

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

**Unaudited Condensed Interim Financial Statements
For the Half Year Ended 29 February 2024 (“HY2024”)**

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 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.

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**A. Condensed interim consolidated statement of profit or loss and other comprehensive Income
For the 6-month financial period ended 29 February 2024**

	Note	6 months ended		Change %
		Feb-24 \$'000	Feb-23 \$'000	
Revenue	4	19,771	23,515	-15.92%
Other income	6	207	65	>100%
Raw materials, consumables used and changes in inventories		(11,671)	(14,048)	-16.92%
Employee benefit expenses		(4,191)	(4,422)	-5.22%
Depreciation and amortisation		(1,237)	(1,451)	-14.75%
Other expenses	6	(3,653)	(3,737)	-2.25%
Reversal of loss allowance for impairment of trade receivables		146	7	>100%
Finance costs		(363)	(248)	46.37%
(Loss) before income tax		(991)	(319)	>100%
Income tax expense	7	(68)	(30)	>100%
(Loss) for the financial period		(1,059)	(349)	>100%
(Loss) attributable to:				
Owners of the Company		(890)	(315)	>100%
Non-controlling interests		(169)	(34)	>100%
(Loss) for the financial period		(1,059)	(349)	>100%
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		1	(743)	N.M.
Other comprehensive (loss) for the financial period, net of tax		1	(743)	N.M.
Total comprehensive (loss) for the financial period		(1,058)	(1,092)	-3.11%
Total comprehensive (loss) attributable to:				
Owners of the Company		(786)	(1,045)	-24.78%
Non-controlling interests		(272)	(47)	>100%
		(1,058)	(1,092)	-3.11%
(Loss) per share				
Basic and diluted (cents)	9	(0.13)	(0.05)	>100%

N.M.: Not meaningful

*Throughout this report, all figures are in Singapore Dollars and Singapore Cents, unless otherwise stated.

B. Condensed interim statements of financial position

Notes	The Group		The Company	
	As at		As at	
	29-Feb-24 \$'000	31-Aug-23 \$'000	29-Feb-24 \$'000	31-Aug-23 \$'000
ASSETS				
Current assets				
	3,700	4,020	852	89
	11,837	11,912	1,901	1,865
	325	152	12	18
	5,312	5,402	19	18
	21,174	21,486	2,784	1,990
Non-current assets				
	-	-	22,460	23,077
11	-	-	-	-
	22,894	23,935	2,244	2,499
12	5,875	5,879	-	-
13	17	27	-	-
14	75	75	-	-
	28,861	29,916	24,704	25,576
	50,035	51,402	27,488	27,566
LIABILITIES AND EQUITY				
Current liabilities				
	9,661	9,184	4,721	3,786
	118	120	-	-
	100	165	99	161
15	8,137	8,476	1,562	752
	18,016	17,945	6,382	4,699
Non-current liabilities				
	6	36	6	34
15	1,879	2,267	225	605
	311	311	5,288	5,597
	583	546	-	-
	785	784	340	342
	3,564	3,944	5,859	6,578
	21,580	21,889	12,241	11,277
EQUITY				
16	50,377	50,377	50,377	50,377
17	(633)	(633)	(633)	(633)
	666	666	-	-
	1,938	1,938	-	-
	(13,709)	(13,726)	(11,157)	(11,088)
	(12,051)	(11,248)	(23,340)	(22,367)
	26,588	27,374	15,247	16,289
	1,867	2,139	-	-
	28,455	29,513	15,247	16,289
	50,035	51,402	27,488	27,566

C. Condensed interim statements of changes in equity

	Share capital \$'000	Treasury shares \$'000	Revaluation reserve \$'000	Other reserve \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group									
Balance as at 1 September 2023	50,377	(633)	666	1,938	(13,726)	(11,248)	27,374	2,139	29,513
Loss for the financial period	-	-	-	-	-	(890)	(890)	(169)	(1,059)
Other comprehensive income for the financial period:									
Foreign currency translation	-	-	-	-	17	87	104	(103)	1
Total other comprehensive income/(loss) for the financial period	-	-	-	-	17	87	104	(103)	1
Total comprehensive income/(loss) for the financial period	-	-	-	-	17	(803)	(786)	(272)	(1,058)
Balance as at 29 February 2024	50,377	(633)	666	1,938	(13,709)	(12,051)	26,588	1,867	28,455

