ANNUAL REPORT 2022

Who We Are

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

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

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

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

What We Do

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

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

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

Vision

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

Mission

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

Values

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

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

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

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

This document has been reviewed by the Company's sponsor, RHB Bank Berhad, through its Singapore branch (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Alvin Soh, Head, Corporate Finance, RHB Bank Berhad, Singapore branch, at 90 Cecil Street, #04-00 Singapore 069531, Telephone: +65 6320 0627.

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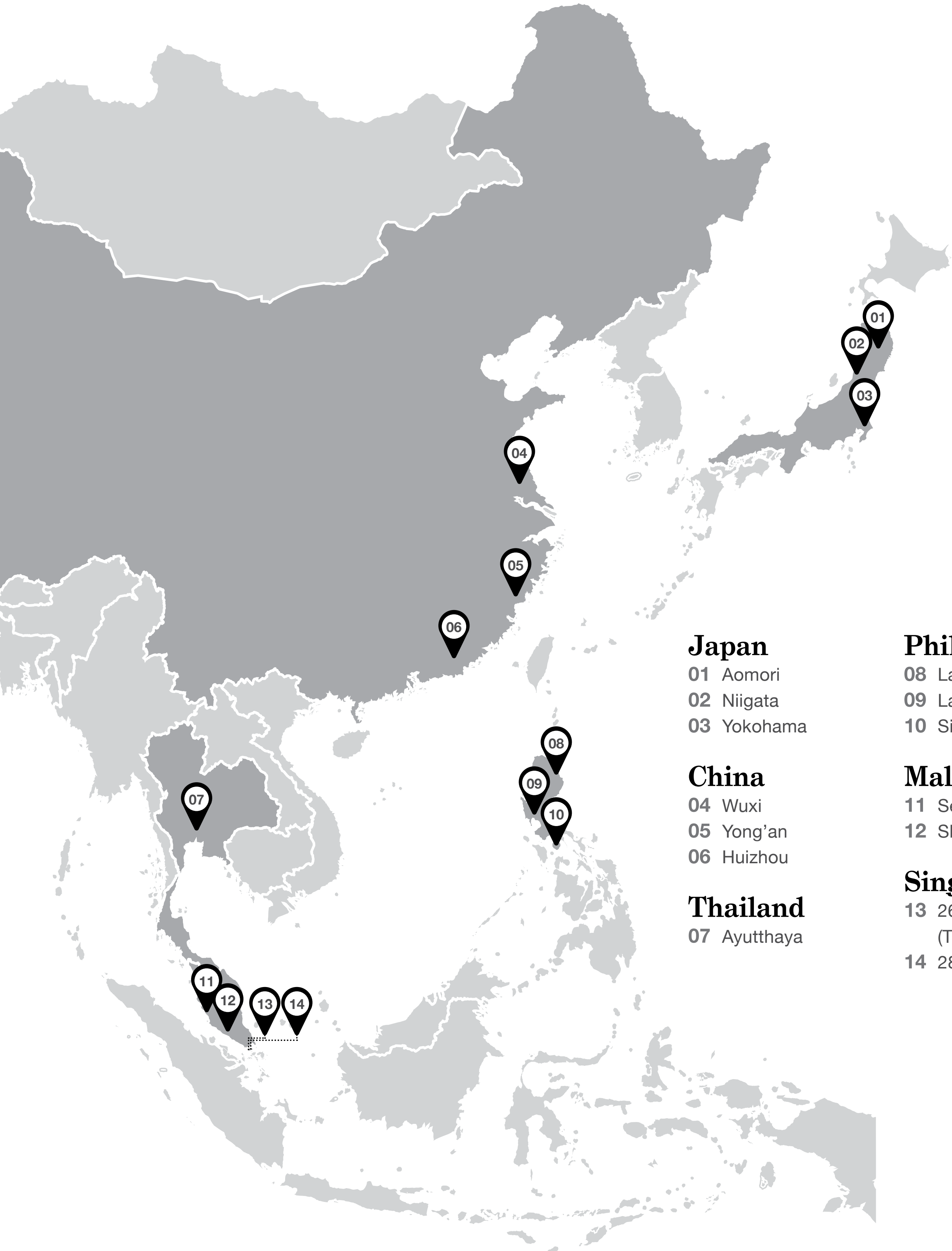
Where We Are



Japan
01 Aomori
02 Niigata
03 Yokohama

China
04 Wuxi
05 Yong'an
06 Huizhou

Thailand
07 Ayutthaya

Philippines
08 Laguna
09 Laguna
10 Silang

Malaysia
11 Senai
12 Skudai

Singapore
13 26 Boon Lay Way (Tradehub 21)
14 28D Penjuru Close

Board of Directors

MR. NEOH CHIN CHEE

CHAIRMAN, NON-EXECUTIVE AND INDEPENDENT DIRECTOR

DATE OF FIRST APPOINTMENT AS A DIRECTOR
21 March 2022

DATE OF LAST RE-ELECTED AS A DIRECTOR
Nil

LENGTH OF SERVICE AS A DIRECTOR (AT 13 FEBRUARY 2023)
11 months

COMMITTEE(S) SERVED ON:
- Nominating Committee (Chairman)
- Remuneration Committee (Member)
- Audit Committee (Member)

ACADEMIC AND PROFESSIONAL QUALIFICATION(S)
- Masters in Business Administration, Asian Institute of Management (AIM), Manila, Philippines
- Bachelor in Economics, University of Malaya
- Member of Singapore Institute of Directors (“SID”)

PRESENT DIRECTORSHIPS (AT 13 FEBRUARY 2023)
Listed companies
- Miyoshi Limited

MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS)
- Nil

PAST DIRECTORSHIPS HELD OVER THE PRECEDING THREE YEARS (FROM 1 SEPTEMBER 2019 TO 13 FEBRUARY 2023)
- Nil

Note:
The Company has on 9 December 2022 announced that Mr. Neoh Chin Chee will cease to be an Independent Director of the Company with effect from 28 February 2023 (“**Effective Date**”). Accordingly, Mr. Neoh will relinquish all his positions in the Board Committees from the Effective Date.

Board of Directors

MR. ANDREW SIN KWONG WAH

CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTOR

DATE OF FIRST APPOINTMENT AS A DIRECTOR
24 September 1991

DATE OF LAST RE-ELECTED AS A DIRECTOR
28 December 2020

LENGTH OF SERVICE AS A DIRECTOR (AT 13 FEBRUARY 2023)
31 years 5 months

COMMITTEE(S) SERVED ON:
- Nominating Committee (Member)

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

PRESENT DIRECTORSHIPS (AT 13 FEBRUARY 2023)
Listed companies
- Miyoshi Limited

Non-listed companies
- Miyoshi FL Systems, Inc.
- Miyoshi Hi-Tech Co., Ltd
- Miyoshi Industry Co., Ltd
- Miyoshi International Philippines, Inc.
- Miyoshi Commerce Singapore Pte.Ltd. (f.k.a Miyoshi Mechatronic (S) Pte. Ltd.)
- Miyoshi Precision Huizhou Co., Ltd
- Miyoshi Precision (Malaysia) Sdn Bhd
- Hua-San Pte. Ltd.
- Miyoshi Technologies Phils., Inc.
- OE Aquitech (M) Sdn Bhd
- OE Aquitech (Singapore) Pte. Ltd.
- Wuxi Miyoshi Precision Co., Ltd

MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS)
- Nil

PAST DIRECTORSHIPS HELD OVER THE PRECEDING THREE YEARS (FROM 1 SEPTEMBER 2019 TO 13 FEBRUARY 2023)
Non-listed companies
- Nil

MR. LOW SEE LIEN

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

DATE OF FIRST APPOINTMENT AS A DIRECTOR
27 December 2021

DATE OF LAST RE-ELECTED AS A DIRECTOR
Nil

LENGTH OF SERVICE AS A DIRECTOR (AT 13 FEBRUARY 2023)
1 year 2 months

COMMITTEE(S) SERVED ON:
- Audit Committee (Chairman)
- Remuneration Committee (Chairman)
- Nominating Committee (Member)

ACADEMIC AND PROFESSIONAL QUALIFICATION(S)
- Bachelor of Accountancy, Nanyang Technological University
- Practicing member of Institute of Singapore Chartered Accountants (“ISCA”)
- Member of Singapore Institute of Directors (“SID”)

PRESENT DIRECTORSHIPS (AT 13 FEBRUARY 2023)
Listed companies
- Miyoshi Limited

MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS)
- Partner at BakerTilly TFW
- Singapore National Paralympic Council (Honorary Treasurer)

PAST DIRECTORSHIPS HELD OVER THE PRECEDING THREE YEARS (FROM 1 SEPTEMBER 2019 TO 13 FEBRUARY 2023)
- Nil

Board of Directors

MR. THOMAS PEK EE PERH

NON-EXECUTIVE AND
NON-INDEPENDENT DIRECTOR

DATE OF FIRST APPOINTMENT AS A DIRECTOR
27 October 2014

DATE OF LAST RE-ELECTED AS A DIRECTOR
30 December 2021

LENGTH OF SERVICE AS A DIRECTOR (AT 13 FEBRUARY 2023)
8 years 4 months

COMMITTEE(S) SERVED ON:
- Audit Committee (Member)
- Remuneration Committee (Member)

ACADEMIC AND PROFESSIONAL QUALIFICATION(S)
- Diploma of Business Management

PRESENT DIRECTORSHIPS (AT 13 FEBRUARY 2023)
Non-listed companies
- Cheng Chuan Holdings Pte Ltd
- Food Corporation (S) Pte Ltd
- Tai Hua Food Industries Pte Ltd
- Tai Hua Food Industries (M) Sdn. Bhd.

MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS)
- Singapore Chinese Chamber of Commerce & Industry (Chairman, General Affairs Committee)
- Singapore Federation of Chinese Clan Associations (Council Member and Chairman of Member Affairs Committee)
- Lions Club of Singapore Oriental (Honorary Adviser)
- China Airlines Singapore Office (Advisor)
- Telok Blangah Community Club Management Committee (Patron)
- Telok Blangah Citizen's Consultative Committee (Vice Chairman)
- Singapore Noodles Manufacturers' Association (Life Honorary President)
- Kwan-In Welfare Society Singapore (Life Honorary President)
- Singapore Food Manufacturers' Association (Life Honorary President)
- Singapore Food Manufacturers' Association (Immediate Past President)
- Peh Clan Association (Life Honorary President)
- Sarawak Importers & Exporters Association (Treasurer)
- Eng Ho Trading Association (Council Member)
- Ee Hoe Hean Club (Vice President/Director)
- Business China (Go East Committee Member)
- Singapore Amoy Association (Life Honorary President, Vice President)
- Yellow Ribbon Singapore (YRSG) Board Member
- Yellow Ribbon Industries Board Member
- Justice of the Peace 2020 - 2025

PAST DIRECTORSHIPS HELD OVER THE PRECEDING THREE YEARS (FROM 1 SEPTEMBER 2019 TO 13 FEBRUARY 2023)
- Nil

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

Letter from the Chairman and CEO

Dear shareholders,

On behalf of the Board of Directors, we are pleased to present Miyoshi's annual report for the financial year ended 31 August 2022 ("**FY2022**").

Overview

In the financial year ended 31 August 2022 ("**FY2022**"), the Group's operations were disrupted by the COVID-19 pandemic and the fire incident at the production plant in the Philippines in May 2020. As a result, the Group has had to devote its resources during FY2022 to tackle the consequences of COVID-19 pandemic, restore the production facilities and rebuild our customers' confidence. These efforts have led to the Group posting a marginal increase in revenue of $4.39 million or 9.67% to $49.85 million in FY2022 compared to $45.46 million in FY2021.

Raw materials and consumables used increased by $5.87 million or 22.24% in FY2022, mainly due to increase in raw materials usage and changes in products mix as a result of increase in revenue from consumer electronics and automotive segment. The increase in costs outpaced the increase in revenues and weighed on the Group's operating margins in FY2022.

The Group reported profits after tax of $0.56 million, mainly due to one-off gain of $1.35 million on disposal of assets held for sale from our China subsidiary and $1.25 million partial insurance claims from the fire incident in Philippines in May 2020, partially offset by $0.53 million in connection with the PPE impairment and lower operating margin due to rising material costs.

Equity attributable to owners of the parent increased by $0.61 million from $29.94 million as at 31 August 2021 to $30.54 million as at 31 August 2022.

