

MIYOSHI LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number: 198703979K

- (I) **QUALIFIED OPINION BY INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021; AND**
 - (II) **VARIANCES BETWEEN THE UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 AUGUST 2021**
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(I) QUALIFIED OPINION

Pursuant to Rule 704(4) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), the Board of Directors of Miyoshi Limited (the “**Company**”) and together with its subsidiaries, collectively the “**Group**”) would like to announce that its independent auditors, BDO LLP (the “**Auditors**”), have included a qualified opinion (the “**Qualified Opinion**”) on the audited financial statements of the Group for the financial year ended 31 August 2021 (“**FY2021**”) (the “**Audited FY2021 Financial Statements**”).

An extract of the nature and contents of the qualification contained in the Independent Auditor’s Report is annexed to this announcement. The Independent Auditor’s Report and the Audited FY2021 Financial Statements will form part of the Company’s Annual Report for FY2021 (the “**FY2021 Annual Report**”) which will be published on SGXNET and the Company’s website by 15 December 2021. Please refer to the FY2021 Annual Report for further information.

Background

The investment in Core Power (Fujian) New Energy Automobile Co., Ltd. (“**Core Power**”) was classified as a financial asset at Fair Value through Profit or Loss (“**FVTPL**”) as announced in the previous financial year ended 31 August 2020 (“**FY2020**”). The fair value of the financial asset at FVTPL as at 31 August 2020 and 31 August 2021 is Nil. However, in accordance with SFRS(I) 9 Financial Instruments, the Company is required to perform an annual fair value assessment and adjustment to the fair value to be recognised in profit or loss. Due to the uncertain business conditions in the industry of Core Power and the financial difficulties faced which led to a lack of resources in Core Power, the management of the Group were unable to obtain any relevant information to enable them to perform an annual fair value assessment. As such, management has determined that the fair value of the financial asset at FVTPL as at 31 August 2021 remains as Nil.

Qualified Opinion

The qualified opinion has been issued on the valuation of financial asset at FVTPL as at 31 August 2021. The auditors were unable to obtain sufficient evidence on the management’s fair value assessment. Consequently, the auditors were unable to determine whether any adjustments to the Group’s and the Company’s on financial asset at FVTPL were necessary. The opinion on the Group’s audited consolidated financial statements for FY2020 was modified on the Group’s and Company’s financial asset at FVTPL as at 31 August 2020 on a similar basis.

For further information on the basis of qualified opinion, please refer to the Independent Auditor’s Report accompanying this announcement.

Core Power’s Operations

As announced in FY2020, the investment in Core Power was impacted by both the COVID-19 pandemic and changes in government rulings in China for the industry in which Core Power operates. As a result, the operations of Core Power remained inactive as at today.

The Board confirms that the operations of the Group are not affected and all material information has been announced. The Company will make further announcements to update Shareholders of any developments, as and when appropriate.

Shareholders and potential investors are advised to carefully read this announcement and any further announcements made by the Company. Shareholders are also advised to exercise caution before making any decision in respect of their dealings in the Shares. Shareholders who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor or other professional adviser.

(II) VARIANCES

The Board also refers to the unaudited financial statements announcement for the financial year ended 31 August 2021 dated 30 October 2021 ("**Unaudited FY2021 Results**") and in compliance with Rule 704(5) of the Catalist Rules, the Board wishes to announce that subsequent to the release of the Unaudited FY2021 Results and upon the finalisation of the audit by the Auditors, certain adjustments have been made to the Audited FY2021 Financial Statements as compared to what was disclosed in the Unaudited FY2021 Results.

The details and explanations of the variances between the Unaudited FY2021 Results and the Audited FY2021 Financial Statements are set out below:

(1.1) Statement of Financial Position (Group)

Financial statements FY2021	Unaudited \$'000	Audited \$'000	Variance \$'000	Explanatory Notes
Current liabilities Trade and other payables	15,356	15,147	(209)	1
Current liabilities Current income tax payable	16	225	209	1
Current liabilities Lease liabilities	172	163	(9)	2
Non-current liabilities Lease liabilities	96	105	9	2

1. Reclassification from trade and other payables to current income tax payable in respect of income tax provision.
2. Reclassification from current liabilities to non-current liabilities in respect of lease liabilities payable after 1 year.

(1.2) Consolidated Statement of Cash Flows

Financial statements FY2021	Unaudited \$'000	Audited \$'000	Variance \$'000	Explanatory Notes
Net cash from operating activities	4,823	5,494	671	3,4,5,6
Net cash used in investing activities	(5,616)	(6,247)	(631)	3,4
Net cash from financing activities	710	670	(40)	5.6

3. Reclassification from operating activities to investing activities of \$576,000 in respect of income tax paid in connection with disposal of non-current assets held for sales.
4. Reclassification from operating activities to investing activities of \$55,000 in respect of acquisition of property, plant and equipment ("PPE").
5. Reclassification from operating activities to financing activities of \$6,000 in respect of interest paid on lease liabilities.
6. Reclassification from operating activities to finance activities of \$34,000 in respect of principal repayment of lease liabilities

BY ORDER OF THE BOARD

Andrew Sin Kwong Wah
Executive Director and CEO

14 December 2021

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

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