	Share capital \$'000	Treasury shares \$'000	Revaluation reserve \$'000	Other reserve \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group									
Balance as at 1 September 2022	50,377	(633)	666	1,719	(12,010)	(9,577)	30,542	2,155	32,697
Profit for the financial period	-	-	-	-	-	(315)	(315)	(34)	(349)
Other comprehensive income for the financial period:									
Foreign currency translation	-	-	-	6	(993)	257	(730)	(13)	(743)
Total other comprehensive income/(loss) for the financial period	-	-	-	6	(993)	257	(730)	(13)	(743)
Total comprehensive income/(loss) for the financial period	-	-	-	6	(993)	(58)	(1,045)	(47)	(1,092)
Balance as at 28 February 2023	50,377	(633)	666	1,725	(13,003)	(9,635)	29,497	2,108	31,605

The Company	Share capital	Treasury shares	Currency translation reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 September 2023	50,377	(633)	(11,088)	(22,367)	16,289
Loss for the financial period	-	-	-	(973)	(973)
Other comprehensive income for the financial period					
Foreign currency translation	-	-	(69)	-	(69)
Total comprehensive (loss) for the financial period	-	-	(69)	(973)	(1,042)
Balance at 29 February 2024	50,377	(633)	(11,157)	(23,340)	15,247

The Company	Share capital	Treasury shares	Currency translation reserve	Accumulated losses	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 September 2022	50,377	(633)	(10,411)	(18,336)	20,997
Loss for the financial period	-	-	-	(1,075)	(1,075)
Other comprehensive income for the financial period					
Foreign currency translation	-	-	(765)	-	(765)
Total comprehensive (loss) for the financial period	-	-	(765)	(1,075)	(1,840)
Balance at 28 February 2023	50,377	(633)	(11,176)	(19,411)	19,157

D. Condensed interim consolidated statements of cash flows

	6 months ended	
	Feb-24 \$'000	Feb-23 \$'000
Operating activities:		
(Loss) before income tax	(991)	(319)
Adjustments for:		
Reversal of loss allowance for impairment of trade receivables	(146)	(7)
Depreciation and amortisation	1,237	1,451
Interest expense	362	248
Interest income	(3)	-
Loss on disposal of plant and equipment	53	25
Unrealised currency translation differences	(746)	(497)
Operating cash flows before changes in working capital	(234)	901
Trade and other receivables	46	6,040
Prepayments	-	(222)
Inventories	91	(447)
Trade and other payables	512	(5,466)
Cash generated from operations	415	806
Interest paid	(314)	(248)
Interest received	3	-
Income tax paid	(68)	-
Net cash from operating activities	36	558
Investing activities:		
Proceeds from disposal of plant and equipment	9	55
Purchase of property, plant and equipment	(261)	(126)
Proceeds from disposal of club membership	-	48
Net cash (used in) investing activities	(252)	(23)
Financing activities:		
Proceeds from bank borrowings	-	2,262
Repayment of bank borrowings	(1,270)	(1,886)
Interest paid on lease liabilities	(48)	(59)
Principal repayment of lease liabilities	(76)	(18)
Net cash (used in)/from financing activities	(1,394)	299
(Decrease)/increase in cash and cash equivalents	(1,610)	834
Effect of foreign exchange rate changes on cash and cash equivalents	2	(66)
Cash and cash equivalents at beginning of financial period/year	4,020	3,010
Cash and cash equivalents at end of financial period	2,412	3,778
Cash and cash equivalents as at 29/28 February comprised of:		
Cash and bank balances	2,900	3,778
Restricted cash*	800	-
Bank overdraft	(1,288)	-
Total	2,412	3,778

* Restricted cash is the Advance Deposits received from the Undertaking Shareholder for the proposed rights issue. Please refer to the circular dated 28 March 2024 for further details.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Miyoshi Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist board of the SGX-ST. The Company’s registration number is 198703979K. Its principal place of business and registered office is 26 Boon Lay Way, #01-80, Singapore 609970. The condensed interim consolidated financial statements for the full year ended 31 August 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