The Group has suffered in the past 3 years due to the difficult COVID-19 impacted operating environment. In order to strengthen the Group's prospects, we have been actively exploring new business opportunities to improve the Group's financial performance and enhance shareholder value in the long term.

Operations and financial review

Revenue for the current financial period increased by $4.39 million or 9.67% to $49.85 million. The revenue from the consumer electronics and automotive segment increased by 18.73% and 3.23% respectively mainly due to improved demand from customers in China and Philippines. Revenue from data storage 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 in the Philippines in May 2020.

The Group's net operating loss increased to $1.52 million from $1.30 million in FY2022, excluding the i) $0.53 million in connection with the impairment review of the Group's PPE exercise for FY2022; and ii) one-off gain of $1.35 million on disposal of assets held for sale from our China subsidiary and $1.25 million partial insurance claims from the fire incident in Philippines in May 2020. Despite the effort in managing costs, the increase in raw material usage outpaced the increase in revenue has resulted in lower operating margin. The management is monitoring the material price and working closely with the suppliers and customers in order to mitigate the bottom-line impact to the Group.

Despite the challenging conditions, the Group generated positive cash from operating activities of $0.21 million. The Group spent $1.35 million on capital expenditure in FY2022 mainly on the acquisition of new machineries in the Group's subsidiary in China and Philippines to meet the increased orders and new requirements from customers.

The Group's working capital increase by $2.09 million to $4.56 million as at 31 August 2022, compared to last financial year mainly due to the increase in trade and other receivables and decrease in trade and other payables: i) in line with the increase in sales and production activities from the Group's subsidiaries in China and the Philippines; and ii) improve in inventory management results in lower trade payables.

The operations in Core Power remained at dormant state since FY2022. The Group continues to look for potential investors or partners in respect of the investment in Core Power.

Net asset value per share stood at 4.61 cents per share as at 31 August 2022, a 9.16% decrease in value as compared with last financial year.

Cash and cash equivalent remain stable at $3.01 million as compared to last financial year. Liquidity ratio improved to 1.26 times (FY2021: 1.1 times).

Letter from the Chairman and CEO

Dividends

After taking into consideration our operating results and the uncertainties in the current environment, the Board has adopted a prudent approach to conserving cash. As such, no final dividend will be proposed at the forthcoming Annual General Meeting on 28 February 2023.

Sustainability

The Group continues to recognise the importance of strengthening the sustainability and resilience of its current business operations. We remain committed to encouraging such practices, and adhering to the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST").

FY2023 outlook

For the current financial year ending 31 August 2023, we expect the business environment to continue to face headwinds amid the weak global economic outlook, rising interest rates, war in Ukraine and increasing operating costs. Nevertheless, the Group remains focused on managing our core business by augmenting our revenue streams and maintaining cost discipline through improved operational efficiencies. Our management team will also continue to actively evaluate strategic opportunities that will be accretive to our financial performance in the long run.

Changes to the board of directors

Mr Lim Thean Ee, Mr Wee Piew and Miss Toh Shih Hua has left the Board during the year to focus on their other work commitment. Mr. Neoh Chin Chee will also leave the Board on 28 February 2023 to pursue other interests. We are currently assessing suitable independent director candidates to fill the vacancy as soon as practicable so as to meet the requirements of the Catalist Rules and the Singapore Code of Corporate Governance. We are grateful for their service to the Group and wish them well in all his future endeavours. Finally, we would like to welcome Mr Low See Lien, who was appointed on 27 December 2021 as an Independent Non-Executive Director, to the Board.

"the Group remains focused on managing our core business by augmenting our revenue streams and maintaining cost discipline through improved operational efficiencies. Our management team will also continue to actively evaluate strategic opportunities that will be accretive to our financial performance in the long run."

In appreciation

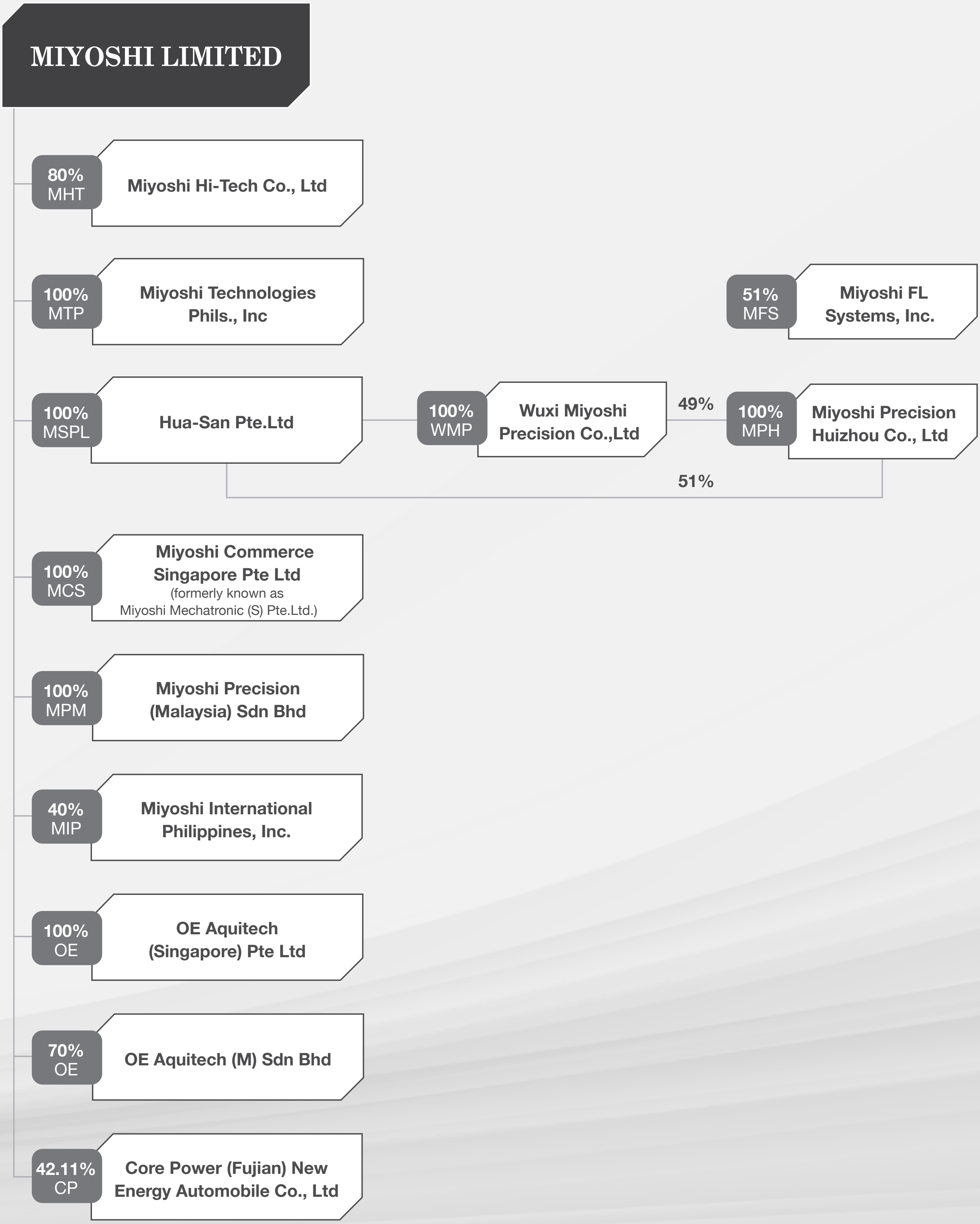
On behalf of the Board of Directors, we would like to thank all our valued shareholders for your faith and trust in the Board and Management team. We would also like to express our appreciation to our customers, advisers, bankers, suppliers, business associates our dedicated employees and stakeholders for your confidence and support through the years. Last and not least, we would also like to thank our fellow Directors for their contributions and services rendered to the Company.

NEOH CHIN CHEE
CHAIRMAN

ANDREW SIN KWONG WAH
CEO AND EXECUTIVE DIRECTOR

Corporate Structure

As at 31 August 2022



Corporate Information

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

NON-EXECUTIVE:
Mr. Neoh Chin Chee (Independent Chairman)
Mr. Low See Lien (Independent)
Mr. Thomas Pek Ee Perh (Non-Independent)

AUDIT COMMITTEE
Mr. Low See Lien (Chairman)
Mr. Thomas Pek Ee Perh
Mr. Neoh Chin Chee

NOMINATING COMMITTEE
Mr. Neoh Chin Chee (Chairman)
Mr. Andrew Sin Kwong Wah
Mr. Low See Lien

REMUNERATION COMMITTEE
Mr. Low See Lien (Chairman)
Mr. Thomas Pek Ee Perh
Mr. Neoh Chin Chee

COMPANY SECRETARY
Mr. Ong Wei Jin

SPONSOR
RHB Bank Berhad, Singapore branch
90 Cecil Street, #04-00, Singapore 069531

COMPANY REGISTRATION NO.
198703979K

REGISTERED OFFICE
26, Boon Lay Way, Tradehub 21, #01-80
Singapore 609970
Email: info@sg.miyoshi.biz
Website: http://www.miyoshi.biz

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

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

PRINCIPAL BANKERS
United Overseas Bank Limited

Sustainability Statement

Miyoshi links business opportunities to important global trends to create long-term growth and value for our customers, employees, shareholders, suppliers and local communities. We understand that our actions are connected to our stakeholders and the environment, and that sustainability is smart business. As such, we place our best minds and technologies to go beyond what is possible.

Economic

Economic sustainability refers to practices that support long-term economic growth. We strive to deliver consistent returns for our shareholders and contributing to the local communities through job creation and taxes. As such, we continue to engage with local partners and suppliers that help grow our business sustainably.

Environment

We are committed to minimising the environmental impact of our activities by efficiently utilising natural resources and reducing waste across our value chain. At Miyoshi, we ensure that the principle of sustainable business is embedded in our activities and products. This means protecting the future by making the right choices in an environment when water is increasingly scarce, natural resources are constrained and biodiversity is declining.

Social

We partner with our stakeholders in the pursuit of positive societal change, ensuring all parties operate with integrity and an ethical mindset. We share responsibilities for delivering results the right way. We strive to engage our employees and improve the quality of life in the communities where we do business. A balance between economic growth and the welfare of society and the environment is a key consideration for our business.

Governance

Corporate governance is a system of policies, practices and rules that influence, direct and control a business behaviour. We believe that by embracing the tenets of good governance, including accountability, transparency and sustainability, the Company has opportunities to engender investor confidence and achieve long-term sustainable business performance as well as safeguarding shareholders' interests and maximising long-term shareholder value.

Sustainability report for FY2022 (i.e. financial year commencing 1 September 2021), guided by the GRI Standards and which will capture our economic, environment, social and governance performance in FY2022 was issued in this report from page 11 to 28.

Sustainability Report

Board statement

The board of directors (the "**Board**") of Miyoshi Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to present the sixth sustainability report for the Group's financial year ended 31 August 2022 ("**FY2022**"). It provides a detailed account of our sustainability performance in all our operations.

Our '**tomorrow-focused**' vision allows us to anticipate and address global trends that impact the way we live, work, move and the food we eat. Miyoshi links business opportunities to important global trends to create long-term value for our customers, employees, shareholders, suppliers and local communities. We understand that everything that we do is connected to our stakeholders and environment, and that sustainability is smart business. We are putting our best minds and technology to go beyond what is possible.

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

As the global economic outlook remains uncertain, the Group continues to maintain a cautious outlook in the next 12 months. The global supply chain disruptions and challenges continue to persist due to the current COVID-19 pandemic, rising interest rates, war in Ukraine and increasing operating costs and will likely impact the Group's business.

Nevertheless, the Group remains focused on managing our core business by augmenting our revenue streams and maintaining cost discipline through improved operational efficiencies. Our management team will also continue to actively evaluate strategic opportunities that will be accretive to our financial performance in the long run.

We are committed to sustaining our leadership for our stakeholders and look forward to keeping them appraised of our progress.

Sustainability governance structure

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

Accountability for the best practices is in the hands of our Sustainability Strategy Committee ("**SSC**"), a group of company executives across various functions. The SSC provides strategic direction for managing sustainability-related risks and opportunities, and guides the development and improvement of frameworks, policies, guidelines and processes to ensure that sustainability factors are effectively managed. The SSC comprise the Chief Executive Officer ("**CEO**"), Financial Controller and the respective heads of key departments of our business units (collectively, the "**Management**").

