

**THE PROPOSED DISPOSAL OF PROPERTY BY MIYOSHI PRECISION (MALAYSIA) SDN. BHD.**

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**1. INTRODUCTION**

- 1.1. The board of directors (“**Board**” or “**Directors**”) of Miyoshi Limited (“**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that its wholly owned subsidiary, Miyoshi Precision (Malaysia) Sdn. Bhd. (“**Vendor**”) had entered into a conditional sale and purchase agreement dated 23 October 2024 (“**SPA**”) with Platinum Rise Sdn. Bhd. (“**Purchaser**”) pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase:
- (a) the piece of freehold land held under Geran 441162 Lot 24335 (formerly known as HS(D) 127073 PTD 37436) Mukim Pulai, District of Johor Bahru, State of Johor, containing an area measuring approximately 6,687 square meters (the “**Land**”); and
  - (b) a unit of factory bearing postal address of No. 4, Jalan Wira 3, Taman Tan Sri Yaacob, 81300 Skudai, Johor (the “**Building**”, and together with “**Land**”, the “**Property**”),
- for an aggregate consideration of RM14,000,000 (approximately S\$4,270,000<sup>1</sup>) (the “**Consideration**”), subject to the terms of the SPA (the “**Proposed Disposal**”).
- 1.2. To the best of the Board’s knowledge and belief, having made reasonable enquiries, the Purchaser is an independent third party and is not related to the Group, the Directors and the controlling shareholders of the Company, and their respective associates. Further details concerning the Property and the Purchaser are set out in paragraph 2 of this announcement.
- 1.3. The Proposed Disposal is subject to, *inter alia*, the approval of the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting to be convened by the Company (the “**EGM**”).

**2. Information on the Property and the Purchaser**

**2.1. Information on the Property**

The Property comprises of the Land and the Building, and functions as a factory cum office building. The Property served as an office and manufacturing facility to support the Group’s production and delivery activities in Malaysia, which have ceased at the end of May 2024.

Based on the unaudited consolidated financial statements for the half year ended 29 February 2024 (“**HY2024**”), (i) the aggregate net carrying amount of the Property was approximately S\$2,522,000; and (ii) the Proposed Disposal is expected to result in a gain on disposal of approximately S\$1,748,000, before deducting the marketing fee, professional fees and other related expenses.

For the Proposed Disposal, the Group has commissioned Azmi & Co (Johor) Sdn. Bhd. (the “**Independent Valuer**”) to conduct an updated valuation of the Property. Based on the valuation certificate issued by the Independent Valuer on 21 October 2024 (“**Valuation Certificate**”), bearing reference to the previous valuation report dated 20 September 2021 (“**Valuation Report**”) issued by the Independent Valuer, the market value of the Property as at 17 October 2024 is RM11,500,000 (approximately S\$3,508,000<sup>1</sup>), as determined using the sales comparison approach for the Land to be RM4,900,000 (approximately S\$1,495,000<sup>1</sup>) and the cost approach for the Building to be RM6,600,000 (approximately S\$2,013,000<sup>1</sup>).

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<sup>1</sup> Based on the exchange rate of RM1:S\$0.305 as at 22 October 2024 (extracted from Oanda.com).

Further details in relation to the valuation and a copy of the Valuation Certificate and the Valuation Report will be included in the circular to Shareholders to be issued in due course.

## 2.2. Information on the Purchaser

*The information on the Purchaser was provided to the Company by the representatives of the Purchaser. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The Board's responsibility is limited to the proper extraction and reproduction in the context that is being disclosed in the announcement.*

The Purchaser is a company incorporated under the laws of Malaysia on 25 June 2007. The Purchaser is principally engaged in the business of property investment.