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

The principal activities of the Group include the following:

- (a) Investment holding and trading of machine
- (b) Metal stamping, fabrication of parts and components of machine tools
- (c) Metal stamping and plastic injection moulding
- (d) Metal stamping and assembly of electronic components
- (e) Commodities trading and rental income arising from investment properties
- (f) Cultivate vegetables and high-value aromatic herbs hydroponically

2. Basis of preparation

The condensed interim financial statements for the 6 months ended 29 february 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the financial year ended 31 August 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar. The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (“**functional currency**”). The Company’s functional currency is United States dollar. The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar and all values are rounded to the nearest thousand (\$’000) except where otherwise indicated as the Company is listed on the SGX-ST, and management is of the opinion that the Singapore dollar is the currency which would best facilitate trading in its shares.

2.1. New and amended standards adopted by the Group

The Group has adopted all the applicable new and revised SFRS(I) and Interpretations of (“**SFRS(I) INTs**”) that are mandatory for the accounting periods beginning on or after 1 September 2023. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current and prior financial period reported on.

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 August 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Basis of preparation (continued)

2.2. Use of judgements and estimates (continued)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Investment in Miyoshi International Philippines Inc

The Group determines that Miyoshi International Philippines Inc (“MIP”) is a subsidiary of the Group although the Group only holds a 40% equity interest in MIP. Due to the land ownership restriction in the Philippines, the remaining 60% equity interest are held in trust by employees on behalf of the Company.

Management determined that the Group has the power to appoint and remove the board of directors of MIP that has the power to direct relevant activities of MIP. Management concluded that the Group has the practical ability to direct the relevant activities of MIP unilaterally and hence the Group has control over MIP.

(ii) Classification between investment properties and property, plant and equipment

In accordance with SFRS(I) 1-40 *Investment Property*, the Group has established certain criteria in making judgement on whether a property qualifies as an investment property. Investment property is a property held for capital appreciation or to earn rentals or both. Certain properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in production or supply of goods for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property. In addition, depending on the Group’s latest corporate strategies, from time to time, the management may change the usage of its landed properties between property, plant and equipment and investment properties.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

(i) Impairment loss on investments in subsidiaries and loans deemed as investment in subsidiaries

For those subsidiaries with indication of impairment, management determined the recoverable amount of the investment and loan deemed as investment based on fair value less costs of disposal using the revenue multiplier method.

(ii) Impairment of property, plant and equipment

The Group assesses whether there are any indicators of impairment for its property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment when there are indicators that the carrying amount may not be recoverable using the fair value less costs of disposal method.

(iii) Estimating expected credit loss allowance

Management estimates expected credit loss allowance using a forward-looking expected credit loss (“ECL”) model. On initial recognition of the financial asset, management determines the ECL rates by considering the profile of the customers, historical observed default rates and adjusts for forward looking information.

(iv) Net realisable value of inventories

In determining the net realisable value of the Group’s and the Company’s inventories, an estimation of the recoverable amount of inventories on hand is performed based on the most reliable evidence available at the time the estimates are made. This represents the value of the inventories which are expected to realise as estimated by the management. These estimates take into consideration the fluctuation of price or cost, or any inventories on hand that may not be realised, directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the financial year.

(v) Fair value of investment properties

The Group’s investment properties are stated at fair value which is based on certain assumptions that are subject to uncertainty and might differ from the actual results. In making the judgement, consideration has been given to the assumptions that are mainly based on market conditions existing as at the end of the financial year. These estimates are regularly compared to actual market data.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

4.1. Reportable segment revenue, profit or loss, assets and liabilities and other material items

The Group is primarily engaged in four segments during HY2024, namely:

- Data Storage – manufacturing of metal semi-finished components for hard disk drives and removable storage devices.
- Consumer Electronics – manufacture of metal semi-finished components for photocopier, scanners and printers.
- Automotive – manufacturing of semi-finished metal components for motor vehicles.
- Others – rental income arising from investment properties.

