support of existing lenders to the Group, non-operating assets (including, *inter alia*, excess or under-utilised property, plant and equipment and investment properties), and the Undertaking Shareholder's commitment (for a period of up to eighteen (18) months from the completion of the Proposed Rights Issue) to continue providing financial support as and when required; and
- (b) after taking into consideration the factors mentioned in Section 4.1.2(a) above, as well as potential Net Proceeds from the Proposed Rights Issue (where all Entitled Shareholders subscribe for their respective *pro rata* entitlement of Rights Shares), the working capital available to the Group will be sufficient to meet its present requirements for the next twelve (12) months. As mentioned in Section 2.2 of the Circular, proceeds from the Proposed Rights Issue will provide the Group with financial flexibility and augment its cash buffer for existing and future operations.

### 4.2. **Whitewash Resolution**

The Recommending Directors (being Lo Kim Seng and Low See Lien), having considered, amongst others, the rationale for the Proposed Rights Issue as set out in Section 2.2 of the Circular and the advice of the IFA as set out in the IFA Letter in **Appendix A** to this Circular, are of the opinion that the Proposed Rights Issue taken as a whole are fair and reasonable, and the Whitewash Resolution, when considered in the context of the Proposed Rights Issue, is in the best interests of the Company and is not prejudicial to the interests of the Independent Shareholders. Accordingly, the Recommending Directors recommend that the Independent Shareholders vote in favour of the Whitewash Resolution to be proposed at the EGM.

## 5. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this Circular (including but not limited to the Irrevocable Undertaking), none of the Directors or Substantial Shareholders of the Company have any interests, direct or indirect, in the Proposed Transactions (other than through their respective shareholdings in the Company). The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date are set out in **Appendix C** to this Circular.

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## LETTER TO SHAREHOLDERS

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### 6. CONSENTS

#### 6.1. Consent of the Manager

Asian Corporate Advisors Pte. Ltd., the Manager of the Proposed Rights Issue, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular.

#### 6.2. Consent of legal adviser

RHTLaw Asia LLP, named as the legal adviser to the Company in respect of the Circular, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular.

#### 6.3. Consent of the IFA

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA letter (containing the IFA opinion in full) and all references thereto, in the form and context in which they appear in this Circular.

### 7. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 7.1. Appointment of proxies, raising of questions and request form

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and, in any event, if submitted by post, be deposited at the office of the Company's appointed polling agent, Complete Corporate Services Pte Ltd, 10 Anson road, #29-07 International Plaza, Singapore 079903; or if submitted electronically, via email at [miyoshi-egm@ryt-poll.com](mailto:miyoshi-egm@ryt-poll.com), by no later than **10.00 a.m. on 9 April 2024**, being at least 72 hours before the time appointed for holding the EGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time fixed for holding the EGM.

Shareholders may raise questions at the EGM and/or submit questions related to the Ordinary Resolutions to be tabled for approval at the EGM, in advance of the EGM. For Shareholders who would like to submit questions in advance of the EGM, they may do so by 4 April 2024, by post to the office of the Company's polling agent, Complete Corporate Services Pte Ltd, 10 Anson road, #29-07 International Plaza, Singapore 079903, or by email to [kenlew@sg.miyoshi.biz](mailto:kenlew@sg.miyoshi.biz). After the cut-off date for the submission of questions, any subsequent clarifications sought, or follow-up questions will be addressed at the EGM. Shareholders will need to identify themselves when posing questions by post or by email by providing the following details:

- (a) the Shareholder's full name as it appears on his/her/its CDP/CPF/SRS or scrip records;

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## LETTER TO SHAREHOLDERS

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- (b) the Shareholder's NRIC/Passport/UEN number; and
- (c) the manner in which the Member holds his/her/its Shares in the Company (e.g. via CDP/CPF/SRS or scrip).

The Company will endeavour to address all substantial and relevant questions submitted by Shareholders prior to (via SGXNet by 10.00 a.m. on 7 April 2024) or during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the responses made at the EGM to such questions together with the minutes of the EGM on SGXNet and the Company's website at the URL <http://www.miyoshi.biz> within one (1) month after the date of the EGM.

In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts and as permitted under the Company's Constitution, this Circular has been published and is available for download or online viewing at SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.miyoshi.biz>. **Printed copies of this Circular will NOT be sent to Shareholders unless requested by the Shareholders via the submission of the Request Form.** The printed copies of Notice of EGM, Proxy Form and Request Form have been despatched to Shareholders and are also available on SGXNet and the Company's website. Shareholders who wish to receive a printed copy of this Circular are required to complete the Request Form and return it to the Company by post to the office of the Company's registered office at 26 Boon Lay Way #01-80 Tradehub 21 Singapore 609970; or if by email enclosing a clear scanned completed and signed Request Form, be received by [kenlew@sg.miyoshi.biz](mailto:kenlew@sg.miyoshi.biz), no later than 4 April 2024.

### 7.2. Abstention from Voting

Any Shareholder who is interested in the Proposed Transactions should abstain from voting at the EGM in respect of the Ordinary Resolutions relating as set out in the Notice of EGM. Such Shareholders should also not accept nominations as proxies in respect of the aforesaid Ordinary Resolutions, unless specific instructions have been given in the proxy instrument by the Independent Shareholders appointing them on how they wish their votes are to be cast for each of the aforesaid Ordinary Resolutions.

The SF Concert Party Group as well as parties not independent of them shall abstain from voting at the EGM on Ordinary Resolution 2 in relation to the Whitewash Resolution. The SF Concert Party Group as well as parties not independent of them shall also decline to accept appointment as proxies for any Shareholder to vote in respect of the Ordinary Resolution relating to the Whitewash Resolution, unless the Shareholder concerned have given specific instruction in the Proxy form as to the manner in which his/her votes are to be cast in respect of the said Ordinary Resolution.

The Company will disregard any votes cast on Ordinary Resolutions by any Shareholder required to abstain from voting by the Catalist Rules or pursuant to a court order where such court order is served on the Company.

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## LETTER TO SHAREHOLDERS

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### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 Circular in its proper form and context.

### 9. MANAGER'S RESPONSIBILITY STATEMENT

To the best of the Manager's knowledge and belief, this Circular constitutes full and true disclosure of all material facts on the Proposed Transactions, the Company and its subsidiaries, and the Manager is not aware of any facts the omission of which would make any statement in this Circular misleading.

### 10. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company at 26 Boon Lay Way, #01-80, Tradehub 21, Singapore 609970 during normal office hours from the date hereof up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the Irrevocable Undertaking;
- (c) the IFA Letter; and
- (d) the consent letters referred to in Section 6 of this Circular.

Yours faithfully  
for and on behalf of the Board of Directors of  
**MIYOSHI LIMITED**

Sin Kwong Wah, Andrew  
Executive Director and Chief Executive Officer



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## APPENDIX A

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### LETTER FROM HONG LEONG FINANCE LIMITED TO THE RECOMMENDING DIRECTORS OF MIYOSHI LIMITED

28 March 2024

**Miyoshi Limited**  
26 Boon Lay Way  
Tradehub 21  
#01-80  
Singapore 609970

Attention: The Recommending Directors

Dear Sirs,

#### THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS TO RECEIVE A MANDATORY GENERAL OFFER FOR THE COMPANY FROM THE UNDERTAKING SHAREHOLDER AS A RESULT OF THE SUBSCRIPTION OF RIGHTS SHARES PURSUANT TO THE PROPOSED RIGHTS ISSUE

*Unless otherwise defined or the context otherwise requires, all terms used in this letter (“**IFA Letter**”) have the same meanings as defined in the circular dated 28 March 2024 (“**Circular**”) to the shareholders of Miyoshi Limited (“**Shareholders**”). For the purposes of this IFA Letter, the Latest Practicable Date is 14 March 2024 as defined in the Circular.*

#### 1. INTRODUCTION

1.1 On 28 November 2023 (“**Announcement Date**”), the board of directors (“**Directors**”) of Miyoshi Limited (“**Company**”, and together with its subsidiaries, “**Group**”) announced that the Company is proposing a renounceable non-underwritten rights issue (“**Proposed Rights Issue**”) of up to 497,353,940 new ordinary shares in the capital of the Company (“**Rights Shares**”) at an issue price of S\$0.004 for each Rights Share (“**Issue Price**”) on the basis of three (3) Rights Shares for every four (4) existing ordinary shares in the capital of the Company (“**Shares**”) held by Shareholders as at the record date to be determined (“**Announcement**”).

1.2 As at the Announcement Date, the Executive Director and Chief Executive Officer of the Company, Mr Sin Kwong Wah, Andrew, and his associates, namely Mdm Pek Yee Chew, Ms Sin Shi Min, Andrea, Mr Sin Shi Han, Kenneth (“**SF Associates**”) and Mr Sin Kwong Chong, Augustine (collectively, “**Sin Family**”) hold in aggregate 166,488,200 Shares, representing approximately 25.1% of the existing issued share capital of the Company. Mr Sin Kwong Wah, Andrew is the spouse of Mdm Pek Yee Chew, father of Ms Sin Shi Min, Andrea and Mr Sin Shi Han, Kenneth, and brother of Mr Sin Kwong Chong, Augustine.

In addition, Mr Tan Tek Wee, Biondi who holds 3,530,000 Shares, representing approximately 0.5% of the existing issued share capital of the Company, and Mr Pek Ee Perh, Thomas who holds 16,454,500 Shares, representing approximately 2.5% of the existing issued share capital of the Company, are the son-in-law and brother-in-law of Mr Sin Kwong Wah, Andrew, respectively (Sin Family together with Mr Tan Tek Wee, Biondi and Mr Pek Ee Perh, Thomas, “**SF Concert Party Group**”). Accordingly, the SF Concert Party Group hold in aggregate 186,472,700 Shares, representing approximately 28.1% of the existing issued share capital of the Company.

As at the Latest Practicable Date, the Company has an existing issued and paid-up share capital comprising 663,138,587 Shares (excluding 16,358,600 treasury shares) (“**Existing Issued Share Capital**”).

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To demonstrate his support and commitment to the Company and the Proposed Rights Issue, Mr Sin Kwong Wah, Andrew (“**Undertaking Shareholder**”) has provided the Company with an irrevocable deed of undertaking dated 28 November 2023 (“**Irrevocable Undertaking**”) to, *inter alia*, (i) subscribe for and pay in full for his *pro rata* entitlement of 88,218,600 Rights Shares and the SF Associates’ *pro rata* entitlement of 36,544,875 Rights Shares (124,763,475 Rights Shares in aggregate); and (ii) subscribe for and pay in full for up to 75,236,525 excess Rights Shares (“**Excess Rights Shares**”), if available.

Based on the foregoing, the Undertaking Shareholder has undertaken to subscribe for an aggregate of up to 200,000,000 Rights Shares for an aggregate subscription amount of S\$0.8 million, with the number of undertaken Shares representing approximately 40.2% of all available Rights Shares.

- 1.3 Under Rule 14.1 of the Singapore Code on Take-overs and Mergers (“**Code**”), 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) carrying 30% or more of the voting rights in the company; or (b) any person who together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the company and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1% of the voting rights (each a “**Mandatory Offer Threshold**”), he is required to make a mandatory general offer for all the shares in the company which he does not already own or control (“**Mandatory Offer**”).

In view of the Irrevocable Undertaking by the Undertaking Shareholder, the subscription of the Rights Shares may potentially result in the SF Concert Party Group holding an aggregate shareholding interest which is equal to or more than 30% in the Company after the completion of the Proposed Rights Issue, and thus trigger the Mandatory Offer Threshold. In such an event, the Undertaking Shareholder would incur an obligation to make the Mandatory Offer pursuant to Rule 14.1(a) of the Code, unless such obligation is waived by the Securities Industry Council (“**SIC**”). Accordingly, an application has been made to the SIC for, *inter alia*, a waiver of the obligation of the Undertaking Shareholder to make the Mandatory Offer as a result of his subscription to the Rights Shares pursuant to the Irrevocable Undertaking (“**Whitewash Waiver**”).

The SIC has on 26 January 2024 granted the Whitewash Waiver to the Undertaking Shareholder in the event that the SF Concert Party Group incurs an obligation to make a Mandatory Offer as a result of the Undertaking Shareholder subscribing for up to 200,000,000 Rights Shares under the Irrevocable Undertaking, subject to the satisfaction of certain conditions, including *inter alia*, (i) the approval of the proposed whitewash resolution (“**Proposed Whitewash Resolution**”) by the majority of Shareholders who are deemed independent of the SF Concert Party Group (“**Independent Shareholders**”) voting by way of a poll at the EGM to waive their rights to receive a general offer from the Undertaking Shareholder; and (ii) the appointment of an independent financial adviser (“**IFA**”) to advise the Independent Shareholders on the Proposed Whitewash Resolution.