ABOUT OUR REPORTING

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

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

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

Sustainability Report

EXTERNAL CHARTERS, PRINCIPLES OR OTHER INITIATIVES

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

MEMBER OF INDUSTRY ASSOCIATIONS

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

a. Investor Club Associations

b. Industrial Estate Authority of Thailand

c. Sedex Information Exchange Ltd

Our materiality analysis

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

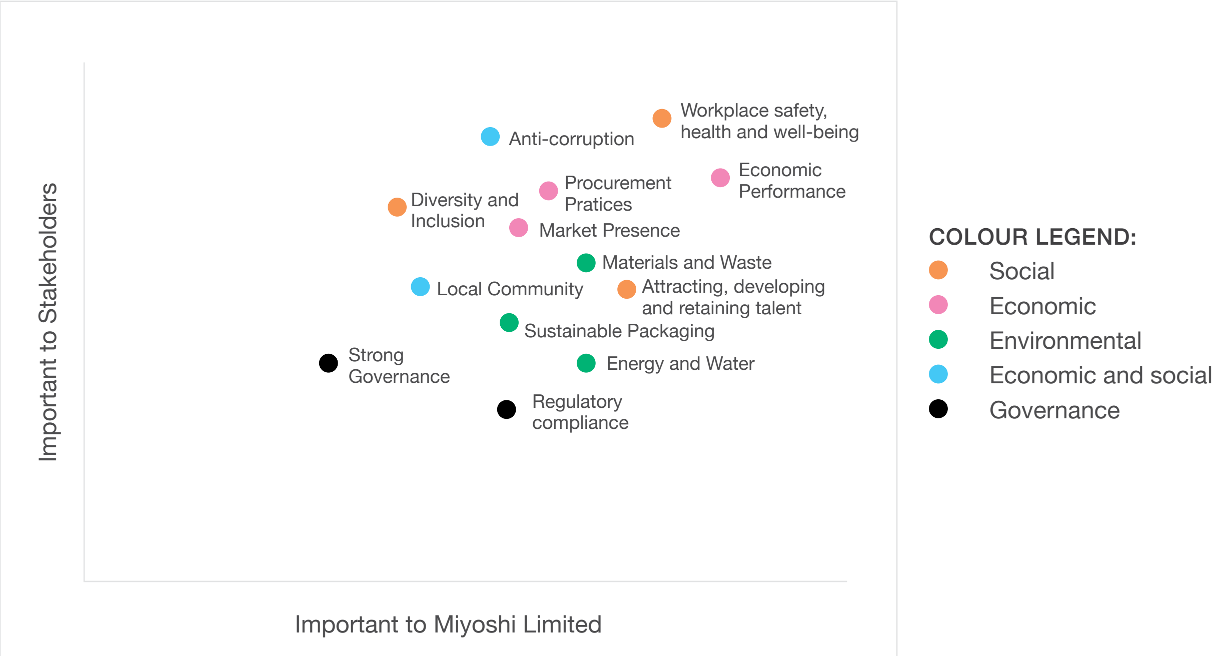
The SSC team identified the EESG factors material to the Group based on their knowledge of their respective business areas, the challenges faced and the corresponding implications for Miyoshi's businesses and operations. The SSC team also considered the insights they gained from their day-to-day engagement with their stakeholders.

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

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

Sustainability Report

MATERIALITY MATRIX



For FY2022, the Company reviewed the material EESG factors identified in the previous Sustainability Reports and confirmed that there are no changes to the material EESG factors identified for reporting. We will continue to evaluate our material EESG factors on an annual basis to ensure that the reported topics remain relevant and material.

ASPECT BOUNDARIES

The aspect boundaries 'within' the organisation include all subsidiaries and employees within the Group. Associate companies, financial assets at fair value through profit or loss ("FVTPL") or assets classified as held for sale are excluded.

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

What our stakeholders are telling us

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

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

We seek to ensure that Miyoshi's suppliers meet environmental, health and safety, labor and human rights standards and requirements. We assess and review suppliers' sustainability performance, initiate improvements and provide suppliers with training that builds their capacity to ensure that issues are recognised and addressed.

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

Sustainability Report

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

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

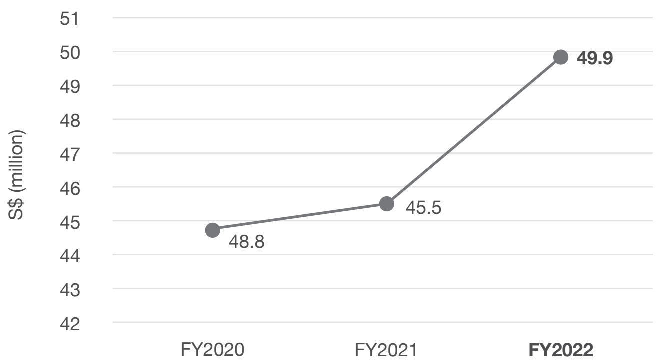
Sustainability Report

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

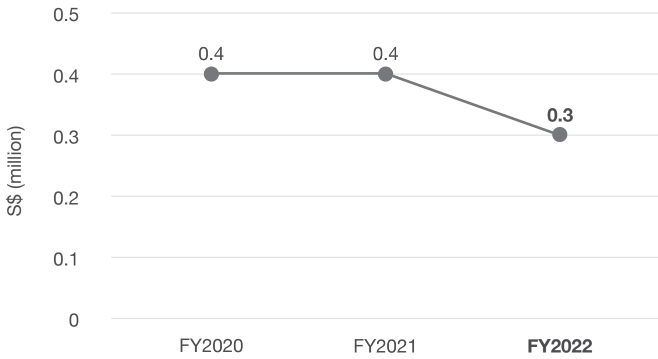
Sustainability Report

Economic value and our stakeholders

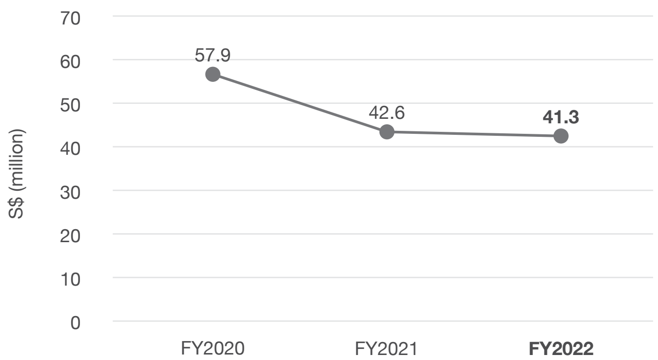
We generated revenue (customers) of:



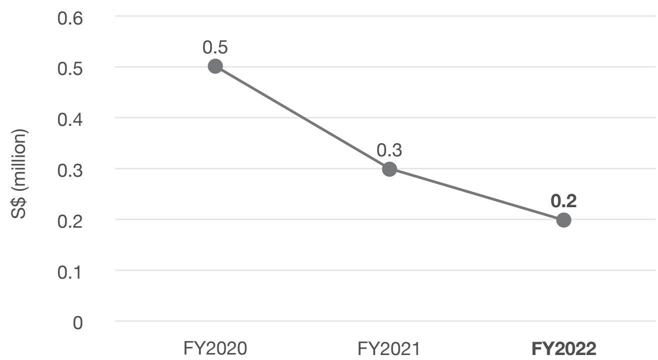
made payments to provider of capital (shareholders, lenders) of:



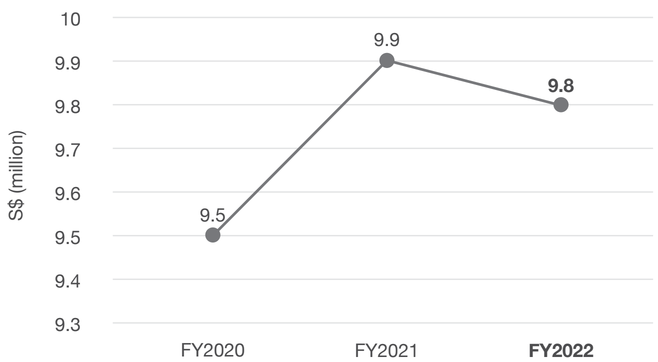
from which the operating expenses including payments for our materials and services (suppliers, vendors, service providers) of:



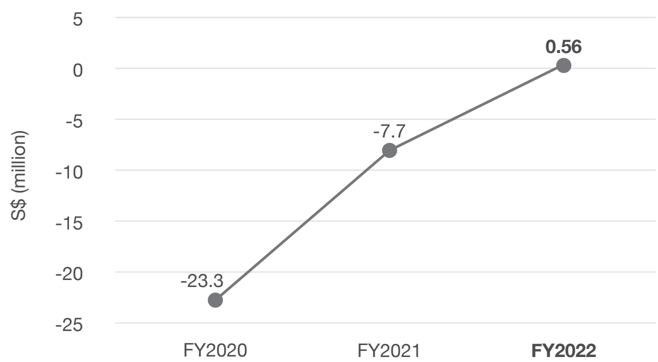
and accrued in income tax of (government):



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



Profits/(Loss) after tax:



Sustainability Report

Our material EESG factors

ECONOMIC

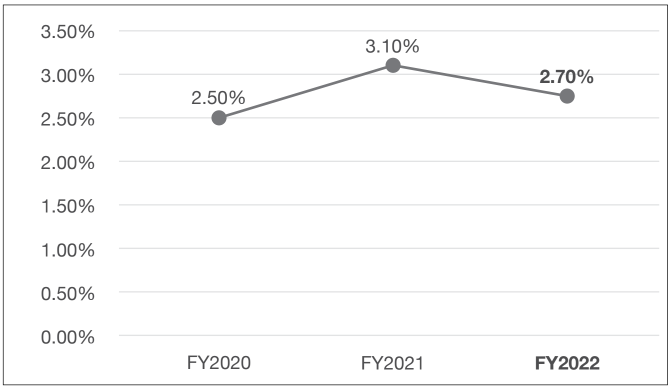
We strive to deliver consistent returns for our shareholders and contribute to the local economies through job creation and taxes. Our focus is on the financial performance indicators.

ECONOMIC PERFORMANCE

Management have been developing a more resilient and diversified revenue model, such as recurring rental income and revenue from non-core business, such as revenue from indoor farming.

Target: To derive revenue from non-core business within the range of 3% to 4% for FY2023, and subsequently increasing revenue from non-core business to 5% by FY2024.

Revenue (% revenue from non-core business vs total revenue)



In FY2022, we derived 2.7% of revenue from non-core business. Hence, the target for FY2022 was not met.

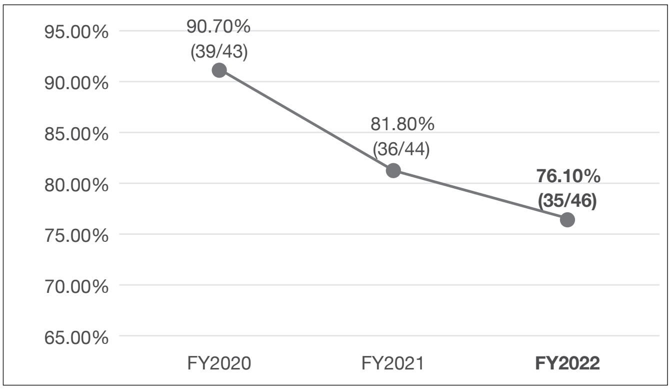
MARKET PRESENCE

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

Target: To maintain the proportion of management from local communities above 90% for FY2023.

Sustainability Report

Proportion of management hired from local communities



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

The management from local communities was further reduced by 1 employee from 36 in FY2021 mainly due to resignation of employees largely from our Wuxi subsidiary. Hence, the target for FY2022 has not been met.

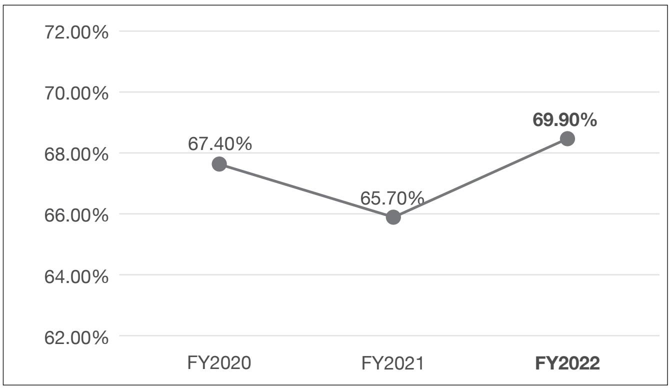
PROCUREMENT PRACTICES

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

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

Target: To achieve the use of locally-based suppliers within 70% of materials for FY 2023.