Management has determined the operating segments based on the reports reviewed by chief operating decisionmaker, who is the Chief Executive Officer. A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group's segment assets include all operating assets used by a reportable segment and consist principally of property, plant and equipment, investment properties, inventories and operating receivables net of allowances and provisions. Segment liabilities include all operating liabilities and consist principally of trade and other payables, lease liabilities, and borrowings.

Revenue is analysed by the location of the customers.

Non-current assets excluding available-for-sale financial assets and deferred tax assets are analysed by the location of the assets.

4. Segment and revenue information (continued)

4.1. Reportable segment revenue, profit or loss, assets and liabilities and other material items (continued)

	Consumer electronics \$'000	Automotive \$'000	Data storage \$'000	Others \$'000	Unallocated \$'000	Consolidated \$'000
HY2024						
Revenue						
External sales	7,493	10,701	845	732	-	19,771
Results						
Segment results	(408)	(981)	77	680	-	(632)
Interest expense	(84)	(273)	(5)	-	-	(362)
Interest income	1	2	-	-	-	3
(Loss)/profit before income tax	(491)	(1,252)	72	680	-	(991)
Income tax expense						(68)
Loss after income tax						(1,059)
Reversal of loss allowance for impairment of:						
- Trade and other receivables	144	2	-	-	-	146
(Loss)/gain on disposal of plant and equipment	(55)	2	-	-	-	(53)
Depreciation and amortisation	(282)	(893)	(62)	-	-	(1,237)
Assets and liabilities						
Segment assets	18,357	22,990	901	7,787	-	50,035
Include:						
Additions to:						
- Property, plant and equipment	102	147	12	-	-	261
Segment liabilities	13,865	5,051	580	474	1,610	21,580

4. Segment and revenue information (continued)

4.1. Reportable segment revenue, profit or loss, assets and liabilities and other material items (continued)

	Consumer electronics \$'000	Automotive \$'000	Data storage \$'000	Others \$'000	Unallocated \$'000	Consolidated \$'000
HY2023						
Revenue						
External sales	9,877	11,033	683	1,922	-	23,515
Results						
Segment results	(770)	(129)	44	783	1	(71)
Interest expense	(87)	(160)	-	-	(1)	(248)
Interest income	-	-	-	-	-	-
(Loss)/Profit before income tax	(857)	(289)	44	783	-	(319)
Income tax expense						(30)
Loss after income tax						(349)
Reversal of loss allowance for impairment of:						
- Trade and other receivables	5	2	-	-	-	7
Depreciation and amortisation	(530)	(862)	(59)	-	-	(1,451)
Loss on disposal of plant and equipment	(24)	(1)	-	-	-	(25)
Assets and liabilities						
Segment assets	19,869	18,696	2,062	9,072	-	49,699
Include:						
Additions to:						
- Property, plant and equipment	62	61	3	-	-	126
Segment liabilities	10,214	4,064	498	843	2,475	18,094

4.2. Revenue

	The Group	
	HY2024 \$'000	HY2023 \$'000
Sales of goods	19,039	21,593
Others	732	1,922
Total	19,771	23,515

4.3. Disaggregation of revenue

Types of goods	The Group	
	HY2024 \$'000	HY2023 \$'000
Consumer electronics	7,493	9,877
Automotive	10,701	11,033
Data storage	845	683
Total	19,039	21,593

The revenue generated from the above sales of goods are recognised at point in time.

4. Segment and revenue information (continued)

4.4. Geographical segments

	The Group	
	HY2024 \$'000	HY2023 \$'000
Revenue		
Philippines	6,415	8,106
China	7,921	7,646
Thailand	1,391	2,727
Mexico	819	1,147
Hungary	344	347
Malaysia	689	881
Singapore	400	1,480
Germany	1,073	1,022
Others	719	159
Total	19,771	23,515

	The Group	
	As at 29-Feb-24 \$'000	As at 28-Feb-23 \$'000
Non-current assets		
Philippines	15,885	16,925
China	4,401	5,083
Thailand	2,871	3,046
Malaysia	2,581	2,949
Singapore	3,123	4,333
Total	28,861	32,336