Accordingly, the Company is seeking the approval of Shareholders for the Proposed Rights Issue and the Proposed Whitewash Resolution at the forthcoming extraordinary general meeting to be held on 12 April 2024 (“**EGM**”), and Hong Leong Finance Limited (“**HLF**”) has been appointed as the IFA to advise on the Proposed Whitewash Resolution.

- 1.4 As at the Latest Practicable Date, the Directors are as follows:
- |       |                          |  |
|-------|--------------------------|--|
| (i)   | Mr Sin Kwong Wah, Andrew | (Executive Director)                         |
| (ii)  | Mr Lo Kim Seng           | (Independent Director)                       |
| (iii) | Mr Low See Lien          | (Independent Director)                       |
| (iv)  | Mr Pek Ee Perh, Thomas   | (Non-Independent and Non-Executive Director) |

Mr Sin Kwong Wah, Andrew, being a member of the Sin Family and the SF Concert Party Group, is not considered independent in respect of the Proposed Whitewash Resolution.

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Accordingly, he will abstain from deliberating and making any recommendation as a Director in respect of the Proposed Whitewash Resolution.

Mr Pek Ee Perh, Thomas, being a member of the SF Concert Party Group, is also not considered independent in respect of the Proposed Whitewash Resolution. Accordingly, he will also abstain from deliberating and making any recommendation as a Director in respect of the Proposed Whitewash Resolution.

Hence, save for Mr Sin Kwong Wah, Andrew and Mr Pek Ee Perh, Thomas, the remaining Directors, namely, Mr Lo Kim Seng and Mr Low See Lien are considered independent for purposes of making the recommendation to Independent Shareholders in relation to the Proposed Whitewash Resolution (“**Recommending Directors**”).

This IFA Letter is therefore addressed to the Recommending Directors and sets out, *inter alia*, our evaluation and opinion on the Proposed Whitewash Resolution. This IFA Letter forms part of the Circular which provides, *inter alia*, the details of the Proposed Rights Issue and the Proposed Whitewash Resolution, and the recommendation of the Recommending Directors to the Independent Shareholders.

## 2. TERMS OF REFERENCE

HLF is neither a party to the negotiations or discussions in relation to the Proposed Rights Issue and the Proposed Whitewash Resolution, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Rights Issue or to obtain the approval from Shareholders for the Proposed Rights Issue and/or the Proposed Whitewash Resolution, and we do not, by this IFA Letter, warrant the merits of the Proposed Rights Issue and/or the Proposed Whitewash Resolution, other than to express an opinion on whether the Proposed Rights Issue which is the subject of the Proposed Whitewash Resolution is fair and reasonable and the Proposed Whitewash Resolution, when considered in the context of the Proposed Rights Issue, is not prejudicial to the interests of the Independent Shareholders.

We have limited our evaluation to the Proposed Rights Issue and Proposed Whitewash Resolution. Our terms of reference do not require us to evaluate or comment on the legal, strategic and commercial merits and/or risks (if any) of the Proposed Rights Issue and/or the Proposed Whitewash Resolution, or to compare their relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluations or comments. Such evaluations or comments remain the sole responsibility of the Directors and/or the management of the Company (the “**Management**”), but we may draw upon their views or make such comments in respect thereof (to the extent required by the Code and/or Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

In the course of our evaluation, we have held discussions with the Directors and Management and/or their professional advisers. For the purpose of rendering our advice and opinion, we have relied on publicly available information collated by us, information set out in the Circular and information (including representations, opinions, facts and statements) provided to us by the Directors, the Management, employees and/or professional advisers of the Company. We have relied upon and assumed the accuracy, truth, completeness and adequacy of, without having independently verified, such information, whether written or verbal, provided to us by the aforesaid parties and accordingly cannot and do not warrant, and do not accept any responsibility for, the accuracy, truth, completeness or adequacy of such information, save that we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurances of the Directors and the Management who have confirmed to us that to the best of their respective knowledge, information and belief, having made due and careful enquiries, all material information available to them in connection with the Proposed Rights Issue, the Proposed Whitewash Resolution, and the Company has been disclosed to

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HLF, that such information constitutes full and true disclosure of all material information, is true, complete and accurate in all material respects and there is no other information or fact, the omission of which would cause any of the information disclosed to or relied by us or the facts of or in relation to the Proposed Rights Issue and the Proposed Whitewash Resolution to be inaccurate, untrue, incomplete, unfair or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for the accuracy, truth, completeness and adequacy of the information provided to us. Accordingly, we cannot and do not represent or warrant (expressly or impliedly), and do not accept any responsibility for the accuracy, truth, completeness or adequacy of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors and Management to us or in the Circular have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Rights Issue and the Proposed Whitewash Resolution. Any such evaluation or review remains the responsibility of the Directors and the Management, but we may draw upon their views or make such comments in respect thereof (to the extent required by the Code and/or Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter. We have not obtained from the Company and/or the Group, any projection of the future performance including financial performance of the Company and/or the Group and further, we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view herein as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after completion of the Proposed Rights Issue or if the Proposed Rights Issue is not effected.

We are not required to and have not made an independent evaluation or appraisal of the assets and liabilities of the Company (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation and appraisal.

Our opinion herein is based upon market, economic, industry, monetary, regulatory and other applicable conditions prevailing on, and the information provided to us, as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of, and this IFA Letter does not take into account, any subsequent development after the Latest Practicable Date that may affect our opinion herein. Shareholders should also take note of any announcements relevant to the Proposed Rights Issue and/or the Proposed Whitewash Resolution which may be released by or on behalf of the Company and other relevant sources after the Latest Practicable Date.

We have not regarded the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment portfolios and objectives, we recommend that any Shareholder(s) who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisers immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for, and express no views, express or implied, on the contents of the Circular (except for this IFA Letter).

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We have prepared the IFA Letter to advise the Recommending Directors in connection with their recommendation to the Independent Shareholders in relation to the Proposed Whitewash Resolution. The recommendation made to the Independent Shareholders in respect of the Proposed Whitewash Resolution remains the responsibility of the Recommending Directors.

**Our opinion in relation to the Proposed Whitewash Resolution should be considered in the context of the entirety of this IFA Letter and the Circular.**

### 3. SALIENT INFORMATION ON THE COMPANY AND THE GROUP

#### 3.1 Overview

The Company was listed on the Mainboard of the SGX-ST in 2000. In 2016, the Company was transferred to the Catalist of the SGX-ST.

The Group, which was established in 1987, is a manufacturer of metal components in Asia and provides a wide range of precision stamping, prototyping, metal finishing and automation solutions for companies in the data storage, consumer electronics and automotive segments. The Group has a global customer network of more than 18 countries across the Asia Pacific, Europe and North America. In Asia, the Group operates through its head office in Singapore and manufacturing plants in the Philippines, Thailand, Malaysia, Singapore and various parts of China.

The Group is principally engaged in four business segments as follows:

- (a) Data Storage  
Manufacture of metal semi-finished components for hard disk drives and removable storage devices.
- (b) Consumer Electronics  
Manufacture of metal semi-finished components for photocopiers, scanners and printers.
- (c) Automotive  
Manufacture of finished products of light electric vehicles and semi-finished metal components for motor vehicles.
- (d) Others  
Commodities trading and rental income arising from investment properties.

As at the Latest Practicable Date, the Company has 663,138,587 issued Shares and 16,358,600 treasury shares. The Company does not have any instruments convertible into, rights to subscribe for, and options in respect of, Shares or securities which carry voting rights in the Company.

Based on the outstanding 663,138,587 Shares and the last transacted Share price of S\$0.005 as at the Latest Practicable Date, the market capitalisation of the Company is approximately S\$3.3 million.

#### 3.2 Key financial information of the Group

The Company's former auditors, BDO LLP, had issued a qualified opinion on the valuation of the Company's investment in Core Power (Fujian) New Energy Automobile Co Ltd ("**Core Power**") as a financial asset at Fair Value through Profit or Loss ("**FVTPL**"), in its Independent Auditor's Report in relation to the Group's audited financial statements for the financial year ended 31 August 2022 ("**FY2022**"). The audit opinion on the financial statements for the financial year ended 31 August 2021 ("**FY2021**") was qualified on a similar basis.

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In the Company's update announcement on 14 April 2023, the Directors highlighted that since 31 August 2020, the Management of the Company has determined the fair value of the investment in Core Power to be Nil. Further, in the Company's announcement on 6 December 2023, the Directors highlighted that the Group is working towards resolving the qualified opinion and has engaged an independent valuer to conduct a valuation to determine the fair value of the Group's investment in Core Power as at 31 August 2023.

Based on the valuation work performed, the Management of the Company has determined that the fair value of the investment in Core Power at FVTPL remains to be Nil as at 31 August 2023 in relation to the Group's audited financial statements for the financial year ended 31 August 2023 ("FY2023"). Accordingly, the Company's auditor, PKF-CAP LLP had issued an unqualified opinion for the Group's audited financial statements for FY2023.

At the general meeting of the Company held on 13 October 2023, Shareholders had approved the appointment of PKF-CAP LLP as the auditor of the Company in place of the retiring auditor, BDO LLP.

### 3.2.1 Financial performance

The following is a summary of the key financial results of the Group for the last three financial years ended 31 August 2021, 2022, and 2023, i.e. FY2021, FY2022 and FY2023 respectively, and the latest interim results for the first quarter ended 30 November 2023 ("1Q2024") and the corresponding period for the preceding year i.e. 1Q2023:

<b>S\$'000</b>	<b>Unaudited 1Q2024</b>	<b>Unaudited 1Q2023</b>	<b>Audited FY2023</b>	<b>Audited FY2022</b>	<b>Audited FY2021</b>
Revenue	10,152	13,315	43,769	49,852	45,458
(Loss)/Profit before income tax	(328)	103	(1,216)	1,093	(7,436)
Income tax	(40)	(30)	(515)	(538)	(296)
(Loss)/Profit for the year/period	(368)	73	(1,731)	555	(7,732)
(Loss)/Profit attributable to owners of the Company	(234)	103	(1,623)	137	(7,824)

Source: Company's annual reports for FY2022 and FY2023, and interim results announcement for 1Q2024

#### 1Q2024 vs 1Q2023

The Group recorded a decrease in revenue of S\$3.2 million (or 23.8%) from S\$13.3 million in 1Q2023 to S\$10.1 million in 1Q2024 mainly due to lower sales orders from the Consumer Electronics business segment's customers in the Philippines, Thailand and China, and the cessation of the Group's commodities trading business in Singapore in the Others business segment. Revenue from the Consumer Electronics business segment accounted for 37.4% of the Group's total revenue in 1Q2024 (1Q2023: 42.1%), and revenue from the Automotive business segment accounted for 55.1% of the Group's total revenue in 1Q2024 (1Q2023: 43.6%).

Overall, the Group posted a net loss after income tax of S\$368,000 for 1Q2024, from a net profit after income tax of S\$73,000 for 1Q2023, mainly due to the decrease in revenue and other income, and increase in finance costs, partially offset by the reversal of loss allowance for impairment of trade receivables, decrease in cost of raw materials, consumables used and changes in inventories, employee benefit expenses and other expenses.

#### FY2023 vs FY2022

The Group recorded a decrease in revenue of S\$6.1 million (or 12.2%) from S\$49.9 million in FY2022 to S\$43.8 million in FY2023 mainly due to weaker demand and lower sales orders for office equipment and household appliances from customers in Thailand, China and the

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Philippines. Revenue from the Consumer Electronics business segment accounted for 39.4% of the Group's total revenue in FY2023 (FY2022: 46.0%). This was partially offset by the increase in revenue from the Automotive business segment due to new projects secured in China. Revenue from the Automotive business segment accounted for 51.7% of the Group's total revenue in FY2023 (FY2022: 44.1%).

Overall, the Group posted a net loss after income tax of S\$1.7 million for FY2023, from a net profit after income tax of S\$0.6 million a year earlier, mainly due to the decrease in revenue and other income, increase in loss allowance for impairment of trade receivables and finance costs, partially offset by the decrease in cost of raw materials, consumables used and changes in inventories, employee benefit expenses and other expenses.

### FY2022 vs FY2021

The Group recorded an increase in revenue of S\$4.4 million (or 9.7%) from S\$45.5 million in FY2021 to S\$49.9 million in FY2022 mainly due to improved demand from customers in China and the Philippines in the Consumer Electronics and Automotive business segments, which accounted for 46.0% and 44.1% of the Group's total revenue, respectively. This was partially offset by the decrease in revenue from the Data Storage business segment mainly due to cancellation of sales orders from customers in the Philippines, as the customers diverted their orders to alternative suppliers because of the fire incident at the production plant in the Philippines.