Proportion of materials sourced from locally-based suppliers



Since FY2018, Miyoshi has made progress to increase the proportion of materials sourced from locally-based suppliers. As we value the communities that we operate in, we will continue to source our materials from local communities.

In FY2022, the Group has not met the target as some projects required materials sourced from overseas suppliers but the Group will continue to increase the proportion of materials sourced from locally-based suppliers as soon as possible.

Sustainability Report

ENVIRONMENTAL

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

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

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

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

The Company has adopted electronic communication with shareholders and the Company is not required to print and deliver physical copies of Annual Report and Circular for General Meetings for FY2022. This initiative helps to reduce the use of paper and save the environment. In FY2022, the Company has saved more papers from printing of notice of Annual General Meeting, Annual Report and Sustainability Report as companies are allowed to use electronic means of communication with shareholders and relevant authorities. This is in response to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

MATERIALS AND WASTE

Our components manufactured are mainly made of steel, copper and aluminium. For FY2022, we bought 69.9% of the materials used locally (i.e., from the country of our operations). We work closely with our suppliers to ensure they match our commitment to corporate social responsibility.

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

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

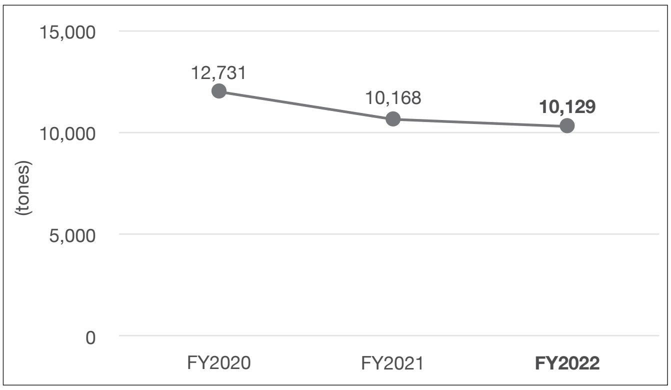
Our approach is to minimise quality scrap by keeping our employees trained and motivated. We believe our people are still key to our Group’s success. It is our workers who set up, operate, and maintain the machinery that we use to meet our production goals. Keeping their skills up to date while motivating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

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

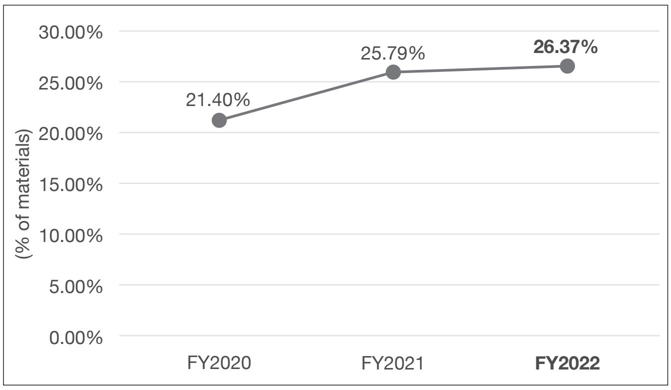
Target: Target to limit material scraps from production volume to not more than 20% in FY2023

Sustainability Report

Materials (Metals) consumption



Scrap



In FY2022, as materials consumed increased due to increase in production volume and changes in product mix, we did not meet the target of 20% set for FY2022.

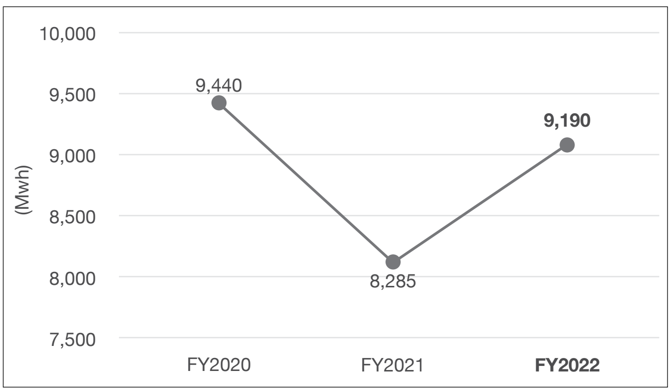
ENERGY AND WATER

Managing energy and water is important to our bottom line and the environment. Our factories require energy to operate and approximately 9,190 megawatt hours (MWh) of electricity was consumed in FY2022.

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

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

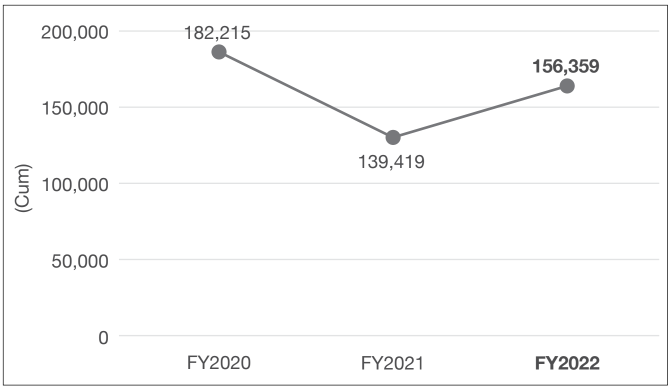
Electricity consumption



Sustainability Report

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

Water consumption



Target: To reduce up to 5% of energy and water consumption from previous year.

In FY2022, the Group did not meet the the target of reducing up to 5% energy and water consumption from previous year due to increase in production volume.

SUSTAINABLE PACKAGING

One of the most overlooked sources of waste in the supply chain is packaging waste. Recognising that one-way packaging supply chains result in an unacceptable amount of waste, Miyoshi has initiated a Returnable Packaging program at our manufacturing sites in the Philippines, Thailand and China.

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

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

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

The Group has not collected the information on the usage of recyclable or reusable packing materials for FY2022 as the total costs of packaging material over the Group's revenue is only approximately S$0.7 million or 1.3%. The Group will be working to collect the data and report when the packaging material increase substantially over the Group's revenue.

Sustainability Report

Our material EESG factors

SOCIAL IMPACT AND PERFORMANCE

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

HUMAN CAPITAL

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

Globalisation, demographic change and technology are changing the world of work. This creates opportunities, but also presents challenges – especially for those accustomed to earlier models of workplace organization. Constant connectivity and the intensification of work threaten to blur the boundaries between work and private life.

TALENT ACQUISITION

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

As at 31 August 2022, we employed 670 employees within Asia, a decrease of 141 employees in comparison to 31 August 2021. Thereof, 52% were in the Philippines, 25% in the People's Republic of China, 17% in Thailand and the remaining 6% from Malaysia and Singapore. More than 78% of our employees have a permanent contract, a slight increase from 72% a year ago. The use of temporary workers enhances labour flexibility and allow us to cater to fluctuating demand of our businesses.

To maintain a high-quality workforce, we have taken several initiatives, including using recruiters for recruitment as they have the skillset to recruit the best people. We have also doubled our efforts to make sure that current employees receive earnest consideration for better positions.

We hired 106 new employees in FY2022, compared to 119 a year ago. Thereof, 26.4% were in the Philippines, 34.9% were in the People's Republic of China, 38.7% were in the three countries of Singapore, Thailand and Malaysia.

Number of Employees: 670 (FY2021: 811)

Female: 346 employees (51.6%)

Male: 324 employees (48.4%)

FY2021: 402 female employees, 409 male employees

BY REGION	FY2022	FY2021
Philippines	345	465
Thailand	111	126
Huizhou	64	69
Wuxi	105	93
Malaysia	24	29
Singapore	21	29
Total	**670**	**811**

Sustainability Report

<30 YEARS OLD	30-50 YEARS OLD	>50 YEARS OLD
• **FY2022** • **125 employees** • **18.7% of total headcounts**	• **FY2022** • **458 employees** • **68.3% of total headcounts**	• **FY2022** • **87 employees** • **13% of total headcounts**
• FY2021 • 136 employees • 16.8% of total headcounts	• FY2021 • 589 employees • 72.6% of total headcounts	• FY2021 • 86 employees • 10.6% of total headcounts

LEARNING AND DEVELOPMENT

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

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

EMPLOYEE RETENTION

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

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

The average tenure of our employees is about 7.9 years and more than 57.8% of our employees have been with Miyoshi for more than five years. Miyoshi's attrition rate is 31.5% in FY2022, an increase from 17.7% a year ago. A minimum of one month's notice is required for any employee resignation.

Target: To target attrition rate of less than 25% in FY2023.

The higher attrition rate in FY2022 was mainly due to the Company initiatives to streamline the workforce for greater efficiency.

In line with our costs management initiatives, our attrition rate in FY2022 is higher than 25%.

DIVERSITY AND INCLUSION

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

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

Sustainability Report

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

Our diversity strategy is facilitated by our geographical reach, and we employ individuals from 8 countries. Beyond that, we have taken steps to promote and strengthen the diversity of our workforce:

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

The proportion of women as a percentage of the total workforce increased slightly to 51.6% as at 31 August 2022, compared to 49.6% a year ago.

The median age in the year under review remains at the same at 42 as compared to a year ago.

Diversity has become a key element of our hiring, regional placement and promotion processes. We are taking strides to ensure diversity in the candidate pools for top positions as well as on the teams that make decisions related to hiring and promotions. Among the new hires in FY2022, 55.7% were women, compared to 51.3% in FY2021.

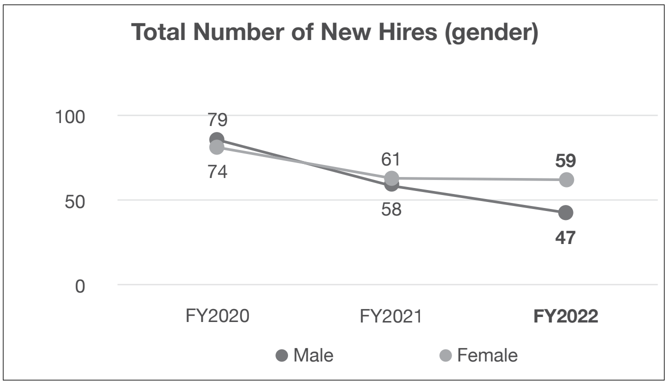
Among the 106 new hires, 49.1% were under 30 years old, 50.0% between 30 and 50 years old and 0.9% over 50 years old.

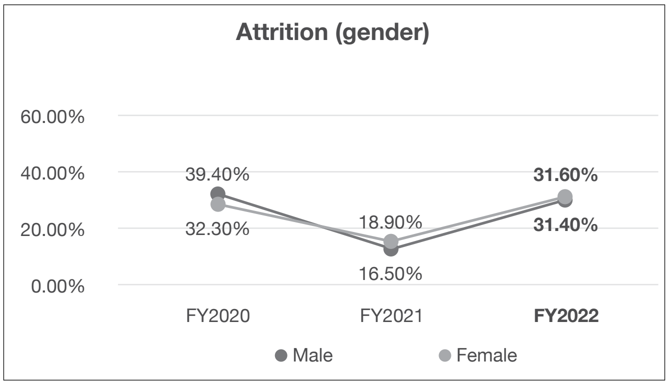
Target: To develop an inclusive culture and respecting the contribution of all employees regardless of gender, age, race or disability.