5. Financial assets and financial liabilities

	The Group		The Company	
	As at 29-Feb-24 \$'000	As at 31-Aug-23 \$'000	As at 29-Feb-24 \$'000	As at 31-Aug-23 \$'000
<u>Financial assets</u>				
Cash and bank balances	3,700	4,020	852	89
Trade and other receivables (excluding advances and GST recoverable)	11,837	11,879	1,901	1,865
Financial assets at amortised cost	15,537	15,899	2,753	1,954
<u>Financial liabilities</u>				
Trade and other payables (excluding advances received)	10,554	9,495	10,008	9,383
Bank borrowings	10,016	10,743	1,787	1,357
Lease liabilities	106	201	105	195
Financial liabilities at amortised cost	20,676	20,439	11,900	10,935

6. (Loss) before taxation

6.1 Significant items

	The Group	
	HY2024	HY2023
	\$'000	\$'000
Other Income		
Miscellaneous income	11	65
Interest income from bank deposits	3	-
Gain on foreign exchange, net	193	-
	207	65
Other Expenses		
Supplies and services	1,254	1,733
Utilities	974	662
Transportation and travelling	126	300
Office and sundry expenses	316	224
Repair and maintenance	127	173
Others	288	97
Professional fees	360	251
Insurance	155	-
Loss on disposal of plant and equipment, net	53	25
Loss on foreign exchange, net	-	187
Other tax	-	85
	3,653	3,737

6.2 Related party transactions

	The Group	
	HY2024	HY2023
	\$'000	\$'000
Rental income	12	-
Rental expense	(50)	38
Interest expense on loan from director	(24)	-

The remuneration of Directors and other members of key management during the financial period was as follows:

	HY2024	HY2023
	\$'000	\$'000
Short-term benefits	597	532
Post-employment benefits	22	20
	619	552
Directors' remuneration		
- of the Company	276	226
- of the subsidiaries	67	84
	343	310

7. Income tax expense

	HY2024 \$'000	HY2023 \$'000
Current tax		
- Current financial period	68	30
Deferred tax		
- Current financial period	-	-
	<u>68</u>	<u>30</u>

8. Dividends

	The Group HY2024	HY2023
Ordinary dividend paid:		
Final tax-exempt dividend	-	-
Interim tax-exempt dividend	-	-
	<u>-</u>	<u>-</u>

9. (Loss) per share

	The Group HY2024	HY2023
(Loss) per share (cents)		
- Basic	(0.13)	(0.05)
- Diluted	(0.13)	(0.05)
Weighted number of ordinary shares (‘000) for the purpose of:		
- Basic EPS	663,139	663,139
- Diluted EPS	663,139	663,139

For the purpose of calculating earnings per share, the number of shares in issue during the period excludes treasury shares.

Diluted earnings per share is the same as the basic earnings per share for the respective periods reported because the Company did not have any potentially dilutive instruments during the respective financial periods.

10. Net asset value

	The Group		The Company	
	As at 29-Feb-24	As at 31-Aug-23	As at 29-Feb-24	As at 31-Aug-23
Net assets value attributable to owners of the Company per ordinary share (cents)	4.01	4.13	2.30	2.46

Net asset value per share is calculated based on share capital of 663,138,587 ordinary shares in issue, excluding treasury shares and subsidiary holdings, as at 29 February 2024 and 31 August 2023 respectively.

11. Financial assets at fair value through profit or loss (“FVTPL”)

	The Group and the Company	
	As at 29-Feb-24 \$'000	As at 31-Aug-23 \$'000
Unquoted equity shares, at fair value:		
Balance as at the beginning and end of the financial year	-	-

The FVTPL refers to the Group's investment in 42.11% of the equity of Core Power (Fujian) New Energy Automobile Co., Ltd (“**Core Power**”) in China.

12. Property, plant and equipment

During HY2024, the Group acquired assets amounting to \$261,000 (HY2023: \$126,000), and disposed of assets, net of accumulated depreciation, amounting to \$62,000 (HY2023: \$24,000).

Depreciation decreased by \$0.21 million to \$1.23 million in HY2024 from \$1.44 million in HY2023.