Overall, the Group reported net profit after income tax of S\$0.6 million for FY2022, from a net loss after income tax of S\$7.7 million for FY2021, mainly due to a one-off gain of S\$1.4 million on disposal of assets held for sale and S\$1.3 million partial insurance claims from the fire incident in the Philippines, partially offset by S\$0.5 million in loss allowance for impairment of property, plant and equipment and lower operating margin due to rising material costs.

### 3.2.2 Financial position

The following is a summary of the statement of financial position of the Group as at 30 November 2023 based on the Company's latest unaudited results announcement for 1Q2024:

<b>S\$'000</b>	<b>Unaudited As at 30 November 2023</b>
<b>ASSETS</b>	
Current Assets	21,894
Non-current Assets	29,391
<b>Total Assets</b>	<b>51,285</b>
<b>LIABILITIES</b>	
Current Liabilities	18,301
Non-current liabilities	3,726
<b>Total Liabilities</b>	<b>22,027</b>
<b>Total Equity</b>	<b>29,258</b>
<b>Equity attributable to owners of the Company</b>	<b>27,335</b>
<b>Net Asset Value ("NAV") of the Group attributable to owners of the Company (S\$'000)</b>	<b>27,335</b>
<b>Net Tangible Asset ("NTA") of the Group attributable to owners of the Company (S\$'000)</b>	<b>27,312</b>
<b>Number of issued Shares (excluding treasury shares)</b>	<b>663,138,587</b>

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<b>NAV per Share</b>	<b>S\$0.0412</b>
<b>NTA per Share</b>	<b>S\$0.0412</b>

Source: Company's interim results announcement for 1Q2024

### **Assets**

The Group has total assets of S\$51.3 million comprising current assets of S\$21.9 million (42.7% of total assets) and non-current assets of S\$29.4 million (57.3% of total assets).

Current assets comprise trade and other receivables of S\$12.0 million (54.8% of current assets), inventories of S\$5.7 million (26.0% of current assets), cash and bank balances of S\$4.0 million (18.3% of current assets) and prepayments of S\$0.2 million (0.9% of current assets).

Non-current assets comprise mainly property, plant and equipment of S\$23.4 million (79.6% of non-current assets) and investment properties of S\$5.9 million (20.1% of non-current assets). Property, plant and equipment relate mainly to the Group's factories (in the Philippines, Thailand, Malaysia, China and Singapore), plant machinery and motor vehicles. Investment properties pertain mainly to industrial properties (in the Philippines and Malaysia) leased to third parties under operating leases for long-term rental income.

### **Liabilities and Equity**

The Group has total liabilities of S\$22.0 million comprising current liabilities of S\$18.3 million (83.1% of total liabilities) and non-current liabilities of S\$3.7 million (16.9% of total liabilities).

Current liabilities comprise mainly trade and other payables of S\$10.0 million (54.6% of current liabilities) and bank borrowings of S\$8.0 million (43.7% of current liabilities). Non-current liabilities comprise mainly bank borrowings of S\$2.1 million (56.8% of non-current liabilities), deferred tax liabilities of S\$0.8 million (21.6% of non-current liabilities) and provisions of S\$0.6 million (16.2% of non-current liabilities). Provisions pertain to employee service benefits for the subsidiaries of the Group in Thailand and the Philippines.

Total equity of the Group was S\$29.3 million. Hence the debt-equity ratio of the Group is 0.35 times as at 30 November 2023 based on the total bank borrowings and lease liabilities amounting to S\$10.2 million.

The Group's NAV stands at S\$27.3 million, representing NAV per Share of S\$0.0412 based on 663,138,587 Shares as at 30 November 2023. As the Group has negligible intangible assets of S\$23,000 (club memberships and accounting software), the Group's NTA also stands at S\$27.3 million, representing NTA per Share of S\$0.0412 based on 663,138,587 Shares as at 30 November 2023.

We note that there is no change in the number of issued Shares since 30 November 2023 and up to the Latest Practicable Date.

## **4. THE PROPOSED RIGHTS ISSUE**

### **4.1 Key terms of the Proposed Rights Issue**

The detailed terms of the Proposed Rights Issue are set out in Section 2 of the Circular. The key terms of the Proposed Rights Issue are set out below.

The Proposed Rights Issue is proposed to be made on a renounceable non-underwritten basis to entitled Shareholders, on the basis of three (3) Rights Shares for every four (4) existing Shares as at the record date to be determined, fractional entitlements to be disregarded, at an Issue Price of S\$0.004 for each Rights Share, payable in full on acceptance/or application.



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The Issue Price of S\$0.004 per Rights Share represents:

- (a) a discount of approximately 69.2% to the volume weighted average price (“**VWAP**”) and closing price of S\$0.0130 per Share on 20 November 2023, being the last full market day on which the Shares were traded on the Catalist immediately prior to the Announcement; and
- (b) a discount of approximately 56.3% to the theoretical ex-rights price (“**TERP**”) of S\$0.0091 per Share.

The TERP is the theoretical market price of each Share assuming the maximum 497,353,940 Rights Shares being issued and is computed based on the last transacted Share price of S\$0.0130 on 20 November 2023 prior to the Announcement.

The Rights Shares are payable in full upon acceptance and/or application by entitled Shareholders, and when issued and allotted, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.

Save for the SF Concert Party Group (if the Proposed Whitewash Resolution is approved by the Independent Shareholders), depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares and/or excess applications for the Excess Rights Shares by any Shareholder (if such Shareholder chooses to subscribe for its *pro rata* Rights Shares entitlement and/or apply for Excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with him in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully; or to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting.

The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the offer information statement (“**OIS**”) to be lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (“**MAS**”), and to be despatched by the Company to entitled Shareholders in due course.

### 4.2 Irrevocable Undertaking

As an indication of his support and commitment to the Company and the Proposed Rights Issue, the Undertaking Shareholder, Mr Sin Kwong Wah, Andrew, has given his Irrevocable Undertaking to, *inter alia*, subscribe for and pay in full for his and his SF Associates’ *pro rata* entitlement to the Rights Shares, amounting to in aggregate, 124,763,475 Rights Shares, representing 25.1% of the Rights Shares available for subscription by Shareholders.

In addition, the Undertaking Shareholder has also given his Irrevocable Undertaking to subscribe for up to 75,236,525 Excess Rights Shares, if available. Accordingly, the Undertaking Shareholder has undertaken to subscribe for an aggregate of 200,000,000 Rights Shares, representing 40.2% of the Rights Shares available for subscription by Shareholders.

Based on the Company’s 663,138,587 issued Shares as at the Latest Practicable Date, and assuming (i) no new Shares are issued on or prior to the record date; and (ii) all entitled Shareholders subscribe in full and pay for their *pro rata* entitlements of Rights Shares, 497,353,940 Rights Shares would be issued and gross proceeds of approximately S\$2.0 million would be raised (“**Maximum Scenario**”). However, assuming (i) no new Shares are issued on or prior to the record date; and (ii) none of the entitled Shareholders subscribe for their *pro rata* entitlements and/or Excess Rights Shares other than the Undertaking Shareholder, 200,000,000 Rights Shares would be issued and gross proceeds of approximately S\$0.8 million would be raised (“**Minimum Scenario**”).

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Based on the foregoing, with the Irrevocable Undertaking, the Company would be assured of raising gross proceeds of S\$0.8 million, before taking into account subscription of the Rights Shares, if any, by other Shareholders. Accordingly, up to 40.2% of the Proposed Rights Issue is potentially supported by the Undertaking Shareholder.

The Company had estimated expenses of approximately S\$250,000 would be incurred by the Company in relation to the Proposed Rights Issue.

In the Maximum Scenario, the Company intends to use approximately 31.6% of the net proceeds from the Proposed Rights Issue for repayment of bank borrowings and approximately 68.4% for general working capital, and in the Minimum Scenario, the Company intends to use 100% of the net proceeds from the Proposed Rights Issue for repayment of bank borrowings.

### 4.3 Conditions precedent

The Proposed Rights Issue is subject to, *inter alia*, the following:

- (a) the SIC having granted the Whitewash Waiver and such waiver not having been withdrawn or revoked prior to the completion of the Proposed Rights Issue;
- (b) the Proposed Rights Issue and the issue of Rights Shares being approved by Shareholders at the EGM;
- (c) the Proposed Whitewash Resolution being approved by the Independent Shareholders at the EGM;
- (d) the receipt of the listing and quotation notice (“**LQN**”) from the SGX-ST (and such notice not having been withdrawn or revoked prior to the completion of the Proposed Rights Issue) for the dealing in, listing and quotation for the Rights Shares on the Catalist and where the LQN is subject to conditions, such conditions being acceptable to the Company;
- (e) the lodgement of the OIS, together with all other accompanying documents, in respect of the Proposed Rights Issue with the SGX-ST, acting as agent on behalf of the MAS; and
- (f) all other necessary approvals, consents and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights Issue and to give effect to the Proposed Rights Issue, being obtained and not having been withdrawn or revoked prior to the completion of the Proposed Rights Issue.

The Company shall be making an application through its Sponsor, to the SGX-ST for the listing and quotation for the Rights Shares on the Catalist board of the SGX-ST. An appropriate announcement will be made in due course when the Company receives the LQN from the SGX-ST.

On 26 January 2024, the SIC had granted the Whitewash Waiver to the Undertaking Shareholder, subject to conditions as set out in Section 3.2 of the Circular.

The passing of the Proposed Whitewash Resolution (Ordinary Resolution 2) is conditional upon the passing of the Proposed Rights Issue (Ordinary Resolution 1). If Ordinary Resolution 1 is not passed at the EGM, Ordinary Resolution 2 will not be tabled. In the event that Ordinary Resolution 2 is not carried out, the Company may still proceed with the Proposed Rights Issue except that the number of Rights Shares to be allotted and issued will be dependent on the level of subscription of the Proposed Rights Issue so that the SF Concert Party Group will not hold 30% or more interest in the Company after the completion of the Proposed Rights Issue.

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### 5. THE PROPOSED WHITEWASH RESOLUTION

- 5.1 Under Rule 14.1 of the Code, where (a) any person who 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) carrying 30% or more of the voting rights in the company; or (b) any person who together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the company and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1% of the voting rights, he is required to make a mandatory general offer for all the shares in the company which he does not already own or control.

As at the Latest Practicable Date, the SF Concert Party Group owns, in aggregate, 186,472,700 Shares, representing approximately 28.1% of the Existing Issued Share Capital.

In view of the Irrevocable Undertaking by the Undertaking Shareholder, the subscription of the Rights Shares may potentially result in the SF Concert Party Group holding an aggregate shareholding interest which is equal to or more than 30% in the Company after the completion of the Proposed Rights Issue, and thus trigger the Mandatory Offer Threshold. In such an event, the Undertaking Shareholder would incur an obligation to make the Mandatory Offer pursuant to Rule 14.1(a) of the Code, unless a Whitewash Waiver is granted by the SIC.

- 5.2 On 26 January 2024, the SIC had granted the Whitewash Waiver subject to the satisfaction of certain conditions ("**SIC Conditions**"), the details of which are set out in Section 3.2 of the Circular.

The SIC Conditions include, *inter alia*, the following:

- (a) the Proposed Whitewash Resolution to be approved by a majority of the Independent Shareholders by way of a poll at the EGM, and the SF Concert Party Group and parties not independent of them will need to abstain from voting on the Proposed Whitewash Resolution;
- (b) the IFA to advise the Independent Shareholders on the Proposed Whitewash Resolution; and
- (c) to rely on the Whitewash Waiver, approval of the Proposed Whitewash Resolution must be obtained within three months from the date of the SIC letter and the subscription of the Rights Shares and/or Excess Rights Shares by the SF Concert Party Group must be completed within three months from the date on which the Proposed Whitewash Resolution approval is obtained.

The Independent Shareholders are therefore asked to vote, on a poll, on the Proposed Whitewash Resolution as Ordinary Resolution 2 in the Notice of EGM set out in the Circular.

- 5.3 **We wish to advise the Recommending Directors to highlight to the Independent Shareholders that:**

- (i) by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive a general offer for their Shares from the Undertaking Shareholder at the highest price paid by the SF Concert Party Group for the Shares in the past six months preceding the commencement of the offer which they would have otherwise been obliged to make for the Shares in accordance with Rule 14 of the Code;
- (ii) the passing of Ordinary Resolution 2 (the Proposed Whitewash Resolution) is conditional upon the passing of Ordinary Resolution 1 (the Proposed Rights Issue). If Ordinary Resolution 1 is not passed at the EGM, Ordinary Resolution 2 will not be tabled; and

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- (iii) in the event that Ordinary Resolution 2 is not carried out, the Company may still proceed with the Proposed Rights Issue except that the number of Rights Shares to be allotted and issued will be dependent on the level of subscription of the Proposed Rights Issue so that the SF Concert Party Group will not hold 30% or more interest in the Company after the completion of the Proposed Rights Issue.