## 3. SALIENT TERMS OF THE SPA

### 3.1. Consideration

The Consideration for the Property was arrived at on a willing buyer and willing seller basis after arms' length negotiations between the Company, the Vendor and the Purchaser. In agreeing to the Consideration, the Group had taken into account, including but not limited to, the following factors:

- (a) the valuation of the Property as at 17 October 2024;
- (b) net asset value of the Property and the expected gain on disposal;
- (c) general property market conditions in Malaysia;
- (d) the current economic environment; and
- (e) the Group's rightsizing exercise to cease its operations in Malaysia.

The Consideration will be satisfied by the Purchaser in cash as follows:

- (a) the sum of RM1,400,000 (being 10% of the Consideration) to the Purchaser's solicitors as stakeholders (the "**Deposit**"), which has been paid by the Purchaser upon execution of the SPA; and
- (b) the balance sum of RM12,600,000 (being 90% of the Consideration) ("**Balance Consideration**"), which shall be payable by the Purchaser within the Completion Period (as defined below).

Pursuant to the SPA, the Deposit (less the retention sum of RM420,000, representing 3% of the Consideration, which will be retained by the Purchaser's solicitors to pay the real property gains tax payable by the Vendor) will be released by the Purchaser's solicitors to the Vendor within seven (7) days from the date the Purchaser's solicitors receive confirmation that Shareholders' Approval (as defined below) has been obtained ("**Effective Date**").

### 3.2. Conditions precedent

The completion of the Proposed Disposal ("**Completion**") under the SPA is subject to, *inter alia*, the following conditions being satisfied:

- (a) approval of Shareholders having been received at the EGM ("**Shareholders' Approval**"); and
- (b) Shareholders' Approval being received within three (3) months from the date of the SPA (i.e. by 23 January 2025) ("**Condition Period**").

### 3.3. Other salient terms

#### Discharge of Charge

As at date of this announcement, the Property is currently charged to a financial institution in Malaysia (“**Existing Chargee**”). Subject to the provisions of the SPA:

- (a) the Vendor has irrevocably authorised the Purchaser to utilise the Balance Consideration for the redemption of the Property on behalf of the Vendor; and
- (b) the Vendor will forward all necessary and relevant documents to the Purchaser’s solicitors to discharge the charge held by the Existing Chargee.

#### Completion

- (a) Completion will occur within four (4) months from the Effective Date (“**Completion Period**”).
- (b) In the event that the Purchaser is unable to pay the Balance Consideration within the Completion Period, then the Vendor will automatically without any written notice grant the Purchaser an extension of three (3) months (“**Extended Completion Period**”) to pay the same, provided the Purchaser shall pay to the Vendor, an interest of 8% per annum on the outstanding Balance Consideration calculated on daily basis from the day following the expiry of the Completion Period to the date of full payment of the Balance Consideration by the Purchaser.

## 4. RATIONALE FOR THE PROPOSED DISPOSAL

The Board believes that the Proposed Disposal is in the best interests of the Group and the Shareholders, as it will enable the Group to:

- (a) realise the value of the Property;
- (b) complete the Group’s exit from its Malaysian operations;
- (c) focus the Group’s efforts on other core businesses; and
- (d) improve the liquidity of the Group (the Proposed Disposal will result in a net cash inflow of approximately S\$4,270,000, before deducting the estimated expenses related to the Proposed Disposal which is considered negligible).

## 5. USE OF PROCEEDS

The Company intends to utilise the net proceeds for the general working capital requirements of the Group.

## 6. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE CATALIST RULES

- 6.1. Based on the latest announced unaudited consolidated financial statements of the Group for HY2024, the relative figures of the Proposed Disposal computed on the bases set out in Rules 1006(a) to 1006(e) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual (Section B: Rules of Catalist) (“**Catalist Rules**”) are set out below.