Key assumptions used by the management for assessing the fair value less cost of disposal of the plant and equipment and motor vehicle included the selling price for similar plant and equipment, adjusted for age and adjusted costs of disposal.

There is no impairment for the Group's property, plant and equipment in HY2024.

13. Investment properties

The Group's investment properties consist of industrial properties held for long-term yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	The Group	
	29-Feb-24 \$'000	31-Aug-23 \$'000
Balance as at the beginning of the financial period	5,879	6,319
Net fair value (loss) recognised in profit or loss	-	(203)
Currency alignment	(4)	(237)
Balance as at the end of the financial period	<u>5,875</u>	<u>5,879</u>

The Group's investment properties were valued annually by certain independent professional valuation firms with recent experience in the location and category of the investment properties held by the Group. The valuations were derived at by using:

- (i) the sales comparison approach whereby sales prices of comparable properties in similar location are adjusted for unobservable inputs such as tenure, age, size, design, floor level, condition and standard of finishes amongst other factors. The most unobservable input into this valuation approach is selling price per square meter.
- (ii) the cost approach whereby value of the property or another asset that consider as a substitute for the purchase of a given property, the possibility of constructing another property that is equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. The most significant unobservable input into this valuation approach is reproduction or replacement cost of the subject property or asset, less total (accrued) depreciation.

The valuation is based on the asset's highest and best use, which is in line with its actual use. The resulting fair value of investment property is considered level 3 recurring fair value measurement.

14. Intangible assets

Intangible assets represent accounting software acquired at cost. Amortisation remain similar at \$0.01 million for HY 2024 and HY 2023.

15. Borrowings

	The Group		The Company	
	As at 29-Feb-24 \$'000	As at 31-Aug-23 \$'000	As at 29-Feb-24 \$'000	As at 31-Aug-23 \$'000
Current				
Term loans				
- Secured	6,097	7,724	-	-
- Unsecured	752	752	752	752
	6,849	8,476	752	752
Bank overdraft				
- Secured	1,288	-	810	-
	8,137	8,476	1,562	752
Non-current				
Term loans				
- Secured	1,654	1,662	-	-
- Unsecured	225	605	225	605
	1,879	2,267	225	605
Total bank borrowings	10,016	10,743	1,787	1,357

Bank borrowings

The Group's secured borrowings comprise bank borrowings of the Company and its subsidiaries, Wuxi Miyoshi Precision Co., Ltd ("WMP"), Miyoshi Precision Huizhou Co., Ltd ("MPH") and Miyoshi Technologies Phils, Inc. ("MTP"). The bank borrowings are secured against properties of the Group.

The bank overdraft is secured by legal mortgage of a property of the Company, legal mortgage of a property of a related party of the Company, and legal assignment of rental proceeds of all current and future rental income from the property of related party. The related party is a company in which the director of the Company and his wife have equity interest.

The Group's unsecured borrowing comprises a 5-year Temporary Bridging Loan ("TBL") from United Overseas Bank Limited to the Company. The TBL is a government assisted Enterprise Financing Scheme as announced during the Singapore budget 2020 on 6 April 2020.

16. Share capital

	The Group and the Company			
	As at 29-Feb-24		As at 31-Aug-23	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Issued and fully paid shares capital (excluding treasury shares)				
Balance as at the beginning and end of the financial period	663,139	50,377	663,139	50,377

The Company's share capital as at 29 February 2024, 31 August 2023 and 28 February 2023 was S\$50,376,916 comprising 663,138,587 ordinary shares (excluding treasury shares). There are no changes during HY2024.

There were no outstanding share options or convertibles as at 29 February 2024, 31 August 2023 and 28 February 2023.

The Company did not have any subsidiary holdings as at the end of 29 February 2024, 31 August 2023 and 28 February 2023.

17. Treasury shares

	The Group and the Company			
	As at 29-Feb-24		As at 31-Aug-23	
	Number of shares '000	\$'000	Number of shares '000	\$'000
Balance as at the beginning and end of the financial year	16,359	633	16,359	633

There were no sales, transfer, cancellation and/or use of treasury shares during HY2024.