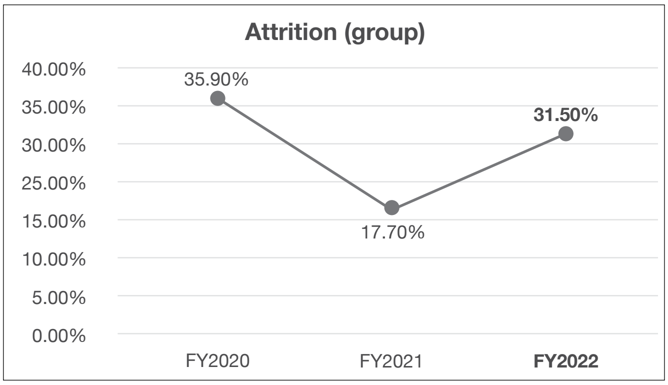
TOTAL NUMBER OF NEW HIRES (REGION)	PHILIPPINES	THAILAND	WUXI	HUIZHOU	MALAYISA	SINGAPORE
FY2020	100	12	31	1	7	2
FY2021	60	14	29	4	4	8
FY2022	28	30	35	2	6	5

ATTRITION RATE (REGION)	PHILIPPINES	THAILAND	WUXI	HUIZHOU	MALAYISA	SINGAPORE
FY2020	44.40%	13.60%	35.20%	12.90%	27.70%	55.00%
FY2021	12.30%	19.10%	29.90%	8.50%	61.50%	26.10%
FY2022	36.50%	21.10%	32.30%	10.50%	41.50%	40.00%

Sustainability Report







TOTAL NUMBER OF NEW HIRES (AGE)	(UNDER 30 YEARS OLD)	(30-50 YEARS OLD)	(OVER 50 YEARS OLD)
FY2020	75	77	1
FY2021	82	32	5
FY2022	52	53	1

ATTRITION RATE (AGE)	(UNDER 30 YEARS OLD)	(30-50 YEARS OLD)	(OVER 50 YEARS OLD)
FY2020	86.00%	10.50%	11.60%
FY2021	36.50%	10.90%	14.90%
FY2022	95.80%	18.90%	10.40%

WORKPLACE SAFETY, HEALTH AND WELL-BEING

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

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

Sustainability Report

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

During FY2022, the Group has continued to implement Safe Management Measures in respect of the safety measures requirements to curb the spread of COVID-19. This includes the use of virtual meetings, remote work arrangement and dissemination of materials and articles from local authorities on health measures related to COVID-19 to our employees.

NUMBER OF LOST DAYS (REGION)	FY 2020	FY 2021	FY 2022
Huizhou	48	–	3
Malayisa	–	–	–
Thailand	10	15	5
Philippines	15	1	–
Singapore	–	24	–
Total	**73**	**40**	**8**

NUMBER OF LOST DAYS (GENDER)	FY 2020	FY 2021	FY 2022
Male	17	38	5
Female	56	2	3
Total	**73**	**40**	**8**

Note: Lost days refers to the total number of days spent away from work due to a work-related injury/illness.

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

In FY2022, the Group has met its targets as there were no work-related fatality and reduced number of lost days by 80% compared to previous year.

INCIDENT INVESTIGATIONS

In our drive to constantly improve our safety performance and share lessons learned, we are constantly strengthening our incident investigation capabilities through training and support. Training sessions helps systematically analyse the root causes of incidents and address measures preventing recurrence have been conducted in the Philippines, Thailand, China and Malaysia. The Management and all employees have been alerted to the importance of workplace safety and everyone plays a crucial part in preventing accidents from happening.

SUPPLIERS AND CONTRACTORS

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

Sustainability Report

ANTI-CHILD LABOUR AND ANTI-FORCED LABOUR

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

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

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

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

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

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

In FY2022, there was no reported incident relating to child labour or forced labour in Miyoshi.

RESPECT FOR FREEDOM OF ASSOCIATION

Miyoshi upholds employees' rights to freedom of association, including the right to be trade union members. In permitting employees to be represented by trade union for collective bargaining, Miyoshi adheres to the Industrial Relations Act 1960. Working together in a mutual and cordial relationship, Miyoshi and the various unions seek to foster positive work environments and raise productivity. There were no employee health and safety concerns raised by the union in FY2022.

COMMUNITY INVESTMENT

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

In FY2022, we participated blood donation drive with Red Cross Calamba Laguna Chapter. Our team seek to help the community and enhance quality of life

Target: To continue to introduce program that will benefit local communities in FY2023.

GOVERNANCE: CORPORATE GOVERNANCE, RISK MANAGEMENT AND TRANSPARENCY

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

We adopt the Singapore Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore and comply with all rules and guidelines published by the SGX-ST.

Sustainability Report

SGTI SCORE

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

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

MIYOSHI'S SGTI TOTAL SCORE

FY2022	71
FY2021	74
FY2020	90

SGTI RANKING

SGTI 2022 covered 489 Singapore-listed companies in the General Category and 44 REITs and business trusts which released their annual reports by 31 May 2022.

MIYOSHI'S SGTI RANKING

FY2022	#208 of 533 listed companies
FY2021	#171 of 562 listed companies
FY2020	#49 of 577 listed companies

Sustainability contact

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

Sustainability Report

GRI content index

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE(S)	WHERE HAVE WE DISCLOSED THIS
GRI 102: GENERAL			
Organisational Profile			
GRI 102-1	Name of organisation	B	Who We Are, What We Do
GRI 102-2	Activities, brands, products and services	B	Who We Are, What We Do
GRI 102-3	Location of Headquarters	B	Who We Are, What We Do
GRI 102-4	Location of operations	B	Who We Are, What We Do
GRI 102-5	Ownership and legal form	B	Who We Are, What We Do
GRI 102-6	Markets served	B	Who We Are, What We Do
GRI 102-7	Scale of the organisation	B	Who We Are, What We Do
GRI 102-8	Information on employees and other workers	22 - 27	Social - Impact and performance
GRI 102-9	Supply chain	13 - 15	What our Stakeholders are telling us
		19 - 20	Environment - Materials and Waste
		26	Social - Suppliers and Contractors
GRI 102-10	Significant changes to the organisation and its supply chain	–	*There were no significant changes in the company's supply chain or relationship with suppliers.*
GRI 102-12	External initiatives	–	Not applicable
GRI 102-13	Membership of associations	26	Member of Industry Associations
Strategy			
GRI 102-14	Statement from senior decision-maker	11	Board Statement
GRI 102-15	Key impacts, risks and opportunities	14 - 15	What our Stakeholders are telling us
		12 - 13	Our Material EESG Factors
Governance			
GRI 102-18	Governance structure	32	Governance Framework
GRI 102-23	Chair of the highest governance body	32	Governance Framework
GRI 102: GENERAL			
GRI 102-28	Evaluating the highest governance body's performance	12 - 18	Our Materiality Analysis
		13 - 15	What our Stakeholders are telling us
GRI 102-29	Identifying and managing economic, environmental, and social impacts	12 - 13	Our Materiality EESG Factors
GRI 102-31	Review of economic, environmental and social topics	12 - 13	Our Materiality Analysis
		13 - 15	What our Stakeholders are telling us
		12 - 13	Our Material EESG Factors
GRI 102-32	Highest governance body's role in sustainability reporting	11	Board Statement

Sustainability Report

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE(S)	WHERE HAVE WE DISCLOSED THIS
	Stakeholder Engagement		
GRI 102-40	List of stakeholder groups	13 - 15	What our Stakeholders are telling us
GRI 102-42	Identifying and selecting stakeholders	13 - 15	What our Stakeholders are telling us
GRI 102-43	Approach to stakeholder engagement	11	About our Reporting
		12 - 13	Our Materiality Analysis
GRI 102-44	Key topics and concerns raised	13 - 15	What our Stakeholders are telling us
	Reporting Practice		
GRI 102-46	Defining report content and topic boundaries	11	About our Reporting
GRI 102-47	List of material topics	13	Our Materiality Matrix
GRI 102-53	Contact point for questions regarding the report	28	Sustainability Contact
GRI 102-54	Claims of reporting in accordance with the GRI Standards	11	About our Reporting
GRI 102-55	GRI content index	29 - 31	GRI Standards: Core Option Content Index
	GRI 103: MANAGEMENT APPROACH		
GRI 103-1	Explanation of the material topic and its boundary	12 - 13	Our Materiality Analysis
GRI 103-2	The management approach and its components	11	About our Reporting
GRI 103-3	Evaluation of the management approach	12 - 13	Our Materiality Analysis
	Economic		
GRI 201	Management approach disclosures	17	Our Material EESG Factors: Economic
GRI 201-1	Direct economic value generated and distributed	16	Economic Value and Our Stakeholders
GRI 202-2	Proportion of senior management hired from the local community	17	Economic - Market Presence
GRI 204-1	Proportion of spending on local suppliers	18	Economic - Procurement Practices
	Environment		
GRI 301, 302, 305, 306, 307	Management approach disclosures	19	Our Material EESG Factors: Environment
GRI 302-1	Energy consumption within the organisation	20	Environment - Energy
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		21	Environmental - Sustainable Packaging

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DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE(S)	WHERE HAVE WE DISCLOSED THIS
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		23 - 25	Social - Diversity and Inclusion
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GRI 416-1	Assessment of the health and safety impacts of product and service categories	25 - 26	Social - Workplace Safety, Health and Well-being

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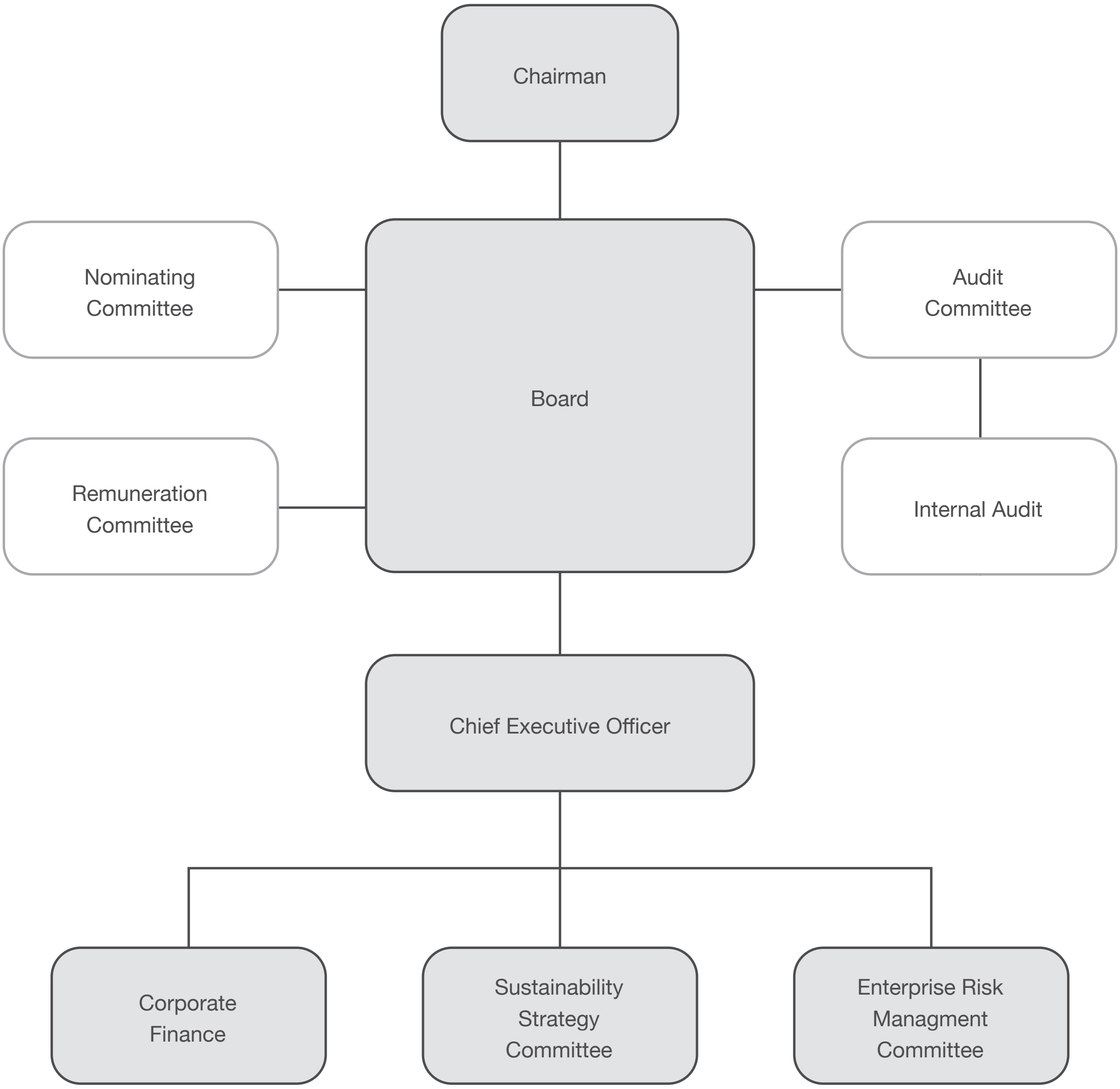

Corporate Governance Report

Introduction

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

This report sets out Miyoshi's corporate governance practices for the financial year ended 31 August 2022 ("**FY2022**") with reference to the principles and provisions set out in the Singapore Code of Corporate Governance 2018 (the "**2018 Code**"). We have also provided a summary of our compliance with the express disclosure requirements in the 2018 Code on pages 63 to 65 of this annual report.