### 6. EVALUATION OF THE PROPOSED WHITEWASH RESOLUTION

In our evaluation of the Proposed Whitewash Resolution, we have given due consideration to, *inter alia*, the following key factors as at the Latest Practicable Date:

- (a) rationale for the Proposed Rights Issue;
- (b) the Rights Shares being offered to all entitled Shareholders on a *pro rata* basis;
- (c) assessment of the terms of the Rights Shares;
- (d) financial effects on the Group resulting from the Proposed Rights Issue;
- (e) dilution impact of the Proposed Rights Issue on the Independent Shareholders; and
- (f) other relevant considerations.

#### 6.1 Rationale for the Proposed Rights Issue

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Rights Issue or the future prospects of the Group after the completion of the Proposed Rights Issue. Nonetheless, we have reviewed the Company's rationale for the Proposed Rights Issue as set out in Section 2.2 of the Circular.

We note the following salient points:

- (a) The Proposed Rights Issue is a means of fundraising to (i) settle partially certain bank borrowings of the Group; and (ii) improve the Group's working capital position and strengthen the Group's financial position (being the enhancement of the Company's capital base and reduction in reliance on bank borrowings). This would in turn supplement the financial resources (including cash) available to the Group, thereby providing the financial flexibility for the Group's existing and future operations and allow the Group to seize any opportunities for business growth and expansion into other business areas in a timely manner as and when opportunities arise. A stronger financial position will also enhance the Group's ability to formulate, strategize and execute business plans given the need to improve the Group's financial performance. The Group has certain credit facilities available as at the Latest Practicable Date, however the Board notes the current high interest rates for the said credit facilities;
- (b) The Proposed Rights Issue is priced to encourage participation of all Shareholders in the Company's capital and would also provide current Shareholders who are confident of the prospects of the Company with the opportunity to further participate in the equity of the Company and maintain their equity stake in the Company at a discounted price; and
- (c) The Board is of the view that the Proposed Rights Issue would be in the interests of the Group and the Shareholders.

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### 6.2 The Rights Shares being offered to entitled Shareholders on a *pro rata* basis

The Rights Shares are being offered on a *pro rata* basis to entitled Shareholders on the basis of three (3) Rights Shares for every four (4) existing Share held as at the record date to be determined. Entitled Shareholders will be at liberty to accept (in full or in part), decline or renounce their rights entitlements (“**Rights**”) and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue i.e. Excess Rights Shares. Entitled Depositors will also be able to trade their Rights on the SGX-ST during the Rights trading period prescribed by the SGX-ST.

Rights Shares that are not validly taken up will be aggregated and used to satisfy excess applications for Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of Excess Rights Shares, preference will be given to entitled Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights Issue, or have representation (direct or through a nominee) on the Board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

In the case of Foreign Shareholders who are not entitled to the provisional allotments of the Rights Shares, in order to avoid violation of securities legislation applicable in their countries, it is stated in Section 2.7 of the Circular that, if it is practicable to do so, the Company may, at its absolute discretion, arrange for the Rights, which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after the commencement of trading in the Rights. The net proceeds arising from the above will be dealt with in accordance with the terms set out in the OIS to be issued by the Company for the Proposed Rights Issue.

Hence, the Independent Shareholders will be entitled to their full *pro rata* allocation to the Proposed Rights Issue and will not be prejudiced in the allocation of their applications for Excess Rights Shares.

### 6.3 Assessment of the terms of the Proposed Rights Issue

The Proposed Rights Issue is on the basis of 3 for 4, and the Issue Price for each Rights Share is S\$0.004.

As the Proposed Rights Issue is on the basis of 3 for 4, fractional entitlements would arise from the allocation of the Rights entitlement and will be disregarded.

In assessing the Issue Price, we have considered the following:

- (a) the historical trading performance of the Shares; and
- (b) comparison of the discount of the Issue Price to the TERP against the salient statistics of selected completed rights issue of shares by companies listed on the SGX-ST.

#### 6.3.1 Market quotation and trading activity of the Shares

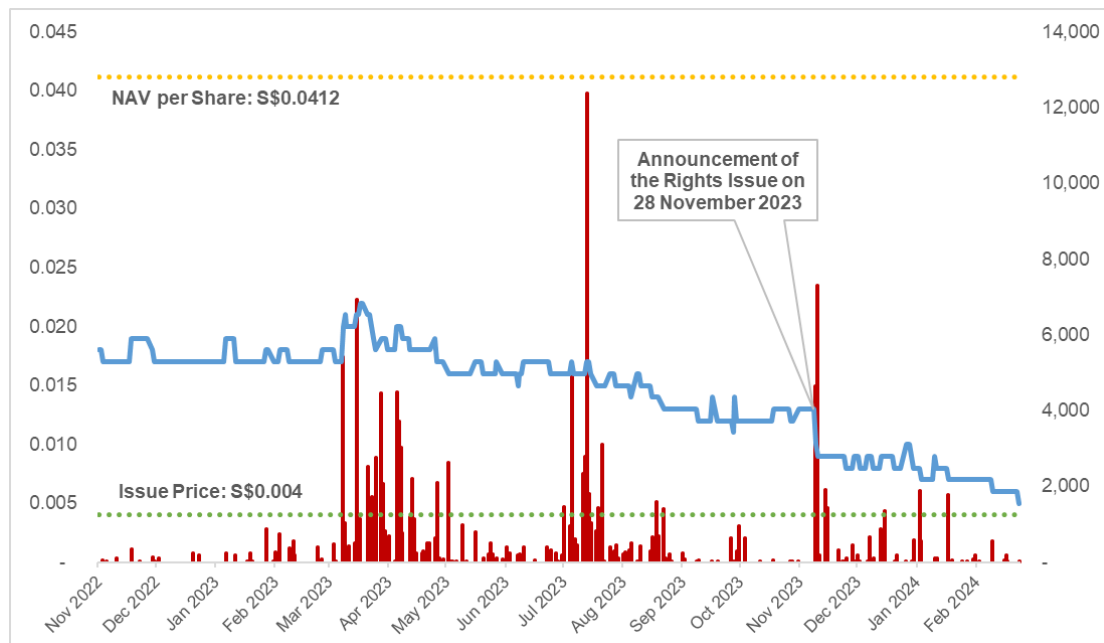
The Announcement was released on 28 November 2023 and the last trading day when the Shares were last traded prior to the release of the Announcement is 20 November 2023 (“**Last Trading Day**”).

In assessing the Issue Price, we have compared the Issue Price against the historical market price performance of the Shares and considered the historical Share trading volume from 21 November 2022, being the 1-year period prior to the Last Trading Day, and up to the Latest Practicable Date (“**Period under Review**”).

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We set out below a chart showing the Issue Price relative to the daily closing prices of the Shares and trading volume of the Shares for the Period Under Review.

### Closing price (in S\$) and volume (in thousands) of the Shares for the Period under Review



Source: Bloomberg L.P.

In addition to the share price chart above, we have tabulated below selected statistical information on the share price performance and trading liquidity of the Share for the Period Under Review.

	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP <sup>(1)</sup> (S\$)	Discount of Issue Price to VWAP (%)	Number of traded days <sup>(2)</sup>	Average daily trading volume <sup>(3)</sup> ("ADTV")	ADTV as a % of free float <sup>(4)</sup> (%)
<b>Up to the Last Trading Day</b>							
Last 1 year	0.022	0.011	0.018	(77.8)	138	465,190	0.11
Last 6 months	0.018	0.011	0.016	(75.0)	76	434,261	0.10
Last 3 months	0.016	0.011	0.013	(69.2)	31	153,659	0.04
Last 1 month	0.013	0.012	0.012	(66.7)	6	35,865	0.01
20 November 2023 (being the Last Trading Day)	0.013	0.013	0.013	(69.2)	1	300	<0.01
<b>From the Announcement Date to the Latest Practicable Date</b>							
From 29 November 2023 to Latest Practicable Date	0.011	0.005	0.009	(55.6)	42	624,979	0.15
Latest Practicable Date	0.005	0.005	0.005	(20.0)	1	20,000	<0.01

Source: Bloomberg L.P.

**Notes:**

- (1) The VWAP for the respective periods are calculated based on the aggregate daily turnover value of the Shares divided by the aggregate daily trading volume of the Shares for the respective periods.
- (2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period.

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- (3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST during the relevant periods, divided by the number of days when the SGX-ST was open for trading during that period.
- (4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders. For the purposes of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 429.3 million Shares based on the free float of 64.7% as disclosed in the annual report of the Company for FY2023.

### Our observations

For the 1-year period up to the Last Trading Day, the Shares had traded to a high of S\$0.022 in April 2023 and had since generally declined to a low of S\$0.011 in October 2023. The Shares had closed at S\$0.013 on the Last Trading Day.

The Issue Price of the Rights Shares is at a significant discount to the historical traded prices.

We also note that the Shares had been trading at significant discounts to the NAV and NTA per Share during the 1-year period. The last reported NAV and NTA per Share was S\$0.0412 as at 30 November 2023.

Trading liquidity of the Shares is very low as the ADTV as a percentage of free float is less than 0.2% for the Period Under Review. Nevertheless, the Shares had been traded on 138 Market Days out of the 250 Market Days for the 1-year period prior to Last Trading Day, and from the Last Trading Day to the Latest Practicable Date, the Shares had been traded on 42 Market Days out of the 85 Market Days.

The Issue Price represents a discount of 56.3% to the TERP of S\$0.0091 based on the last transacted price of S\$0.013 on the Last Trading Day.

Post Announcement, the Shares had generally declined from a high of S\$0.011 to a low of S\$0.005. As at the Latest Practicable Date, the Shares closed at S\$0.005.

### **6.3.2 Statistics of selected completed renounceable rights issues of shares**

In assessing the Issue Price, we have also reviewed the salient statistics of selected SGX-ST listed companies that have carried out rights issues of shares. The basis of our selection are renounceable rights issues of shares by SGX-ST listed companies (excluding real estate and business trusts) that were announced and completed since 1 January 2021 and up to the Latest Practicable Date ("**Precedent Rights Issues**"). There are 23 such Precedent Rights Issues.

Shareholders should note that the business activities, size of operations, risk profile, geographical spread, operating and financial leverage, market capitalisation, financial performance, track record, prospects, and other relevant criteria of the companies set out under the Precedent Rights Issues are not identical to the Group. Accordingly, any inference that can be drawn from the comparison of the relevant discounts to the TERP of the Precedent Rights Issues may not be directly comparable to the Proposed Rights Issue and should not be conclusively relied upon. We also wish to highlight that the list of Precedent Rights Issues is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.

Company	Date of announcement	Terms of rights issue	Issue price of rights share (S\$)	Last trading price prior to announcement (S\$)	TERP (S\$)	Premium/ (Discount) to TERP (%)
mm2 Asia Ltd	3 Feb 2021	1 for 1	0.047	0.120	0.0835	(43.7)
Frasers Property Limited	10 Feb 2021	37 for 100	1.18	1.24	1.224	(3.6)

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Amos Group Limited	23 Mar 2021	3 for 8	0.0135	0.019	0.0175	(22.9)
King Wan Corporation Ltd	31 Mar 2021	1 for 1	0.020	0.120	0.031	(35.5)
IX Biopharm Ltd	8 Jun 2021	7 for 100	0.20	0.245	0.242	(17.4)
Olam International Limited	22 Jun 2021	3 for 20	1.25	1.71	1.65	(24.2)
Semcorp Marine Limited	24 Jun 2021	3 for 2	0.08	0.191	0.124	(35.7)
Boldtek Holdings Limited	27 Aug 2021	3 for 5	0.05	0.086	0.086	(31.0)
Stamford Land Corporation Ltd	7 Dec 2021	9 for 10	0.34	0.48	0.41	(17.8)
Viking Offshore and Marine Limited	28 Mar 2022	1 for 4	0.025	0.098	0.0834	(70.0)
Biolidics Limited	12 Aug 2022	1 for 1	0.025 <sup>(1)</sup>	0.030 <sup>(2)</sup>	0.0275	(9.1)
Sinocloud Group Limited	30 Sep 2022	1 for 2	0.050	0.10 <sup>(3)</sup>	0.083	(39.8)
Hotel Royal Limited	7 Oct 2022	1 for 5	2.00	2.89	2.74	(27.0)
CSE Global Limited	10 Oct 2022	1 for 5	0.33	0.415	0.401	(17.7)
Amos Group Limited	11 Nov 2022	1 for 6	0.14	0.153	0.151	(7.0)
Acrometa Group Limited	28 Nov 2022	1 for 1	0.02	0.066	0.043	(53.0)
SATS Ltd	22 Feb 2023	323 for 1,000	2.20	2.75	2.62	(16.0)
ISOTeam Ltd	26 Jun 2023	1 for 1	0.03	0.076	0.053	(43.4)
Meta Health Limited	8 Aug 2023	9 for 10	0.0055	0.013	0.009	(38.9)
Samko Timber Limited	5 Sep 2023	3 for 1	0.003	0.013	0.006	(45.4)
Pacific Radiance Ltd	3 Nov 2023	3 for 1	0.023	0.041	0.0275	(16.4)
mm2 Asia Ltd	29 Sep 2023	1 for 2	0.02	0.040	0.033	(40.0)
A-Smart Holdings Ltd	1 Dec 2023	1 for 2	0.10	0.18	0.15	(35.0)

<b>High</b>	<b>(3.6)</b>
<b>Low</b>	<b>(70.0)</b>
<b>Mean</b>	<b>(30.0)</b>
<b>Median</b>	<b>(31.0)</b>

<b>Company</b>	<b>28 Nov 2023</b>	<b>3 for 4</b>	<b>0.004</b>	<b>0.013</b>	<b>0.0091</b>	<b>(56.3)</b>
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Source: Respective announcements and public documents of the above companies



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### Notes:

- (1) Revised from S\$0.035 to S\$0.025 as announced on 29 Sep 2022
- (2) VWAP
- (3) Post-share consolidation

As observed from the above statistics, the discounts to the TERP of the Precedent Rights Issues are wide, ranging from 3.6% to 70.0% respectively.