	The Group and the Company	
	Number of shares ('000)	
	As at 29-Feb-24	As at 31-Aug-23
Total number of issued shares	679,498	679,498
Treasury shares	(16,359)	(16,359)
Total number of issued shares, excluding treasury shares	663,139	663,139

As at 29 February 2024, the Company held 16,358,600 (31 August 2023: 16,358,600) treasury shares which represented approximately 2.5% (31 August 2023: 2.5%) of the total issued shares (excluding treasury shares) comprising 663,138,587 (31 August 2023: 663,138,587) shares.

18. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

F. Other information required by Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statement of financial position of Miyoshi Limited and its subsidiaries as at 29 February 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 6 months then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

Not applicable. The latest audited financial statements for the financial year ended 31 August 2023 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

3. Review of performance of the Group

A. Revenue

Business Segment Revenue	HY2024 (\$'000)	HY2023 (\$'000)	Change %
Automotive	10,701	11,033	-3.01%
Consumer electronics	7,493	9,877	-24.14%
Data storage	845	683	23.72%
Others	732	1,922	-61.91%
Total	19,771	23,515	-15.92%

HY2024 vs HY2023

Revenue for HY2024 decreased by \$3.74 million or 15.92% to \$19.77 million. The decrease in revenue was due to the decrease in revenue in (i) the Consumer Electronics due to weaker demand for manufacturing components for office equipment and household appliances mainly from customers of the Group's subsidiaries in the Philippines and Thailand, and (ii) the Others segment as the Group discontinued its commodities trading business in Singapore.

B. Raw Materials, Consumables used and Changes in Inventories

HY2024 vs HY2023

Raw materials and consumables used decreased by \$2.38 million or 16.92% for HY2024, which was mainly due to decrease in revenue from the Consumer Electronics segment.

C. Other Income

HY2024 vs HY2023

Other income increased by \$0.14 million from \$0.07 million in HY2023 to \$0.21 million in HY2024 mainly due to the increase of \$0.25 million in foreign exchange gain.

D. Employee Benefit Expenses

HY2024 vs HY2023

Employee benefit expenses decreased by \$0.23 million from \$4.42 million in HY2023 to \$4.19 million in HY2024 mainly due to reduced headcounts as the Group continues its efforts to streamline its operations.

E. Other Expenses

HY2024 vs HY2023

Other expenses decreased marginally by \$0.08 million to \$3.65 million in HY2024. The increase in utilities of \$0.31 million, other miscellaneous expenses of \$0.19 million, professional fees of \$0.11 million and insurance expense of \$0.15 million was partially offset by the decrease in supplies and services of \$0.48 million, transportation and travelling of \$0.17 million and net loss on disposal of plant and equipment of \$0.19 million.

F. Reversal of Loss Allowance for Impairment of Trade Receivables

HY2024 vs HY2023

Reversal of loss allowance for impairment of trade receivables increased by \$0.14 million from \$0.01 million in HY2023 to \$0.15 million in HY2024 mainly due to improve collection from customers in Malaysia.

G. Income Tax Expense

HY2024 vs HY2023

Income tax expense increased by \$0.04 million from \$0.03 million in HY2023 to \$0.07 million in HY2024 mainly due to increase in current year taxation from our China subsidiary.

H. (Loss) after Income Tax

HY2024 vs HY2023

The Group incurred loss after income tax of \$1.06 million in HY2024 as compared to a loss after income tax of \$0.35 million in HY2023. This was mainly due to decrease in revenue and increase in finance costs, partially offset by increase in reversal of loss allowance for impairment of trade receivables, decrease in cost of raw materials, consumables used and changes in inventories, depreciation and amortisation, employee benefit expenses and other expenses.

I. Assets and Liabilities

Current assets decreased by \$0.32 million from \$21.49 million as at 31 August 2023 to \$21.17 million as at 29 February 2024. This was mainly due to the decrease in cash and bank balances of \$0.32 million.

Current liabilities increased by \$0.07 million from \$17.95 million as at 31 August 2023 to \$18.02 million as at 29 February 2024, largely attributable to the increase in trade and other payables of \$0.48 million, partially offset by the decrease in short term bank borrowings of \$0.34 million.