<b>Catalist Rule</b>	<b>Basis of Calculation</b>	<b>Relative Figure</b>
1006(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value. <sup>(1)</sup> This basis is not applicable to an acquisition of assets.	8.9% <sup>(2)</sup>

<b>Catalist Rule</b>	<b>Basis of Calculation</b>	<b>Relative Figure</b>
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. <sup>(3)</sup>	Not applicable <sup>(4)</sup>
1006(c)	The aggregate value of the Consideration, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	92.0% <sup>(5)</sup>
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(6)</sup>
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not applicable <sup>(7)</sup>

Notes:

- (1) Under Rule 1006(a) of the Catalist Rules, "net assets" means total assets less total liabilities.
- (2) Based on the net carrying amount of the Property of approximately S\$2,522,000 as at 29 February 2024 and the net asset value of the Group of S\$28,455,000 as at 29 February 2024.
- (3) Under Rule 1002(3)(b) of the Catalist Rules, "net profits" is defined as profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) Not applicable as the Property was for the Group's own use and has been idle after the Group's Malaysia operations was ceased in the end of May 2024 and thus does not generate any income or revenue.
- (5) Based on the Consideration of approximately S\$4,270,000 and the market capitalisation of approximately S\$4,642,000 which is determined by multiplying the volume weighted average price of S\$0.004 on 22 October 2024, being the last full market day on which the shares of the Company were traded, preceding the date of the signing of the SPA, with 1,160,492,527 shares in issue (excluding treasury shares).
- (6) Rule 1006(d) of the Catalist Rules is not applicable as this relates to a disposal.
- (7) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

6.2. As the relative figures computed on the basis set out in Rule 1006(c) of the Catalist Rules exceed 50%, the Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Catalist Rules. Pursuant to Rule 1014 of the Catalist Rules, the Proposed Disposal shall be conditional upon the approval of Shareholders in the EGM to be convened by the Company.

## 7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

### 7.1. Bases and assumptions

The following are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Group after Completion. The financial effects of the Proposed Disposal on the Group as set out below are based on the Group's latest audited financial statements for the financial year ended 31 August 2023 and the following assumptions:

- (a) the financial effects on the Group's net tangible assets ("**NTA**") attributable to the Shareholders and the NTA per Share have been computed assuming that Completion took place on 31 August 2023;

- (b) the financial effects on the Group's net loss/profit attributable to the Shareholders and the loss per Share (“LPS”) or earnings per share (“EPS”) have been computed assuming that Completion took place on 1 September 2022; and
- (c) the expenses incurred in connection with the Proposed Disposal is not material.

**7.2. NTA per Share**

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTA attributable to Shareholders ('000)	27,347	29,049
Number of issued shares ('000)	663,139	663,139
NTA per share (S\$)	0.041	0.044

**7.3. (LPS)/EPS**

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Net (loss)/profit attributable to Shareholders ('000)	(1,623)	693
Weighted average number of shares ('000)	679,497	679,497
(LPS)/EPS (S\$)	(0.002)	0.001

**8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal contemplated herein (other than in his capacity as a Director or Shareholder of the Company).

**9. DIRECTOR'S SERVICE CONTRACT**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

**10. CIRCULAR TO SHAREHOLDERS**

The Company will be seeking specific Shareholders' approval for the Proposed Disposal at the EGM to be convened in due course. A circular to Shareholders setting out, amongst other things, the details of, and other relevant information pertaining to the Proposed Disposal, together with the notice of the EGM, will be issued by the Company in due course.

**11. CAUTIONARY STATEMENT AND FURTHER ANNOUNCEMENTS**

- 11.1. Shareholders are advised to exercise caution when dealing in the Company's securities as the Proposed Disposal is subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed. The Company will make the necessary announcements when there are further developments.
- 11.2. Shareholders are advised to read this announcement and any further announcements by the Company carefully. When in any doubt, Shareholders are advised to seek independent advice from their stockbroker, bank manager, accountant, solicitor or any other professional adviser.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

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

## 13. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 26 Boon Lay Way, #01-80, Tradehub 21, Singapore 609970 for a period of three (3) months from the date of this announcement:

- (a) the SPA;
- (b) the Valuation Certificate; and
- (c) the Valuation Report.

### BY ORDER OF THE BOARD Miyoshi Limited

Sin Kwong Wah, Andrew  
Executive Director and CEO  
23 October 2024

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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