In comparison, the Issue Price for the Rights Shares, which is at a discount of 56.3% to the TERP, is within the range of the statistics of the Precedent Rights Issues, but higher than the mean and median discounts of the Precedent Rights Issues.

### 6.4 Financial effects of the Proposed Rights Issue on the Group

Details on the financial effects of the Proposed Rights Issue are set out in Section 2.12 of the Circular which are based on the audited consolidated financial statements of the Group for FY2023 and the unaudited consolidated financial statements for 1Q2024, and various assumptions. The financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Group after the completion of the Proposed Rights Issue.

In summary, we note the following:

#### (a) *Issued share capital of the Company*

If fully subscribed, the number of issued Shares will increase from 663,138,587 Shares to 1,160,492,527 Shares after the completion of the Proposed Rights Issue. Shareholders' equity of the Company will be strengthened and increased by the net proceeds raised from the Proposed Rights Issue.

#### (b) *NAV and NTA per Share*

Similarly, the NAV and NTA of the Group will also increase by the amount of the net proceeds raised from the Proposed Rights Issue.

However, there will be a significant dilution to the enlarged NAV and NTA per Share after the Proposed Rights Issue as the Issue Price of S\$0.004 is at a significant discount to the NAV and NTA per Share as at 31 August 2023 and as at 30 November 2023.

#### (c) *Loss per Share*

On an enlarged basis, the loss per Share immediately after the Proposed Rights Issue in the Minimum Scenario and the Maximum Scenario will be lower due to the increase in the number of issued Shares based on FY2023, and based on 1Q2024, the loss per Share after the Proposed Rights Issue will be the same in the Maximum Scenario, and in the Minimum Scenario, the loss per Share after the Proposed Rights Issue will be higher mainly due to the estimated expenses of S\$250,000 incurred in relation to the Proposed Rights Issue.

#### (d) *Debt-equity ratio*

The debt-equity ratio of the Group will improve due to the increase in shareholders' equity following the completion of the Proposed Rights Issue.

### 6.5 Dilution impact of the Proposed Rights Issue on the Independent Shareholders

As at the Latest Practicable Date, the Company has 663,138,587 issued Shares. In connection with the Proposed Rights Issue, the Company may issue up to 497,353,940 Rights Shares.

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If Shareholders subscribe for their *pro rata* entitlements to the Rights Shares in full, their respective shareholding interests in the Company before and after the Proposed Rights Issue will remain the same, and Shareholders will not suffer any dilution impact on their shareholding interests in the Company after the Proposed Rights Issue.

However, if a Shareholder does not subscribe or subscribe to less than his *pro rata* entitlement to the Rights Shares, he will suffer a dilution on his shareholding interest after the completion of the Proposed Rights Issue, as his entitled provisional allotment of the Rights Shares which he has not subscribed (in part or in full) will be made available for those who have applied for Excess Rights Shares (if any).

Assuming that the Proposed Whitewash Resolution is approved by the Independent Shareholders, the maximum dilution impact on the Independent Shareholders will occur if none of the entitled Shareholders subscribe for their *pro rata* entitlements and/or Excess Rights Shares other than the Undertaking Shareholder pursuant to his Irrevocable Undertaking. In such a scenario, the dilution impact on the Independent Shareholders is set out in the table below:

Name	Number of Shares (before the Proposed Rights Issue)	% of Existing Issued Share Capital	Number of Shares (after the Proposed Rights Issue)	% of enlarged share capital (assuming the Minimum Scenario)
Sin Kwong Wah, Andrew	117,624,800	17.74%	281,079,925	32.56%
Pek Yee Chew	46,444,000	7.00%	81,277,000	9.42%
Pek Ee Perh, Thomas <sup>(1)</sup>	16,454,500	2.48%	16,454,500	1.91%
Tan Tek Wee, Biondi <sup>(2)</sup>	3,530,000	0.53%	3,530,000	0.41%
Sin Shi Min, Andrea	1,500,000	0.23%	2,625,000	0.30%
Sin Shi Han, Kenneth	782,500	0.12%	1,369,375	0.16%
Sin Kwong Chong, Augustine <sup>(3)</sup>	136,900	0.02%	136,900	0.02%
<b>SF Concert Party Group</b>	<b>186,472,700</b>	<b>28.12%</b>	<b>386,472,700</b>	<b>44.78%</b>
Independent Shareholders <sup>(4)</sup>	476,665,887	71.88%	476,665,887	55.22%
<b>Total</b>	<b>663,138,587</b>	<b>100.00%</b>	<b>863,138,587</b>	<b>100.00%</b>

**Notes:**

- (1) Mr Pek Ee Perh, Thomas (who is the Non-Independent Non-Executive Director of the Company) is the brother-in-law of the Undertaking Shareholder. SIC had conveyed that he is presumed to be acting in concert with the Undertaking Shareholder. Under this Minimum Scenario, it is assumed that Mr Pek Ee Perh, Thomas will not be subscribing for his *pro rata* entitlement of the Rights Shares.
- (2) Mr Tan Tek Wee, Biondi is the son-in-law of the Undertaking Shareholder. SIC had conveyed that he is presumed to be acting in concert with the Undertaking Shareholder. Under this Minimum Scenario, it is assumed that Mr Tan Tek Wee, Biondi will not be subscribing for his *pro rata* entitlement of the Rights Shares.
- (3) Mr Sin Kwong Chong, Augustine is the brother of the Undertaking Shareholder, and he is thus deemed to be acting in concert with the Undertaking Shareholder. Under this Minimum Scenario, it is assumed that Mr Sin Kwong Chong, Augustine will not be subscribing for his *pro rata* entitlement of the Rights Shares.
- (4) The Undertaking Shareholder is no longer a director of Miyoshi Industry Co Ltd ("**MIC**") (who holds 50,901,890 Shares representing approximately 7.68% of the Existing Issued Share Capital). As such, MIC is not deemed to be a party acting in concert with the Undertaking Shareholder and its interest is included under "Independent Shareholders".

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In the above scenario, which is the Minimum Scenario, the SF Concert Party Group will have their aggregate shareholding interests in the Company increase from 28.1% to 44.8% immediately after the Proposed Rights Issue, while the Independent Shareholders will have their aggregate shareholding interests diluted from 71.9% to 55.2% immediately after the Proposed Rights Issue.

### **6.6 Other relevant considerations**

#### **6.6.1 The conditionality of the Proposed Rights Issue and the Proposed Whitewash Resolution upon each other**

The Proposed Rights Issue (Ordinary Resolution 1) and the Proposed Whitewash Resolution (Ordinary Resolution 2) are subject to Shareholders' approval at the forthcoming EGM and the passing of Ordinary Resolution 2 is conditional upon the passing of Ordinary Resolution 1. If Ordinary Resolution 1 is not passed at the EGM, Ordinary Resolution 2 will not be tabled. In the event that Ordinary Resolution 2 is not carried out, the Company may still proceed with the Proposed Rights Issue except that the number of Rights Shares to be allotted and issued will be dependent on the level of subscription of the Proposed Rights Issue so that the SF Concert Party Group will not hold 30% or more interest in the Company after the completion of the Proposed Rights Issue.

As a condition of the SIC approval for the Whitewash Waiver, the SF Concert Party Group and parties not independent of them will have to abstain from voting on the Proposed Whitewash Resolution. Hence, the Proposed Whitewash Resolution will only be voted on by the Independent Shareholders.

Independent Shareholders should note that the Proposed Whitewash Resolution, if approved at the forthcoming EGM, will waive the requirement of the Undertaking Shareholder from making the general offer for all the remaining Shares at the highest price paid or agreed to be paid by the SF Concert Party Group for the Shares in the last six months preceding the commencement of the offer. As the SF Concert Party Group had not acquired any Shares in the preceding six months, the offer price to be made by the Undertaking Shareholder, if a hypothetical Mandatory Offer is to be made, will be at S\$0.004 for each Share.

Independent Shareholders should also note that the aggregate shareholding interests of the SF Concert Party Group in the Company may increase to a maximum of 44.8% under the Minimum Scenario. Accordingly, the SF Concert Party Group is still subject to the Code and will be required to make a Mandatory Offer if the SF Concert Party Group acquires Shares (other than the Rights Shares) carrying more than 1% of the voting rights of the Company, in any six months period after the completion of the Proposed Rights Issue.

To rely on the Whitewash Waiver, approval for the Proposed Whitewash Resolution must be obtained within three months from the date of the SIC letter and the Proposed Rights Issue must be completed within three months from the date of the EGM.

#### **6.6.2 Support from the Undertaking Shareholder**

The Undertaking Shareholder, Mr Sin Kwong Wah, Andrew, presently holds the single largest shareholding block in the Company and is the Executive Director and Chief Executive Officer of the Company.

The Undertaking Shareholder has given his Irrevocable Undertaking to the Company to subscribe for an aggregate of up to 200,000,000 Rights Shares for an aggregate subscription amount of S\$0.8 million, with the number of undertaken Shares representing approximately 40.2% of all available Rights Shares. We believe that this underscores his support for the Proposed Rights Issue and demonstrates his commitment and confidence in the prospects of the Group.

#### **6.6.3 Commentary by the Company on its business outlook**

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On 14 March 2024, the Company made the following commentary in relation to its business outlook in its latest results announcement for 1Q2024:

*“As the business environment continues to face headwinds amid the uncertain global economic outlook, rising interest rates, war in Ukraine, Middle East crisis and increasing operating costs, the Group continues to maintain a cautious outlook in the next 12 months. The Group continues to focus on managing our core integrated engineering services (IES) business and maintain cost discipline through improved operational efficiencies.*

*The Company has, on 28 November 2023, announced the proposed rights issue to raise net proceed of up to \$1.7 million to (i) settle partially certain bank borrowings of the Group and (ii) improve the Group’s working capital position and strengthen the Group’s financial position (being the enhancement of the Company’s capital base and reduction in reliance on bank borrowings). Please refer to the relevant announcement for further details. The proposed rights issue is subject to the shareholders’ approval at a general meeting to be convened. The Company will make the necessary announcements, as and when there are material developments on the proposed rights issue.”*

### 7. OUR OPINION

In arriving at our opinion in respect of the Proposed Whitewash Resolution, we have reviewed and deliberated on the following key factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Rights Issue, being the subject of the Proposed Whitewash Resolution:

- (a) rationale for the Proposed Rights Issue;
- (b) the Rights Shares being offered to all entitled Shareholders on a *pro rata* basis;
- (c) assessment of the terms of the Rights Shares;
- (d) financial effects on the Group resulting from the Proposed Rights Issue;
- (e) dilution impact on the Proposed Rights Issue on the Independent Shareholders; and
- (f) other relevant considerations.

In assessing the “fairness” of the Proposed Rights Issue, we have considered the following pertinent factors from the perspective of the value of the Shares:

- (i) the Rights Shares will be offered to entitled Shareholders on a *pro rata* basis. Accordingly, any discounts of the Issue Price to the historically transacted prices of the Shares or NAV and NTA per Share are applied to all entitled Shareholders of the Company;
- (ii) the discount of the Issue Price to the TERP of the Shares is within range of the Precedent Rights Issues, but higher than the mean and median discounts of the Precedent Rights Issues; and
- (iii) the Issue Price is below the VWAPs of the Shares for the various periods prior to the Announcement and up to the Latest Practicable Date. The Shares had also been trading at significant discounts to the NAV and NTA per Share for the Period Under Review.