A. Board matters

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

PRINCIPAL DUTIES OF THE BOARD

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

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

The directors of the Company ("**Directors**") are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Directors are of the view that they have objectively discharged their duties and responsibilities at all times as fiduciaries in the interest of the Company for FY2022. Directors are entitled to request from Management and would be provided with additional information as needed to make informed decisions.

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

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

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

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

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

BOARD COMMITTEES

Board committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") have been constituted to assist the Board in the discharge of specific duties. Clear written terms of reference ("**TOR**") setting out the composition, duties, authority and accountabilities of each committee are detailed in this report on pages 59 to 61. The TORs of each board committee are reviewed from time to time, as are, the committee structure and membership.

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

A record of each Director's board committee memberships and attendance at board committee meetings during FY2022 is set out on pages 34 to 35 of this annual report, respectively.

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

BOARD MEETINGS

The Board and board committees meet regularly to discuss strategy, operational matters and governance issues. All Board and board committee meetings dates are scheduled well in advance of each year in consultation with the Directors. The Board meets at least four times a year at regular intervals. Four Board meetings were held during FY2022.

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

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

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The Corporate Secretary attends all Board and board committee meetings and is responsible for ensuring that Board procedures are observed. The number of Board and board committee meetings held in FY2022, as well as attendance of each board member at these meetings, are disclosed in the table below:

			BOARD COMMITTEE MEETINGS			
NAME OF DIRECTOR	AGM FY2021	BOARD MEETINGS	AUDIT	NOMINATING	REMUNERATION	NON-EXECUTIVE DIRECTORS' MEETING (WITHOUT PRESENCE OF MANAGEMENT)
Lim Thean Ee[(1)]	1	1	1	1	1	1
Wee Piew[(2)]	1	1	1	1	1	1
Andrew Sin Kwong Wah	1	4	4*	1	1*	–
Neoh Chin Chee[(3)]	–	2	2	–	–	1
Low See Lien[(4)]	1	3	3	–	–	1
Thomas Pek Ee Perh	1	4	4	1*	1	1
Toh Shih Hua[(5)]	1	3	3*	–	–	–
No. of Meetings Held	1	4	4	1	1	1

* Attendance as invitee

(1) Mr Lim Thean Ee ceased to be the Independent Non-Executive Director of the Company, Chairman of the Board, NC and RC, member of the AC with effect from 30 December 2021.

(2) Mr Wee Piew ceased to be the Independent Non-Executive Director of the Company, Chairman of AC, member of the RC and NC with effect from 30 December 2021.

(3) Mr Neoh Chin Chee is appointed an Independent Non-Executive Chairman and Director of the Company on 21 March 2022. He is also Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Mr Neoh had tendered his resignation and his last day with the Company would be on 28 February 2023.

(4) Mr Low See Lien is appointed an Independent Non-Executive Director of the Company on 27 December 2021. He is also Chairman of the Audit and Remuneration Committees and a member of the Nominating Committee.

(5) Ms Toh Shih Hua is appointed an Executive Director of the Company on 27 December 2021. She ceased to be the Executive Director of the Company with effect from 6 December 2022.

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

BOARD APPROVAL

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

a) The Group's strategic plans;

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

Corporate Governance Report

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

d) Dividend pay-out;

e) Issue of shares;

f) Appointment of directors;

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

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

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

j) Corporate or financial restructuring;

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

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

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

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

DIRECTOR DEVELOPMENT AND TRAINING

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

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

Mr Neoh Chin Chee and Mr Low See Lien were appointed as Non-Executive Director of the Company on 21 March 2022 and 27 December 2021 respectively. They have no prior experience as a director in a listed company in Singapore. Accordingly, they had attended the mandatory training courses prescribed by the SGX-ST and was briefed by the Management on the business operations of the Group and governance practices of the Company.

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

Newly appointed Directors would be given a detailed and in-depth briefing and induction into Miyoshi by the Management. The Directors would undergo the induction programme, with presentations by Management to introduce them to every aspect of the Miyoshi business. In FY2022, 3 new directors were appointed.

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

During FY2022, the development and training programme for Directors included the following:

- directors were briefed by the external auditor BDO LLP on developments in accounting standards;

- programme conducted by the Singapore Institute of Directors

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

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

COMPLETE, ADEQUATE AND TIMELY INFORMATION

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

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

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

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

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COMPANY SECRETARY

Directors have separate and independent access to the Company Secretary.

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

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

INDEPENDENT PROFESSIONAL ADVICE

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

During the financial year, the Board engaged professional advisers and experts to aid the Board in its determination of the valuation of our investment properties.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

BOARD COMPOSITION AND SIZE

There are four (4) Directors on the Board, comprising two (2) non-executive independent Directors, one (1) non-executive non-independent Director and one (1) executive Director. Accordingly, non-executive directors make up majority of the board. The profiles of the Directors are set out on pages 4 to 5 of this annual report.

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

Taking into account the scope and nature of the operations of the Group during FY2022, the NC had considered the current Board size to be appropriate to facilitate effective decision making for the existing needs and demands of the Group's business and that no individual or small group of individuals dominates the decisions of the Board.

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BOARD DIVERSITY

The Board is committed to building a diverse, inclusive and collaborative culture. Miyoshi adopts a board diversity policy which recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development (the "**Board Diversity Policy**").

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

INDEPENDENCE

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

The Board takes into account the existence of relationships or circumstances, including those identified by the Catalist Rules and related Practice Guidance, that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include the employment of a Director by the Company or any of its related corporations during the financial year in question or any of the previous three (3) financial years; a Director being on the Board for an aggregate period of more than nine (9) years; a Director providing to or receiving from the Company or any of its subsidiaries significant payments or material services during the financial year in question or the previous financial year, other than compensation for board service; a Director being related to any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.

The NC and the Board has assessed the independence of each of the Directors in FY2022. A summary of the outcome of that assessment is set out below.

Based on the declarations of independence provided by the Directors and taking into account the guidance in the 2018 Code, the Board has determined that Mr Low See Lien and Mr Neoh Chin Chee are considered to be independent Directors. Mr Sin Kwong Wah, Andrew (CEO) and Mr Pek Ee Perh, Thomas are non-independent Directors. In line with the Board's Code of Conduct and Ethics, each member of the NC and the Board recused himself from the NC's and the Board's deliberations respectively on his own independence.

Mr Sin Kwong Wah, Andrew is considered non-independent as he has an interest of approximately 17.74% in Miyoshi as at 31 August 2022.

Mr Low See Lien is a partner at BakerTilly TFW and honorary treasurer of Singapore National Paralympic Council. He was appointed to the Miyoshi Board on 27 December 2021 as an independent Director.

Mr Neoh Chin Chee was the President Director PT Arnotts Indonesia (previously a subsidiary of Campbell Soup company) prior to his retirement in 2006. He was appointed to the Miyoshi Board on 21 March 2022 as an independent Director.

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The NC, having considered the relevant factors, determined that Mr Neoh Chin Chee and Mr Low See Lien have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company. Mr Neoh Chin Chee and Mr Low See Lien have also confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company.

The NC also took into account Mr Neoh Chin Chee and Mr Low See Lien actual performance on the Board and board committees and agreed that they have been exercising independent judgement in the best interests of the Company in the discharge of their Director's duties and should therefore continue to be considered independent Directors. In this respect, the NC affirmed that Mr Neoh Chin Chee and Mr Low See Lien remain as Independent Directors of the Company. During FY2022, none of the Independent Directors has served beyond nine (9) years from the respective date of their first appointment.

Mr Pek Ee Perh, Thomas is the Managing Director of Tai Hua Food Industries Pte Ltd. Mr Pek is considered non-independent as he is the brother-in-law of the CEO. He has an interest of approximately 2.48% in Miyoshi as at 31 August 2022.

CONFLICTS OF INTEREST

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

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

		COMMITTEE MEMBERSHIP		
DIRECTOR	**BOARD MEMBERSHIP**	**AUDIT**	**NOMINATING**	**REMUNERATION**
Neoh Chin Chee	Chairman of the Board, Independent Non-Executive Director	Member	Chairman	Member
Sin Kwong Wah, Andrew	CEO and Executive Director	–	Member	–
Low See Lien	Independent Non-Executive Director	Chairman	Member	Chairman
Pek Ee Perh, Thomas	Non-Independent & Non-Executive Director	Member	–	Member

ROLE OF NON-EXECUTIVE DIRECTORS

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

REGULAR MEETINGS OF NON-EXECUTIVE DIRECTORS

The non-executive Directors, led by the Independent Chairman or other independent Director as appropriate, meet without the presence of Management immediately preceding the regular board meetings or as and when the need arises. The chairman of such meetings provides feedback to the Board as appropriate. The attendance of Non-Executive Directors in such meetings is disclosed on page 35.

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PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CLEAR DIVISION OF RESPONSIBILITIES BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

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

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

ROLE OF THE CHAIRMAN

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

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

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

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

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

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

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

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

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

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

The Chairman also facilitates the effective contribution of non-executive Directors in particular. In addition, the Chairman takes a leading role in ensuring the Company's compliance with corporate governance guidelines.

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

ROLE OF THE CEO

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

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

PRINCIPLE 4: BOARD MEMBERSHIP

COMPOSITION OF THE NC

The NC is chaired by Mr Neoh Chin Chee. The other members of the NC are Mr Andrew Sin Kwong Wah and Mr Low See Lien. In compliance with the 2018 Code, the NC has three members, the majority of whom, including the chairman, are independent Directors. The NC is guided by its written terms of reference ("TOR") which stipulates that its principal roles include maintaining a formal and transparent process for the appointment of new Directors to the Board, determining the independence of Directors and the appropriate Board size and reviewing and approving the appointment of key management personnel of the Group. The TOR of the NC are listed on page 59 of this annual report.

THE ROLE OF THE NC ON BOARD APPOINTMENTS

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

- the review of the size, composition and core competencies of and skills required by the Board and board committees;
- the review of board succession plans for Directors, in particular, the Chairman, the CEO and key management personnel;
- identify and review all nominations of any person for Director, both appointments and re-appointments (including alternate Directors, if any), membership of the RC and AC, the Chairman, the CEO and key management personnel;
- determine on an annual basis, and as and when circumstances require, the independence of each Director and to make appropriate disclosure;

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

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

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

The NC met once during FY2022. The Company also maintains records of the deliberations and proceedings of the NC.

PROCESS FOR SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

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

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

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

When deciding on the appointment of new Directors to the Board, the NC and the Board consider a variety of factors, including the core competencies, skills and experience that are required on the Board and board committees, diversity, independence, conflicts of interest and time commitments. The candidates are sourced from various channels such as local established recruitment agents or personal networks of the current board and the management.

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The Company's Constitution provides that a Director must retire from office at the third AGM after the Director was elected or last re-elected. Rule 720(4) of the Catalist Rules also requires all directors to submit themselves for re-nomination and re-appointment at least once every three years. A retiring Director is eligible for re-election by Miyoshi shareholders at the AGM. In addition, a Director appointed by the Board to fill a casual vacancy or appointed as an additional Director may only hold office until the next AGM, at which time he will be eligible for re-election by shareholders. If at any AGM, fewer than two Directors would retire pursuant to the requirements set out above, the additional Director(s) to retire at the AGM shall be those who have been longest in office since their last re-election or appointment. The CEO, as a Director, is subject to the same retirement by rotation, resignation and removal provisions as the other Directors, and such provisions will not be subject to any contractual terms that may have been entered into with the Company. Shareholders are provided with relevant information in the Annual Report on the candidates for election or re-election.

The NC, having assessed the performance and contribution to the Board and the Company, has recommended the re-election of Mr Andrew Sin Kwong Wah as Director of the Company at the forthcoming AGM pursuant to Regulation 89 of the Company's Constitution.

The NC takes into consideration factors such as the Directors' integrity, independence mindedness, attendance, participation, preparedness, candour and also recognises the contributions of these Directors who over time have developed deep insight into the Group's businesses and operations.

Mr Neoh Chin Chee and Mr Low See Lien were appointed as directors of the Company in FY2022. In accordance with Regulation 88 of the Company's Constitution, Mr Low See Lien would stand for election at the forthcoming AGM.

The Company had received a letter from Mr Neoh Chin Chee indicating that he will cease to be an independent director of the company for the reasons as disclosed in the announcements released by the Company on SGXNET on 9 December 2022. Mr Neoh will relinquish all his positions in the Board Committees. Rule 406(3)(c) of the Catalist Rules provides that the Company's board must have at least two non-executive directors who are independent and free of any material business or financial connection with the company. Independent directors must comprise at least one-third of the company's board. In the event of any retirement or resignation which renders the company unable to meet any of the foregoing requirements, the company should endeavour to fill the vacancy within two months, but in any case, not later than three months. As such, the Company is in the midst of sourcing for Mr Neoh Chin Chee's replacement so as to meet with the requirements of the Catalist Rules.