Non-current assets decreased by \$1.06 million from \$29.92 million as at 31 August 2023 to \$28.86 million as at 29 February 2024 mainly due to the decrease in property, plant and equipment of \$1.04 million, which in turn was mainly due to depreciation expenses of \$1.24 million.

Non-current liabilities decreased by \$0.38 million from \$3.94 million as at 31 August 2023 to \$3.56 million as at 29 February 2024 mainly due to decrease in bank borrowings.

J. Equity

Equity attributable to owners of the Company decreased by \$0.78 million from \$27.37 million as at 31 August 2023 to \$26.59 million as at 29 February 2024. The decrease was mainly due to the loss attributable to owners of \$0.89 million and net currency translation gain of \$0.10 million.

K. Cash and Cash Equivalents

Cash and cash equivalents decreased by \$0.32 million from \$4.02 million as at 31 August 2023 to \$3.70 million as at 29 February 2024.

HY2024

Net cash generated from operating activities amounted to \$0.04 million during HY2024. This was due mainly to the net cash outflow before changes in working capital of \$0.23 million, partially offset by the net positive changes in working capital of \$0.65 million, interest paid of \$0.32 million and income tax paid of \$0.07 million.

Net cash used in investing activities amounted to \$0.25 million in HY2024, which was mainly due to the purchase of plant and equipment of \$0.26 million, partially offset by proceeds from disposal of plant and equipment of \$0.01 million.

Net cash used in financing activities amounted to \$1.39 million in HY2024 mainly due to repayment of existing bank borrowings of \$1.27 million and repayment of lease liabilities of \$0.12 million.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been previously disclosed to shareholders for the financial period under review.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As the business environment continues to face headwinds amid the uncertain global economic outlook, 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.

As a result of the above, the Group has conducted its strategic review of its organisational structure in response to the requirements of the external operating environment. The Group has decided to cease its operations in Malaysia by end April 2024. Plant and equipment as well as certain customers under the relevant Malaysia subsidiary will be transferred to the subsidiaries of the Group in other countries, mainly to the Philippines and Thailand. This rightsizing exercise is expected to reap cost savings for the Group and will enable the Group to concentrate its resources on the profit-making business units. Notwithstanding the above, the Group will continue to hold its two investment properties in Malaysia.

The Company has, on 12 April 2024, obtained the shareholders' approval at a general meeting for 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 announcements dated 28 November 2023, 24 January 2024, 29 January 2024, 9 April 2024, 12 April 2024 and the circular dated 28 March 2024 for further details.

6. Dividend information

(a) Whether an interim (final) ordinary dividend has been declared

No

(b) (i) Amount per share (cents)

Not applicable

(ii) Previous corresponding period (cents)

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) Date Payable

Not applicable

(e) Record date

Not applicable

7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

After deliberation, the Board has adopted a prudent approach to conserve cash amidst the current challenging business environment. As such, no dividend has been declared for HY2024.

8. Interested person transactions

The Company does not have a general mandate from its shareholders in relation to IPTs pursuant to Rule 920 of the Catalist Rules.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted during the financial year under the shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than \$100,000)
	Nil	Nil

Note: There were interested person transactions during the period but the individual transactions were less than \$100,000.

9. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

We, Sin Kwong Wah, Andrew and Pek Ee Perh, Thomas, being two directors of Miyoshi Limited (the "**Company**"), do hereby confirm on behalf of the directors of the Company (the "**Board**") that, to the best of its knowledge, nothing has come to the attention of the Board, which may render the financial statements for HY2024 to be false or misleading in any material aspect.

10. Confirmation by the Board pursuant to Rule 720(1) of the Catalist Rules

The Company hereby confirms that it has procured undertakings from all its Directors and executive officer in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

11. Additional information required pursuant to Rule 706A of the Catalist Rules

During HY2024, the Company did not acquire or dispose of any shares resulting in any of the prescribed situations under Rule 706A of the Catalist Rules.

On Behalf of the Board

Sin Kwong Wah, Andrew
Executive Director and CEO
14 April 2024