In assessing the “reasonableness” of the Proposed Rights Issue, we have considered the following pertinent factors other than from the perspective of the value of the Shares:

- (i) the Group is undertaking the Proposed Rights Issue to raise funds to, *inter alia*, improve the Group’s working capital position and strengthen the Group’s financial position;

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- (ii) the Proposed Rights Issue would provide existing Shareholders who are confident of the prospects of the Company with the opportunity to participate in the equity of the Company and maintain their equity stake in the Company at a discounted price;
- (iii) the Proposed Rights Issue is supported by the Undertaking Shareholder and will raise between S\$0.8 million in the Minimum Scenario to S\$2.0 million in the Maximum Scenario, which would provide financial flexibility for the Group's existing and future operations and allow the Group to seize business opportunities as and when they arise, taking into account the Company's business outlook in its latest results announcement for 1Q2024; and
- (iv) in the Minimum Scenario, the SF Concert Party Group is still subject to the Code and will be required to make a Mandatory Offer if the SF Concert Party Group acquires Shares (other than the Rights Shares) carrying more than 1% of the voting rights of the Company, in any six months period after the completion of the Proposed Rights Issue.

**Overall, based on our analysis and after having considered the above factors and the information available to us as at the Latest Practicable Date, we are of the opinion that the terms of the Proposed Rights Issue are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Rights Issue, is not prejudicial to the interest of the Independent Shareholders.**

**Accordingly, we advise the Recommending Directors to recommend that Independent Shareholders vote in favour of the Proposed Whitewash Resolution.**

Our opinion, as disclosed in this IFA Letter, is based on publicly available information and information provided by the Directors and Management and does not reflect any projections of future financial performance of the Company and/or the Group after the completion of the Proposed Rights Issue. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Whitewash Resolution.

Our opinion is addressed to the Recommending Directors for their benefit and for the purpose of their consideration of the Proposed Whitewash Resolution. The recommendation to be made by them to the Independent Shareholders shall remain their responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes, other than for the purpose of the EGM, and for the purpose of the Proposed Whitewash Resolution, at any time and in any manner without the prior written consent of HLF in each specific case.

This IFA Letter is governed by and construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,  
For and on behalf of  
**Hong Leong Finance Limited**

Kaeson Chui  
Vice President

Edmund Chua  
Assistant Vice President

## APPENDIX B

### Financial Information of the Group (Appended as follows)

#### 1. Consolidated Statements of Comprehensive Income

The audited consolidated statements of comprehensive income of the Group for FY2021, FY2022 and FY2023, and the unaudited consolidated statements of comprehensive income of the Group for 1Q2023 and 1Q2024 are set out below:

Group	FY2021 S\$'000 (Audited)	FY2022 S\$'000 (Audited)	FY2023 S\$'000 (Audited)	1Q2023 S\$'000 (Unaudited)	1Q2024 S\$'000 (Unaudited)
Revenue	45,458	49,852	43,769	13,315	10,152
Other income	1,611	4,353	1,261	301	35
Raw materials, consumables used and changes in inventories	(26,395)	(32,265)	(26,599)	(8,471)	(5,958)
Employee benefits expense	(9,949)	(9,761)	(8,538)	(2,247)	(2,102)
Depreciation and amortisation expenses	(2,809)	(2,743)	(2,632)	(680)	(617)
Reversal of/(Loss) allowance for impairment of trade receivables	20	(10)	(130)	-	93
Reversal of/(Loss) allowance for impairment of non-trade receivables	-	28	(460)	-	-
Other expenses	(15,030)	(7,937)	(7,332)	(1,989)	(1,725)
Finance costs	(342)	(424)	(555)	(126)	(206)
<b>(Loss)/Profit before income tax</b>	<b>(7,436)</b>	<b>1,093</b>	<b>(1,216)</b>	<b>103</b>	<b>(328)</b>
Income tax expense	(296)	(538)	(515)	(30)	(40)
<b>(Loss)/Profit for the financial year/period</b>	<b>(7,732)</b>	<b>555</b>	<b>(1,731)</b>	<b>73</b>	<b>(368)</b>
<b>Other comprehensive income:</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations	(486)	(1,144)	(1,716)	180	113
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations	-	(179)	92	-	-
Actuarial gain on defined benefit plan, net of tax	193	314	171	-	-
<b>Other comprehensive (loss)/income for the financial year/period, net of tax</b>	<b>(293)</b>	<b>(1,009)</b>	<b>(1,453)</b>	<b>180</b>	<b>113</b>

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Group	FY2021 S\$'000 (Audited)	FY2022 S\$'000 (Audited)	FY2023 S\$'000 (Audited)	1Q2023 S\$'000 (Unaudited)	1Q2024 S\$'000 (Unaudited)
<b>Total comprehensive (loss)/income for the financial year/period</b>	(8,025)	(454)	(3,184)	253	(255)
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company	(7,824)	137	(1,623)	103	(234)
Non-controlling interests	92	418	(108)	(30)	(134)
	<u>(7,732)</u>	<u>555</u>	<u>(1,731)</u>	<u>73</u>	<u>(368)</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company	(8,017)	(693)	(3,168)	345	(39)
Non-controlling interests	(8)	239	(16)	(92)	(216)
	<u>(8,025)</u>	<u>(454)</u>	<u>(3,184)</u>	<u>253</u>	<u>(255)</u>

A summary of review of the operations, business and financial performance of the Group is set out below.

### **FY2022 vs FY2021**

#### **Revenue**

Revenue for FY2022 increased by S\$4.39 million or 9.67% to S\$49.85 million. The revenue from the automotive and consumer electronics segment increased by 3.23% and 18.73% respectively mainly due to improved demand from customers in China and the Philippines. Revenue from data storage segment decreased significantly mainly due to cancellation of sales orders from customers in the Philippines, as the customers have diverted their orders to alternative suppliers after the fire incident at the production plant (the **"Fire Incident"**) in the Philippines in May 2020. The increase in others revenue of S\$1.19 million was due mainly to commencement of commodity trading business in Singapore.

#### **Other Income**

Other income increased by S\$2.74 million from S\$1.61 million in FY2021 to S\$4.35 million in FY2022 mainly due to gain on disposal from assets held for sale of S\$1.35 million from our China subsidiary, gain on foreign exchange of S\$0.95 million, increase in insurance claim of S\$0.36 million and gain on termination of lease of S\$0.10 million, partially offset by decrease in gain on disposal of plant and equipment of S\$0.20 million.

The gain on disposal from assets held for sale relates to the completion of the disposal of the property located at Tongqiao Industrial Base Huicheng District Huizhou, Guangdong Province, China pursuant to the expropriation of land by Zhongkai High Tech Industrial Development Zone Branch of Huizhou Bureau of land and resources for construction of a high-speed railway line in the Huizhou city ("**Land Sale**"), as announced by the Company via SGXNet on 4 September 2020 and 15 December 2021.

#### **Cost and Expenses**

Raw materials and consumables used increased by S\$5.87 million or 22.24% for FY2022, mainly due to the increase in raw materials usage and changes in product mix as a result of increase in revenue from consumer electronics segment and commodities trading business.

Other expenses decreased by S\$7.09 million or 47.19% for FY2022, mainly due to the decrease of S\$4.46 million in impairment loss on plant and machinery due to Fire Incident in the Philippines in May

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2020, decrease of S\$0.32 million in fair value loss on investment properties and decrease of S\$1.82 million in supplies and services.

### **Profit/(Loss) after Income Tax**

As a results of the above, the Group reported profits after income tax of S\$0.56 million in FY2022 as compared to loss after income tax of S\$7.73 million in FY2021.

### **FY2023 vs FY2022**

#### **Revenue**

Revenue for FY2023 decreased by S\$6.08 million or 12.20% to S\$43.77 million. The decrease in revenue was contributed from all segments except automotive segment due to weaker demand and lower sales orders for office equipment and household appliances mainly from customers of the Group's subsidiaries in Thailand, China and the Philippines. The increase in revenue from the automotive segment of S\$0.66 million was due to new projects secured from customers of the Group's subsidiaries in China.

#### **Other Income**

Other income decreased by S\$3.09 million from S\$4.35 million in FY2022 to S\$1.26 million in FY2023 mainly due to absence of one-off gain on disposal of asset held for sale of S\$1.35 million, lower insurance claim of S\$0.50 million from the Fire Incident in the Philippines in May 2020, decrease of S\$0.63 million in foreign exchange gain and absence of one-off gain on termination of lease of S\$0.10 million.

#### **Cost and Expenses**

Raw materials and consumables used decreased by S\$5.67 million or 17.56% for FY2023, mainly due to decrease in revenue from the consumer electronics and data storage segments as a result of weaker demand for office equipment and household appliances.

Employee benefit expenses decreased by S\$1.22 million from S\$9.76 million in FY2022 to S\$8.54 million in FY2023 mainly due to reduced headcounts as the Group continues its efforts to streamline its operations.

Loss allowance for impairment of trade and non-trade receivables increased by \$0.61 million to \$0.59 million in FY2023 mainly due to slow paying customers in Malaysia and provision for the long-outstanding advance to a customer in relation to the commodities business.

Other expenses decreased by S\$0.61 million or 7.62% in FY2023, mainly due to the decrease in repairs and maintenance, office and sundry expenses as well as absence of one-off impairment loss on plant and equipment, partially offset by increase in supplies and services expenses and impairment of investment properties in FY2023.

### **Profit/(Loss) after Income Tax**

As a result of the above, the Group incurred loss after income tax of S\$1.73 million in FY2023 as compared to a profit after income tax of S\$0.56 million in FY2022.

### **1Q2024 vs 1Q2023**

#### **Revenue**

Revenue for 1Q2024 decreased by S\$3.16 million or 23.76% to S\$10.15 million. These were mainly due to reduction of sales orders from consumer electronics segment customers in the Philippines, Thailand and China, and cessation of commodities trading business in Singapore.



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### Other Income

Other income decreased by S\$0.27 million from S\$0.30 million in 1Q2023 to S\$0.03 million in 1Q2024 mainly due to decrease in foreign exchange gain as USD weakened against SGD.

### Cost and Expenses

Raw materials and consumables used decreased by S\$2.51 million or 29.67% in 1Q2024, which was mainly due to the decrease in raw materials usage and changes in product mix as a result of decrease in revenue from automotive and consumer electronics segments.

Employee benefit expenses decreased by S\$0.15 million from S\$2.25 million in 1Q2023 to S\$2.10 million in 1Q2024 mainly due to reduced headcounts as the Group continues its efforts to streamline its operations.

Other expenses decreased by S\$0.26 million or 13.27% from S\$1.99 million in 1Q2023 to S\$1.73 million in 1Q2024, mainly due to the decrease in supplies and services as the Group continues its efforts to streamline its operations, partially offset by the increase in professional fees mainly arising from the ongoing rights issue and loss on foreign exchange.

### (Loss)/Profit after Income Tax

As a result of the above, the Group recorded a net loss of S\$0.37 million in 1Q2024 as compared to a net profit of S\$0.07 million profit in 1Q2023.

## 2. Statements of Financial Position

The audited statements of financial position of the Group as at 31 August 2021, 31 August 2022 and 31 August 2023, and the unaudited statements of financial position of the Group as at 30 November 2023 are set out below:

Group	As at 31 August 2021 S\$'000 (Audited)	As at 31 August 2022 S\$'000 (Audited)	As at 31 August 2023 S\$'000 (Audited)	As at 30 November 2023 S\$'000 (Unaudited)
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and bank balances	3,045	3,010	4,020	4,018
Fixed deposits	152	-	-	-
Trade and other receivables	10,663	13,136	11,912	11,978
Prepayments	245	99	152	245
Inventories	7,188	5,772	5,402	5,653
	21,293	22,017	21,486	21,894
Assets classified as held for sale	611	-	-	-
<b>Total current assets</b>	21,904	22,017	21,486	21,894
<b><u>Non-current assets</u></b>				
Property, plant and equipment	29,938	27,160	23,935	23,432
Investment properties	6,303	6,319	5,879	5,860
Intangible assets	46	88	27	23
Deferred tax assets	21	73	75	76
Other receivables	-	752	-	-
<b>Total non-current assets</b>	36,308	34,392	29,916	29,391

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Group	As at 31 August 2021 S\$'000 (Audited)	As at 31 August 2022 S\$'000 (Audited)	As at 31 August 2023 S\$'000 (Audited)	As at 30 November 2023 S\$'000 (Unaudited)
<b>Total assets</b>	58,212	56,409	51,402	51,285
<b>LIABILITIES AND EQUITY</b>				
<b><u>Current liabilities</u></b>				
Trade and other payables	15,147	12,666	9,184	10,004
Current income tax payable	225	204	120	125
Lease liabilities	163	161	165	143
Bank borrowings	3,906	4,429	8,476	8,029
<b>Total current liabilities</b>	19,441	17,460	17,945	18,301
<b><u>Non-current liabilities</u></b>				
Lease liabilities	105	181	36	14
Bank borrowings	5,313	4,417	2,267	2,058
Other payables	285	322	311	307
Provisions	926	660	546	563
Deferred tax liabilities	289	672	784	784
<b>Total non-current liabilities</b>	6,918	6,252	3,944	3,726
<b>Total liabilities</b>	26,359	23,712	21,889	22,027
<b>Equity</b>				
Share capital	49,079	50,377	50,377	50,377
Treasury shares	(633)	(633)	(633)	(633)
Revaluation reserve	666	666	666	666
Other reserve	1,205	1,719	1,938	1,938
Currency translation account	(10,866)	(12,010)	(13,726)	(13,619)
Accumulated losses	(9,514)	(9,577)	(11,248)	(11,394)
<b>Equity attributable to owners of the Company</b>	29,937	30,542	27,374	27,335
Non-controlling interests	1,916	2,155	2,139	1,923
<b>Total equity</b>	31,853	32,697	29,513	29,258
<b>Total liabilities and equity</b>	58,212	56,409	51,402	51,285

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### 3. Working Capital

The audited working capital of the Group as at 31 August 2021, 31 August 2022 and 31 August 2023, and the unaudited working capital of the Group as at 30 November 2023 are set out below.