The information as per Appendix 7F of the Catalist Rules relating to Mr. Andrew Sin Kwong Wah and Mr Low See Lien who are seeking re-election is set out in page 172 to 177 of this report.

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

NAME OF DIRECTOR	APPOINTMENT	DATE OF INITIAL APPOINTMENT	DATE OF LAST RE-ELECTION/ RE-APPOINTMENT
Mr Sin Kwong Wah, Andrew	CEO	24 September 1991	28 December 2020
Mr Neoh Chin Chee	Independent Director	21 March 2022	–
Mr Low See Lien	Independent Director	27 December 2021	–
Mr Pek Ee Perh, Thomas	Non-Executive Director	27 October 2014	27 December 2021

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MULTIPLE BOARD REPRESENTATIONS AND APPOINTMENT OF ALTERNATE DIRECTORS

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

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

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

The NC noted the list of other directorships held by our Directors taking into consideration their principal commitments. The list of other directorships is disclosed in the profile of directors on page 3 to 4 of this report. The NC is satisfied that each of the Directors is able to devote time to his directorship role in the Company. None of the Directors hold more than three directorships in public listed companies.

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

ASSESSMENT OF INDEPENDENCE OF DIRECTORS

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

The NC is tasked to review and evaluate the independence of each Director annually. The Board will then, in turn, determine the independence of Directors, taking into account the evaluation by NC. For the year under review, the Board has determined, after taking into account the NC's views, that Mr Neoh Chin Chee and Mr Low See Lien are independent.

PRINCIPLE 5: BOARD PERFORMANCE

BOARD PERFORMANCE

Each year, the NC undertakes a process to assess the effectiveness of the Board, the board committees and individual Directors. The 2022 Board effectiveness survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and Board to proactively consider the Board's role in shaping Miyoshi's future. The Directors were requested to complete an evaluation questionnaire focused on:

- the composition and degree of independence of the Board;

- information flow from Management;

- Board's access to Management and external experts;

- Investor relations and corporate social responsibility vis-à-vis the Board;

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- Strategy review activities;
- appropriate financial measures to assess the Board's stewardship;
- Board's management of the Company's performance
- Board committees' effectiveness;
- Chairman of the Board effectiveness; and
- CEO's performance and succession planning.

The objective performance criteria above and the process for the evaluation is recommended by the NC and approved by the Board, and did not change from year-to-year. For FY2022, as in previous years, the Company Secretary was appointed to facilitate this process.

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

The feedback from the evaluation was collated and shared with the Board. The NC, having reviewed the overall performance of the Board and each board committee in terms of its roles and responsibilities and the conduct of its affairs as a whole, and the individual Director's performance, is of the view that the performance of the Board, each board committee and each individual Director has been satisfactory for FY2022. The Chairman will act on the results of the performance evaluation and, in consultation with the NC, will propose, where appropriate, new members to be appointed to the Board or seek resignation of Directors.

B. Remuneration matters

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

REMUNERATION COMMITTEE

The RC is chaired by Mr Low See Lien. The other members of the RC are Mr Pek Ee Perh Thomas and Mr Neoh Chin Chee. In compliance with the 2018 Code, the RC has three members, all members of the RC are non-executive directors, the majority of whom, including the chairman, are independent directors. The TOR of the RC are listed on page 60 of this Report.

The RC plays an important role in helping to ensure that the Group is able to attract, recruit, motivate and retain the best talents through competitive remuneration and progressive and robust policies so as to achieve the Group's goals and deliver sustainable shareholder value. The RC's review covers all aspects of remuneration, including but not limited to Director's fees, salaries, allowance, bonuses, options, share-based incentives and awards, and benefits-in-kind including termination terms. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him. In FY2022, the Board had not engaged any external remuneration consultant to advise on remuneration matters.

The RC met once during the FY2022.

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PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

PERFORMANCE-RELATED REMUNERATION

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

REMUNERATION OF EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

The Company has its own designated remuneration policy for the Executive Directors which comprises of a fixed remuneration allowance and benefits, variable bonus and share award based on the performance of the Group as a whole and their individual performance. The annual review of the compensation of the Executive Directors are carried out by the RC to ensure that their remuneration commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors are reviewed periodically by the RC and the Board.

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

PERFORMANCE SHARE PLAN 2016 ("MIYOSHI PSP")

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

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

REMUNERATION OF NON-EXECUTIVE DIRECTORS

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

The Board concurred with the RC's proposal for non-executive Directors' fees for FY2022. The RC and the Board are of the view that the remuneration of the non-executive Directors is appropriate and not excessive, taking into account the aforesaid factors and the increasingly onerous responsibilities of the directors. The fees for the non-executive Directors are subject to approval by the shareholders at the Company's forthcoming AGM.

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LONG-TERM INCENTIVE SCHEME

Miyoshi Restricted Share Plan 2016 ("Miyoshi RSP")

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

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

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

The RC administers the Miyoshi RSP and Miyoshi PSP. No PSP and RSP have been granted in FY2022. Outstanding share plans are disclosed in the Director's Statement.

Contractual Provisions to Reclaim Incentive Components of Remuneration

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

PRINCIPLE 8: DISCLOSURE OF REMUNERATION

The 2018 Code recommends the disclosure of the remuneration of each individual director, the CEO and at least the Group's top 5 key management personnel (who are not also directors or the CEO) in bands no wider than $250,000 and in aggregate the total remuneration paid to these key management personnel. After considering this matter carefully, the Board has decided that disclosure of the Directors and CEO's detailed remuneration will not be in the interests of the Company given the wage discrepancies in the industry and the competitive pressures that may result from such disclosure.

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The annual remuneration of directors of the Company for FY2022 is proposed as follows:

REMUNERATION BAND AND NAME OF DIRECTOR	FEES (%)	FIXED REMUNERATION (%)	VARIABLE BONUS (%)	ALLOWANCE & BENEFITS[1] (%)	TOTAL REMUNERATION (%)
Below $250,000:					
Wee Piew	100	–	–	–	100
Lim Thean Ee	100	–	–	–	100
Pek Er Perh, Thomas	100	–	–	–	100
Low See Lien	100	–	–	–	100
Neoh Chin Chee	100	–	–	–	100
Toh Shih Hua	100	89.9	10.1	–	100
$500,000 to $750,000:					
Sin Kwong Wah, Andrew	–	98.5	–	1.5	100

[1] *Allowances and benefits include overseas allowances and car benefits*

REMUNERATION OF KEY MANAGEMENT PERSONNEL

With regards to disclosure of the remuneration of the key management personnel, the Board has decided that detailed disclosure of the key management personnel's remuneration in exact dollar value will not be in the interests of the Company given the wage discrepancies in the industry and the competitive pressures that may result from such disclosure. As such, the Company has named and disclosed the remuneration of the Group's key management personnel in bands of $250,000. Notwithstanding provision 8.2 of the 2018 Code, there were only four (4) key management personnel (who are not Directors or the CEO) during FY2022. The total aggregate remuneration paid to the Group's key management personnel during FY2022 was $509,000.

The remuneration of key management personnel is as follows:

REMUNERATION BAND AND NAME OF KEY MANAGEMENT PERSONNEL	FIXED REMUNERATION (%)	VARIABLE BONUS (%)	OTHER BENEFITS[1] (%)	TOTAL REMUNERATION (%)
Below $250,000:				
Gan Yoke Fong, Karen	96	–	4	100
Tan Tiong Soon	100	–	–	100
Wee Soon Ghee	100	–	–	100
Lew Fan Jong	100	–	–	100

[1] *Other benefits refer to car benefits*

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

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

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REMUNERATION OF CERTAIN RELATED EMPLOYEES

There are no employees whose remuneration exceeds $100,000 during FY2022 who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company.

GRANT OF SHARE AWARDS

No share awards have been granted in FY2022.

C. Accountability and audit

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. During FY2022, the AC assisted the Board in the oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management systems including the framework and process for the identification and management of significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management. The AC also provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems.

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

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

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

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

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

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

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

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

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

The Board requires and discloses in the annual report that it has received assurance from:

(a) the CEO and Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on the Group's 3LOD Framework, the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management and various board committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management framework and systems were adequate and effective as at 31 August 2022 to address financial, operational, compliance and information technology controls and risk management systems, which the Group considers relevant and material to its operations.

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

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

Further details of the Group's Risk Management Philosophy and Approach can be found on pages 66 to 68.

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

For FY2022, the Board has obtained assurance from:

(a) the CEO and Financial Controller that Miyoshi's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the CEO and other key management personnel who are responsible, that Miyoshi's risk management and internal control systems, addressing financial, operational and compliance risks including information technology risks are adequate and effective.

This certification covers Miyoshi and the subsidiaries that are under Miyoshi's management control. For interim financial statements, the Board provides negative assurance to shareholders, in line with the Catalist Rules. For the full year financial statements, the Board, with the concurrence of the AC provides an opinion that the financial statements give a true and fair view of the results of Miyoshi Group and Miyoshi will be able to pay its debts as and when they fall due. This, in turn, is supported by a negative assurance statement from the CEO, the Financial Controller and other key management personnel who are responsible. Pursuant to Rule 705(5) of the Catalist Rules, negative assurance statements were issued by the Board to accompany its quarterly financial results announcement, confirming that to the best of its knowledge, nothing had come to its attention which would render the Company's quarterly results to be false or misleading in any material aspect.

In terms of reporting obligation, the Board strives to increase transparency while striking a balance to protect company information that may be commercially sensitive. Price sensitive information will be publicly released either before the Company meets with any groups of investors or analysts or simultaneously with such meetings. The Company believes that prompt compliance with statutory reporting requirements is imperative to maintaining shareholders' confidence and trust in the Company.

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

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

PRINCIPLE 10: AUDIT COMMITTEE

COMPOSITION AND EXPERTISE OF THE AC

The AC is chaired by Mr Low See Lien. The other members of the AC are Mr Pek Ee Perh, Thomas and Mr Neoh Chin Chee. In compliance with the 2018 Code, the AC has three members, all of whom are non-executive, the majority of whom, including the chairman, are independent directors.

The Board considers that Mr Low See Lien, who is a partner of Baker Tilly TFW and a Fellow of the Institute of Singapore Chartered Accountants ("**ISCA**"), has extensive and practical accounting and financial management knowledge and experience, is well qualified to chair the AC.

Corporate Governance Report

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

The AC met four times during FY2022. The Company also maintains records of the deliberations and proceedings of the AC.

AUTHORITY AND DUTIES OF THE AC

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

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

The AC reviews and reports to the Board at least annually on the adequacy and effectiveness of Miyoshi's system of internal controls, including financial, operational, compliance and information technology controls through discussions with Management and the internal and external auditor, at its quarterly AC meetings. The AC also reviews the assurance from the CEO and the Financial Controller on the financial records and financial statements. The TOR of the AC are listed on pages 60 to 61 of this Report.

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

EXTERNAL AUDITOR

The Board is responsible for the initial appointment of external auditor. Shareholders then approve the appointment at Miyoshi's AGM. The external auditors hold office until their removal or resignation. The AC is primarily responsible for proposing the appointment and removal of the external auditor. The AC assesses the external auditor based on factors such as the performance and quality of their audit and the independence of the auditor, and recommends its appointment to the Board. Pursuant to the requirements of the SGX-ST, an audit partner must not be in charge of more than 5 consecutive audits for a full financial year and may then return after two (2) years. BDO LLP has met this requirement, and the current BDO LLP audit partner for Miyoshi took over from the previous audit partner in respect of the financial year ended 31 August 2019. Miyoshi has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its auditor.

Where necessary, the AC may meet the external auditors without the presence of Management to discuss the reasonableness of the financial reporting process, and to review the adequacy of audit arrangements with particular emphasis on the observations and recommendations of the auditors, the scope and quality of their audits and the independence and objectivity of the auditors. Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC, and highlighted by the external auditors in their annual reviews with the AC. The attendance of the AC members (comprising Non-Executive Directors) in such meeting during FY2022 is disclosed on page 35 of this report.