Group	As at 31 August 2021	As at 31 August 2022	As at 31 August 2023	As at 30 November 2023
	S\$'000 (Audited)	S\$'000 (Audited)	S\$'000 (Audited)	S\$'000 (Unaudited)
Current assets	21,904	22,017	21,486	21,894
Current liabilities	19,441	17,460	17,945	18,301
Net current assets	2,463	4,557	3,541	3,593

A summary of review of the financial position and working capital of the Group is set out below.

#### **31 August 2022 vs 31 August 2021**

Current assets increased by S\$0.12 million from S\$21.90 million as at 31 August 2021 to S\$22.02 million as at 31 August 2022. This was mainly due to the increase in trade and other receivables of S\$2.48 million, partially offset by decrease in inventories of S\$1.42 million and derecognition of S\$0.61 million assets held for sale pursuant to the completion of the Land Sale in Huizhou, China.

Non-current assets decreased by S\$1.92 million from S\$36.31 million as at 31 August 2021 to \$34.39 million as at 31 August 2022 arising from depreciation of plant and machineries by the Group subsidiaries, partially offset by acquisition of plant and machineries amounting to S\$1.75 million in our subsidiaries and other receivables of S\$0.75 million.

Current liabilities decreased by S\$1.98 million from S\$19.44 million as at 31 August 2021 to S\$17.46 million as at 31 August 2022, largely attributable to the decrease in trade payables of S\$2.48 million in our subsidiaries as a result of shorter supplier credit period, partially offset by the increase in short term bank borrowings of S\$0.52 million.

Non-current liabilities decreased by S\$0.67 million from S\$6.92 million as at 31 August 2021 to S\$6.25 million as at 31 August 2022 mainly due to repayment of long-term bank borrowings.

As a result of the above, the Group was in a net current assets position of S\$4.56 million as at 31 August 2022 as compared to a net current assets position of S\$2.46 million as at 31 August 2021.

#### **31 August 2023 vs 31 August 2022**

Current assets decreased by S\$0.53 million from S\$22.02 million as at 31 August 2022 to S\$21.49 million as at 31 August 2023. This was mainly due to the decrease in trade and other receivables of S\$1.22 million and decrease in inventories of S\$0.37 million, partially offset by increase in cash and bank balances of S\$1.01 million.

Non-current assets decreased by S\$4.47 million from S\$34.39 million as at 31 August 2022 to S\$29.92 million as at 31 August 2023 mainly due to the decrease in property, plant and equipment due mainly to depreciation and amortisation expenses of S\$2.63 million, the reduction of non-current other receivables of S\$0.75 million, and the decrease in investment properties of S\$0.44 million arising from the impairment loss of S\$0.20 million and the foreign currency translation loss of S\$0.24 million.

Current liabilities increased by S\$0.49 million from S\$17.46 million as at 31 August 2022 to S\$17.95 million as at 31 August 2023, largely attributable to the increase in short term bank borrowings of S\$4.05 million, partially offset by the decrease in trade and other payables of S\$3.48 million in our subsidiaries as a result of lower purchases in line with lower sales orders received.

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Non-current liabilities increased by S\$2.31 million from S\$6.25 million as at 31 August 2022 to S\$3.94 million as at 31 August 2023 mainly due to decrease in bank borrowings of S\$2.15 million and reduction in other payables and provisions of S\$0.13 million, partially offset by an increase in deferred tax of S\$0.11 million.

As a result of the above, the Group was in a net current assets position of S\$3.54 million as at 31 August 2023 as compared to a net current assets position of S\$4.56 million as at 31 August 2022.

### **30 November 2023 vs 31 August 2023**

Current assets increased by S\$0.41 million from S\$21.49 million as at 31 August 2023 to S\$21.89 million as at 30 November 2023. This was mainly due to the increase in inventories of S\$0.25 million, prepayment of S\$0.09 million, trade and other receivables of S\$0.07 million.

Current liabilities increased by S\$0.36 million from S\$17.95 million as at 31 August 2023 to S\$18.30 million as at 30 November 2023, largely attributable to increase in trade and other payables of S\$0.82 million, partially offset by the decrease in short term bank borrowings of S\$0.45 million.

Non-current assets decreased by S\$0.53 million from S\$29.92 million as at 31 August 2023 to S\$29.39 million as at 30 November 2023 mainly due to the decrease in property, plant and equipment contributed mainly by depreciation expenses.

Non-current liabilities decreased by S\$0.21 million from S\$3.94 million as at 31 August 2023 to S\$3.73 million as at 30 November 2023 mainly due to decrease in bank borrowings of S\$0.21 million.

As a result of the above, the Group was in a net current assets position of S\$3.59 million as at 30 November 2023 as compared to net current assets position of S\$3.54 million as at 31 August 2023.

## **4. Consolidated Statements of Cash Flows**

The audited consolidated statements of cash flows of the Group for FY2021, FY2022 and FY2023, and unaudited consolidated statements of cash flows of the Group for 1Q2024 are set out below.

<b>Group</b>	<b>FY2021 S\$'000 (Audited)</b>	<b>FY2022 S\$'000 (Audited)</b>	<b>FY2023 S\$'000 (Audited)</b>	<b>1Q2024 S\$'000 (Unaudited)</b>
Net cash (used in)/from operating activities	(5,494)	(234)	(358)	892
Net cash used in investing activities	(6,247)	(194)	(644)	(241)
Net cash from/(used in) financing activities	670	48	1,912	(1,501)
<b>Net change in cash and cash equivalents</b>	<b>(83)</b>	<b>(380)</b>	<b>910</b>	<b>(850)</b>
Cash and cash equivalents at the beginning of the financial period	3,074	3,045	2,720	4,020
Effect of foreign exchange rate changes on cash and cash equivalents	54	55	390	10
<b>Cash and cash equivalents at end of the financial period</b>	<b>3,045</b>	<b>2,720</b>	<b>4,020</b>	<b>3,180</b>

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Group	As at 31 August 2021 S\$'000 (Audited)	As at 31 August 2022 S\$'000 (Audited)	As at 31 August 2023 S\$'000 (Audited)	As at 30 November 2023 S\$'000 (Unaudited)
<b>Cash and cash equivalents at end of the financial period comprised of:</b>				
Cash and bank balances	3,045	3,010	4,020	4,018
Bank overdrafts	-	(290)	-	(838)
<b>Total</b>	<b>3,045</b>	<b>2,720</b>	<b>4,020</b>	<b>3,180</b>

A summary of the review of the cash flow position of the Group is set out below.

### **Review of Cash Flow for FY2021**

Net cash generated from operating activities amounted to S\$5.49 million in FY2021. This was due mainly to the net cash inflow before changes in working capital of S\$1.92 million, the net positive changes in working capital of S\$4.39 million, partially offset by interest paid of S\$0.34 million and income tax paid of S\$0.49 million.

Net cash used in investing activities amounted to S\$6.25 million in FY2021. This was mainly due to the purchase of plant and equipment of S\$7.95 million, partially offset by proceeds from disposal of non-current assets held for sales of S\$1.95 million.

Net cash from financing activities amounted to S\$0.67 million in FY2021. This was mainly due to additional bank borrowings of S\$7.35 million, partially offset by repayment of existing bank borrowings of S\$6.08 million, purchase of treasury shares of S\$0.38 million and repayment of lease liabilities of S\$0.19 million.

### **Review of Cash Flow for FY2022**

Net cash used in operating activities amounted to S\$0.23 million in FY2022. This was due mainly to the net negative changes in working capital of S\$2.47 million, interest paid of S\$0.34 million and income tax paid of S\$0.22 million, partially offset by the net cash inflow from operations before changes in working capital of S\$2.45 million.

Net cash used in investing activities amounted to S\$0.19 million in FY2022. This was mainly due to S\$1.35 million purchase of plant and equipment by Group's subsidiaries in China and the Philippines, partially offset by proceeds from Land Sale in Huizhou, China of S\$1.17 million.

Net cash from financing activities amounted to S\$0.05 million in FY2022. This was mainly due to proceeds from share placement of S\$1.30 million, proceeds from bank borrowings of S\$0.84 million and loan from Director of S\$0.23 million, partially offset by repayment of bank borrowings and interests of S\$2.06 million.

### **Review of Cash Flow for FY2023**

Net cash used in operating activities amounted to S\$0.36 million in FY2023. This was due mainly to the net negative changes in working capital of S\$2.26 million and income tax paid of S\$0.49 million, partially offset by the net cash inflow before changes in working capital of S\$2.37 million.

Net cash used in investing activities amounted to S\$0.64 million in FY2023. This was mainly due to the purchase of plant and equipment of S\$0.71 million, partially offset by proceeds from disposal of club membership, plant and equipment of S\$0.07 million.

Net cash from financing activities amounted to S\$1.91 million in FY2023. This was mainly due to additional bank borrowings of S\$4.34 million and loan from director of S\$0.44 million, partially offset by

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repayment of existing bank borrowings of S\$2.07 million, repayment of lease liabilities (including interests) of S\$0.35 million and interests paid on bank and director borrowings of S\$0.44 million.

### **Review of Cash Flow for 1Q2024**

Net cash from operating activities amounted to S\$0.89 million during 1Q2024. This was due mainly to cash generated from operations of S\$1.13 million contributed by net cash inflow before changes in working capital of S\$0.59 million and net positive changes in working capital of S\$0.52 million, partially offset by interest and income tax paid of S\$0.22 million.

Net cash used in investing activities amounted to S\$0.24 million in 1Q2024. This was mainly due to the purchase of plant and equipment of S\$0.25 million.

Net cash used in financing activities amounted to S\$1.50 million in 1Q2024. This was mainly due to repayment of bank borrowings of S\$1.35 million and repayment of lease liabilities (including interest) of S\$0.15 million.

## APPENDIX C

### Interests of Directors and Substantial Shareholders as at the Latest Practicable Date

	Number of Shares			Total Percentage Interest (%) <sup>(1)</sup>
	Direct	Deemed	Total	
<b>Directors</b>				
Mr. Sin Kwong Wah, Andrew <sup>(2)</sup>	117,624,800	48,726,500	<b>166,351,300</b>	<b>25.1</b>
Mr. Pek Ee Perh, Thomas <sup>(3)</sup>	16,454,500	-	<b>16,454,500</b>	<b>2.5</b>
Mr. Low See Lien	-	-	-	-
Mr. Lo Kim Seng	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>				
Miyoshi Industry Co Ltd	50,901,890	-	<b>50,901,890</b>	<b>7.7</b>
Mdm. Pek Yee Chew <sup>(4)</sup>	46,444,000	119,907,300	<b>166,351,300</b>	<b>25.1</b>
<b>Other Shareholders<sup>(5)(6)(7)</sup></b>			<b>429,430,897</b>	<b>64.8</b>

**Notes:**

- (1) The percentage of shareholdings is computed based on the Existing Issued Share Capital comprising 663,138,587 Shares.
- (2) Mr. Sin Kwong Wah, Andrew is deemed to have an interest in the 46,444,000 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. Pek Ee Perh, Thomas (who is the Non-Independent Non-Executive Director of the Company and holds 16,454,500 Shares constituting approximately 2.5% of the Existing Issued Share Capital) is the brother-in-law of the Undertaking Shareholder. He is presumed to be a party acting in concert with the Undertaking Shareholder.
- (4) Mdm. Pek Yee Chew is deemed to have an interest in the 117,624,800 Shares held by her spouse, Mr. Sin Kwong Wah, Andrew, 1,500,000 Shares held by her daughter, Ms. Sin Shi Min, Andrea and 782,500 Shares held by her son, Mr. Sin Shi Han, Kenneth.
- (5) Shareholders other than Undertaking Shareholder, SF Associates, Directors and substantial Shareholders have an aggregate interest of 429,430,897 Shares.
- (6) Mr. Tan Tek Wee, Biondi (who holds 3,530,000 Shares constituting approximately 0.5% of the Existing Issued Share Capital) is the son-in-law of the Undertaking Shareholder. He is presumed to be a party acting in concert with the Undertaking Shareholder. His interest is included under "Other Shareholders" in the table above.
- (7) Mr. Sin Kwong Chong, Augustine (who holds 136,900 Shares constituting approximately 0.02% of the Existing Issued Share Capital) is the brother of the Undertaking Shareholder. He is thus deemed to be a party acting in concert with the Undertaking Shareholder. His interest is included under "Other Shareholders" in the table above.

**MIYOSHI LIMITED**

(Company Registration Number 198703979K)  
(Incorporated in the Republic of Singapore)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Unless otherwise defined, all capitalised terms herein shall bear the same meaning as in the circular to shareholders dated 28 March 2024 issued by Miyoshi Limited (“Circular”).*

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Miyoshi Limited (the “**Company**”) will be held at 26 Boon Lay Way, #01-80, Tradehub 21, Singapore 609970, on 12 April 2024, at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolutions as set out below.

**ORDINARY RESOLUTION 1: THE PROPOSED RIGHTS ISSUE**

That:

- (a) that it is proposing to undertake a renounceable non-underwritten rights issue (the “**Proposed Rights Issue**”) of up to 497,353,940 Rights Shares at the Issue Price, on the basis of three (3) Rights Shares for every four (4) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, be and is hereby approved; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 1 and implement any of the foregoing as they think fit and in the interests of the Company.

**ORDINARY RESOLUTION 2: THE WHITEWASH RESOLUTION**

That subject to and contingent upon the passing of Ordinary Resolution 1 herein in this Notice of EGM, and subject to the satisfaction of all the conditions set out in the Securities Industry Council's letter dated 26 January 2024, Independent Shareholders (other than the SF Concert Party Group – as defined in the Circular, as well as parties not independent of them) do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the Undertaking Shareholder in accordance with Rule 14 of the Code in the event that he incurs an obligation to do so as a result of his subscription of his *pro rata* entitlement of Rights Shares and any Excess Rights Shares pursuant to the Irrevocable Undertaking.

**BY ORDER OF THE BOARD  
MIYOSHI LIMITED**

Sin Kwong Wah, Andrew  
Executive Director and Chief Executive Officer

28 March 2024



## **IMPORTANT NOTICE FOR SHAREHOLDERS:**

1. The members of the Company (the “**Members**”) are invited to attend the EGM physically in person. There will be no option for members to participate in the EGM by electronic means.
2. Printed copies of this Notice of EGM, Proxy Form and the Request Form (to request for printed copy of the Circular) have been despatched to Shareholders and are also available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL <http://www.miyoshi.biz>.
3. The Circular has been published and is available for download or online viewing by the Members on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL <http://www.miyoshi.biz>. Printed copies of the Circular will not be sent to the Members unless requested by the Members via the submission of the Request Form. Members who wish to receive a printed copy of the Circular are required to complete the Request Form and return it to the Company by 4 April 2024 by post to the Company’s registered office at 26 Boon Lay Way #01-80 Tradehub 21 Singapore 609970; or if by email enclosing a clear scanned completed and signed Request Form, to [kenlew@sg.miyoshi.biz](mailto:kenlew@sg.miyoshi.biz).
4. Members (including investors who hold shares through the Relevant Intermediaries, including Central Provident Fund (“**CPF**”) Investment Scheme (“**CPF Investors**”) and/or Supplementary Retirement Scheme (“**SRS Investors**”)) may participate in the EGM by:
  - (a) attending the EGM in person;
  - (b) raising questions at the EGM or submitting questions in advance of the EGM; and
  - (c) voting at the EGM (i) themselves personally; or (ii) where applicable, through their duly appointed proxy(ies).

CPF Investors and SRS Investors who are unable to attend the EGM but would like to vote, may inform their respective CPF Agent Banks or SRS Operators to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF Investors and SRS Investors shall be precluded from attending the EGM. CPF Investors and SRS Investors should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 2 April 2024, being at least seven (7) working days prior to the date of the EGM.

To attend the EGM, please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

5. A Member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. A Member which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member.

Where such Member appoints two (2) proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.

A Member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

“**Relevant Intermediary**” has the meaning prescribed to it in Section 181 of the Act:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence holder to provide custodial services under the Securities and Futures Act and who holds shares in that capacity; or
- (c) the CPF Board established by the CPF Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

6. A Member can appoint the Chairman of the EGM as his/her/its proxy but this is not mandatory.

If a Member wishes to appoint the Chairman of the EGM as proxy, such Member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. If no specific direction is given as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

7. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be deposited in the following manner:

- (a) if submitted by post, be deposited at the office of the Company's appointed polling agent, Complete Corporate Services Pte Ltd, 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
- (b) if submitted electronically, via email to [miyoshi-egm@ryt-poll.com](mailto:miyoshi-egm@ryt-poll.com),

in either case, by no later than 10.00 a.m. on 9 April 2024, being at least 72 hours before the time appointed for holding the EGM. Members are strongly encouraged to submit the completed proxy forms electronically by email.

The instrument appointing the proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

The Company shall be entitled to reject the instrument appointing the as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the proxy).

In addition, in the case of Shares entered in the Depository Register maintained by The Central Depository (Pte) Limited, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if the Member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM.

8. Members may raise questions at the EGM and/or submit questions related to the Ordinary Resolutions to be tabled for approval at the EGM, in advance of the EGM. For Members who would like to submit questions in advance of the EGM, they may do so by 4 April 2024:

- (a) if in hard copy by post, to the office of the Company's appointed polling agent, Complete Corporate Services Pte Ltd, 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
- (b) if by email, to [kenlew@sg.miyoshi.biz](mailto:kenlew@sg.miyoshi.biz).

After the cut-off date for the submission of questions, any subsequent clarifications sought, or follow-up questions will be addressed at the EGM. Members will need to identify themselves when posing questions by email or by post by providing the following details:

- (c) the Member's full name as it appears on his/her/its CDP/CPF/SRS or scrip records;
- (d) the Member's NRIC/Passport/UEN number; and
- (e) the manner in which the Member holds his/her/its Shares in the Company (e.g. via CDP/CPF/SRS or scrip).

The Company will endeavour to address all substantial and relevant questions submitted by Members prior to (via SGXNet by 10.00 a.m. on 7 April 2024) or during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the responses made during the EGM to such questions together with the minutes of the EGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.miyoshi.biz> within one (1) month after the date of the EGM.

## Personal Data Privacy

"**Personal data**" in this Notice of EGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes the Member's name and its proxy's and/or representative's name, address, email address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Member (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 processing, administration and analysis by the Company (or its agents or service providers) of the proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, takeover 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 or service providers), 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 or service providers) 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. The Member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the EGM. Accordingly, the personal data of a Member or its proxy and/or representative (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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*This Notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.*

*The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

# MIYOSHI LIMITED

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

## EXTRAORDINARY GENERAL MEETING PROXY FORM

### Important:

1. This Proxy Form is not valid for use by CPF Investors and SRS Investors and CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF Investors and SRS Investors are requested to contact their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the EGM to specify voting instructions.

\*I/We (Name) \_\_\_\_\_

\*NRIC/Passport No./Company Registration No. \_\_\_\_\_

of (Address) \_\_\_\_\_

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 which, the Chairman (“**Chairman**”) of the Extraordinary General Meeting (“**EGM**”), as my/our proxy(ies) to attend, speak and vote for \*me/us on \*my/our behalf at the EGM of the Company to be held at 26 Boon Lay Way, #01-80, Tradehub 21, Singapore 609970, on 12 April 2024 at 10.00 a.m. and at any adjournment thereof.

\*I/We direct \*my/our proxy(ies) to vote for, or against, or abstain from voting on the resolutions to be proposed at the EGM as indicated hereunder.

No.	ORDINARY RESOLUTIONS	For**	Against**	Abstain**
1	To approve the Proposed Rights Issue			
2	To approve the Whitewash Resolution			

### Notes:

\* Please delete accordingly.

\*\* Voting will be conducted by poll. If you wish to exercise all your votes “For” or “Against” or “Abstain”, please indicate with a tick “✓” within the box provided. Alternatively, please indicate the number of votes as appropriate. If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the EGM is appointed as your proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the EGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total number of Shares being held in:	
CDP Register	
Register of Members	

Signature(s) of Member(s) and/or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**

**Notes:**

- (1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register maintained by The Central Depository (Pte) Limited, you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. 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 of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- (2) A member of the Company (other than a Relevant Intermediary\*) is entitled to attend and vote at the EGM or is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (3) Where a member (other than a Relevant Intermediary\*) appoints two proxies, the proportion of his/her/its shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her/its name in the Depository Register and any second named proxy as an alternate to the first named.
- (4) A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by it. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form.
- (5) Subject to note 10, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
- (6) This Proxy Form is not valid for use by investors who hold shares through Central Provident Fund (“CPF”) Investment Scheme (“CPF Investors”) and/or Supplementary Retirement Scheme (“SRS Investors”) and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS Investors: (a) may vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 2 April 2024, being at least seven (7) working days prior to the date of the EGM.
- (7) This Proxy Form must be submitted to the Company in the following manner:
  - (a) if submitted by post, be deposited at the office of the Company’s appointed polling agent, Complete Corporate Services Pte Ltd, 10 Anson Road, #29-07 International Plaza, Singapore 079903; or
  - (b) if submitted electronically, via email to [miyoshi-egm@ryt-poll.com](mailto:miyoshi-egm@ryt-poll.com),in either case, by no later than 10.00 a.m. on 9 April 2024, being at least 72 hours before the time appointed for holding the EGM. Members are strongly encouraged to submit the completed proxy forms electronically by email.
- (8) The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where a Proxy Form 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 Proxy Form, failing which the Proxy Form may be treated as invalid.
- (9) The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company shall be entitled to reject any Proxy Form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
- (10) A CPF Investor or SRS Investor may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their respective CPF Agent Banks or SRS Operators to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

A Relevant Intermediary means:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of shareholders of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**Personal Data Privacy:**

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 28 March 2024.

28 March 2024

Dear Shareholders,

We are pleased to enclose printed copies of the Notice of Extraordinary General Meeting (“EGM”) and Proxy Form for the EGM to be held on 12 April 2024. Printed copies of the Circular will NOT be sent to Shareholders unless requested by the Shareholders via the submission of this Request Form.

In line with the Company’s corporate social responsibility initiatives and environmental sustainability efforts and as permitted under the Company’s Constitution, we are implementing the use of electronic communications and sincerely hope that you will join our sustainability efforts and embrace electronic communications. In this regard, the Circular has been published and is made available for download or online viewing at SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL <http://www.miyoshi.biz>. You will need an internet browser and PDF reader to view these documents.

If you still wish to receive a printed copy of the Circular, please complete the Request Form below and return it to the Company by post to the Company’s registered office at 26 Boon Lay Way #01-80 Tradehub 21 Singapore 609970; or if by email enclosing a clear scanned completed and signed Request Form, be received by [kenlew@sg.miyoshi.biz](mailto:kenlew@sg.miyoshi.biz), no later than 4 April 2024.

By completing, signing and returning the Request Form to us, you agree and acknowledge that we and/or our service provider may collect, use and disclose your personal data, as contained in your submitted Request Form or which is otherwise collected from you (or your authorised representative(s)), for the purpose of processing and effecting your request.

Yours faithfully,

Sin Kwong Wah, Andrew  
Executive Director and Chief Executive Officer

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**CIRCULAR PRINT COPY REQUEST FORM**

To: **Miyoshi Limited**  
26 Boon Lay Way  
#01-80 Tradehub 21  
Singapore 609970

Please send me a printed copy of the Circular for the Extraordinary General Meeting to be held on 12 April 2024.

Name of Shareholder : \_\_\_\_\_

NRIC / Passport Number : \_\_\_\_\_  
Company Registration Number

Mailing address : \_\_\_\_\_

The manner in which you hold shares in the Company :  CDP Securities Account  
 CPF/SRS Account  
 Physical Scrip

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Note: This request is valid for the Circular for the Extraordinary General Meeting to be held on 12 April 2024*

Affix  
Postage  
Stamp

**Miyoshi Limited**  
26 Boon Lay Way  
#01-80 Tradehub 21  
Singapore 609970