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The AC reviewed the independence and objectivity of the external auditor through discussions with them as well as a review of the volume and nature of non-audit services provided by the external auditor during the financial year under review. The aggregate amount of audit services provided by BDO LLP for FY2022 are $113,000. BDO LLP did not provide non-audit services for FY2022. Based on this information, the AC is satisfied that the financial, professional and business relationships between Miyoshi and the external auditor will not prejudice their independence and objectivity. The AC, together with Management, has evaluated their performance and concluded that BDO LLP has fulfilled its responsibilities as external auditor. The Board concurred with AC's endorsement. Accordingly, the Board recommends the re-appointment of BDO LLP at the coming AGM.

In the review of the financial statements for FY2022, the AC discussed with Management and the external auditor the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. Following the review and discussions, the AC recommended to the Board to approve the full-year financial statements.

WHISTLEBLOWING POLICY

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

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

The whistleblowing system provides: (i) an avenue for employees to raise concerns without fear of unfair treatment and define a way to handle such concerns; (ii) whistleblower who report in good faith protection against possible retaliation; and (iii) Management to be informed at an early stage of such act of misconduct. The Company shall fully investigate any received disclosures or reports promptly and assures that all such disclosures and reports, including the identity of the whistleblower shall be treated strictly confidential. Where required, a separate independent function will be formed to investigate the whistleblowing reports, and reports to the AC, who is responsible for the overview and monitoring of whistleblowing. For the financial year under review, the AC nor the Company has received any reports related to whistleblowing.

KEEPING ABREAST OF CHANGES TO ACCOUNTING STANDARDS

Details of the activities of the AC are also provided under Principles 9 and 10 of this report. In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the Management, external and internal auditors on changes to accounting standards, stock exchange rules and other code and regulations which could have impact on the Group's business and financial statements as well as attending the relevant external training and seminars in respect thereof.

INTERESTED PERSON TRANSACTIONS POLICY

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

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MATERIAL CONTRACTS (RULE 1204(8) OF THE CATALIST RULES)

There were no material contracts entered into by Miyoshi or any of its subsidiaries involving interests of any Director or controlling shareholder during FY2022.

EXCLUSION FROM MEMBERSHIP OF AC

None of the AC members were former partners or directors of the Company's existing auditing firm (a) within the period of two years commencing on the date of their ceasing to be a partner or director of the auditing firm and (b) that none of the AC members hold any financial interest in the auditing firm.

INTERNAL AUDIT

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

The internal audit function was outsourced to NLA Risk Consulting Pte Ltd, part of NLA DFK, a group of accounting and advisory firms with a history in Singapore since 1948. NLA DFK is a member firm of DFK International, a top 10 international association of independent accounting firms and business advisers. NLA Risk Consulting Pte Ltd is a suitably appointed qualified firm of risk consultants (including Certified Internal Auditors), with its processes guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. NLA Risk Consulting Pte Ltd is also a corporate member of the Institute of Internal Auditors, Singapore.

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

LINE OF REPORTING AND ACTIVITIES

The functional reporting line for the internal audit function is to the Chairman of the AC. The administrative reporting line is to the Financial Controller. This assists in maintaining the function's independence and objectivity. The AC approves matters relating to the Internal Audit Charter, risk assessment and related audit plans and results and follows up on internal audit activities. The internal auditors have unfettered access to all Miyoshi's documents, records, properties and personnel, including access to the AC. Where necessary, the AC meets with the internal auditors without the presence of Management The attendance of the AC members (comprising Non-Executive Directors) in such meeting during FY2022 is disclosed on page 35 of this report.

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

ADEQUACY OF THE INTERNAL AUDIT FUNCTION

The annual plan of the internal audit is established in consultation with, but independent of Management and is aligned with the risk management framework of Miyoshi. The AC also reviews annually the adequacy and effectiveness of the internal auditors. The Board, with the AC's concurrence, is satisfied that the internal auditors have adequate resources to perform its functions, and are independent, effective and have appropriate standing within Miyoshi for FY2022.

Corporate Governance Report

PROFESSIONAL STANDARDS AND COMPETENCY OF INTERNAL AUDITORS

The firm currently maintains an outsourced internal audit portfolio of about 20 companies listed on the SGX-ST in various industries, including construction, property development, manufacturing, healthcare, logistics, engineering services and trading. The Engagement Team comprises a Director, a Manager and is supported by a team of trained internal auditors. The Director, Mr Gary Ng has over 20 years of relevant experience and is a Certified Internal Auditor whilst the Manager has more than 10 years of relevant experience and is also a Certified Internal Auditor.

ANNUAL REVIEW OF THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S INTERNAL AUDIT CONTROLS

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management and AC, with the support of the assurance confirmation received from the management in respect of the effectiveness and adequacy of the internal controls in FY2022, the Board, with the concurrence of the AC, is satisfied that the Group's framework of internal controls and procedures is adequate and effective as at 31 August 2022 to provide reasonable, but not absolute, assurance of achieving its internal control objectives and addressing financial, operational and compliance and information technology risks. The Board is satisfied that problems are identified on a timely basis and follow-up actions are taken promptly to minimise unnecessary lapses.

D. Shareholder rights and responsibilities

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

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

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

Notwithstanding the above, the Company will be holding its forthcoming AGM by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangement for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). Pursuant to the Order, the Company will not publish the notice of AGM in the newspaper or despatch the Annual Report and the notice of general meeting to shareholders for the upcoming general meeting. Such procedures will continue in place until the Order is no longer effective or necessary.

Alternative arrangements relating to attendance at the AGM via electronic means (i.e. live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM (if any) and appointing the Chairman of the Meeting as the proxy at the AGM, are set out in the Notice of AGM. Shareholders may refer to the Notice of AGM for further information.

Corporate Governance Report

The Board views the AGM and extraordinary general meetings as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues and ask the Directors or Management questions regarding the Company and its operations. The Directors' attendance at the last Annual General Meeting held on 30 December 2021 is disclosed under Principle 1 on page 35 of this report.

Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the polling agent at such general meetings. Where resolutions are bundled, the Company will explain the reasons and material implications in the notice of general meetings. All resolutions are tabled separately at the forthcoming AGM. Detailed information on each resolution (if necessary) is in the explanatory notes to the notice of AGM.

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

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

The general meetings of shareholders procedures provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage, and openly communicate their views on matters relating to Miyoshi to the directors.

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

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

Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholder with a written answer after the general meeting. The external auditors and legal advisors are also present to assist the Board as necessary. In line with the procedures for this forthcoming AGM which will be conducted via electronic means, shareholders should submit their written questions in advance of the AGM. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) and will endeavour to publish its responses to those questions via SGXNet prior to the AGM. Where substantial and relevant questions submitted by shareholders are unable to be addressed prior to the AGM, the Company will address them during the AGM. Shareholders may refer to the Notice of AGM for further information.

The Company Secretary prepares minutes of shareholders' meetings which captures the essence of the comments and queries from shareholders and responses to them from the Board and Management. The minutes of general meetings will also be published on Miyoshi's website as soon as practicable. Pursuant to the Order, the minutes of the forthcoming AGM will be made available on the SGXNET and the Company's website within 1 month from the date of the AGM. The Company also makes available minutes of general meetings to shareholders upon their requests.

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

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

Corporate Governance Report

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

Notwithstanding the above, the procedures for the forthcoming AGM to be held on 13 February 2023 can be found on pages 165 to 171 of this report. Such procedures will continue to be in place until the Temporary Measures or alternative measures are no longer effective or necessary.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

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

Miyoshi makes timely disclosures of any new material information to the SGX-ST. These filings are also posted on the Miyoshi website, allowing investors to keep abreast of strategic and operational developments.

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

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

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

The Miyoshi website (www.miyoshi.biz) is a key source of information for the investment community. It contains past and latest annual reports, quarterly financial results and company announcements.

Shareholders may send their queries and concerns regarding the Company to the Company's investor relations email address (kenlew@sg.miyoshi.biz). The Company does not have fixed investor relations policy. Nevertheless, the Company adheres to fair disclosure principles and emphasises active dialogue and engagement with shareholders, investors, analysts and members of the public.

DIVIDEND POLICY

The Company is committed to achieving sustainable income and growth to enhance total shareholder return. The Group's policy aims to balance cash return to shareholders and investment for sustaining growth, while aiming for an efficient capital structure. The Company does not have a fixed policy on payment of dividends, instead the payment of dividends is deliberated seriously and at length by the Board annually having regard to various factors. After much 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 FY2022.

Corporate Governance Report

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Group are served.

The Group publishes a sustainability report which provides details about the Group's strategy and key areas of focus in relation to the management of stakeholder relationships. The sustainability report can be found on page 11 to 28 of the annual report.

The Company maintains its corporate website (http://www.miyoshi.biz) to communicate and engage with stakeholders.

APPENDIX – KEY TERMS OF REFERENCE

Nominating Committee

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

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

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

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

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

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

7. To rigorously review, as appropriate, the independence of any Director who has served on the Board beyond nine (9) years from the date of his/her first appointment.

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

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

Corporate Governance Report

Remuneration Committee

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

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

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

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

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

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

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

Audit Committee

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

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

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

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

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

Corporate Governance Report

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

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

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

Additional corporate governance

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

Dealing in securities –Rule 1204(19) of the Catalist rules

SECURITIES DEALING

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

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

The Company has complied with Rule 1204(19) of the Catalist Rules.

Code of conduct and practices

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

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

Corporate Governance Report

Interested person transactions

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval if such transactions do occur. The Company ensures that all transactions with interested persons are reported in a timely manner to the AC and that transactions are conducted on an arm's length basis that is not prejudicial to the interests of the shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from Board discussions and decision-making process on a particular agenda, and will refrain from exercising any influence over other members of the Board. The details of the interested person transactions (IPTs) for FY2022 are as follows:

NAME OF INTERESTED PERSON	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN $100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN $100,000)
	$'000	$'000
Type of transactions		
Sales	–	–
Purchases	–	–
Marketing Services	–	–
Total	–	–

Note: In compliance with the Catalist Rules, the Group confirms that there were IPTs occurring during the financial year but the individual transactions were less than $100,000. Currently, the Company does not have a general mandate from its shareholders in relation to IPTs pursuant to Rule 920 of the Catalist Rules.

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

Material contracts

Since the end of the previous financial year, no material contracts involving the interest of any Director or controlling shareholder of Miyoshi has been entered into by Miyoshi or any of its subsidiary companies, and no such contract subsisted as at 31 August 2022 or if not subsisting, were entered into since 1 September 2021.

Sponsor

No non-sponsor fees were paid/payable to the Company's sponsor, RHB Bank Berhad, through its Singapore branch ("**RHB**") for FY2022.

Update on use of share placement proceeds

The Group raised net proceeds of $1,298,000 from its share placement in October 2021 and December 2021 ("**Placements**"). The placement proceeds have been fully utilised as at the date of this report.

Corporate Governance Checklist

Summary of disclosures – corporate governance

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

Key information on each Director in this Annual Report:

- Pages 4 to 5 – Directors' independence status, appointment dates, length of directorship, academic and professional qualifications and present and past directorships details
- Page 35 – Directors' meeting attendance
- Pages 48 to 50 – Directors' remuneration
- Pages 172 to 177 – Additional Information on Directors seeking re-election at the Annual General Meeting to be held on 28 February 2023

PRINCIPLES AND PROVISIONS OF THE 2018 CODE – EXPRESS DISCLOSURE REQUIREMENTS	PAGE REFERENCE IN MIYOSHI ANNUAL REPORT 2022
Provision 1.2 The induction, training and development provided to new and existing Directors.	Page 36 to 37
Provision 1.3 Matters that require Board approval.	Page 35 to 36
Provision 1.4 Names of the members of the Board Committees, the terms of reference of the Board Committees, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities.	Pages 11, 35, 40, 59 to 61
Provision 1.5 The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every Board member at these meetings.	Page 35
Provision 2.4 The board diversity and progress made towards implementing the board diversity policy, including objectives.	Page 39 to 40
Provision 4.3 Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidate.	Page 43 to 45
Provision 4.4 Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed.	Page 45

Corporate Governance Checklist

PRINCIPLES AND PROVISIONS OF THE 2018 CODE – EXPRESS DISCLOSURE REQUIREMENTS	PAGE REFERENCE IN MIYOSHI ANNUAL REPORT 2022
Provision 4.5 The listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, the NC's an Board's reasoned assessment of the ability of the director to diligently discharge his or her duties are disclosed.	Page 45
Provision 5.2 How the assessments of the Board, its Board committees and each Director have been conducted, including the identity of any facilitator and its connection, if any, with the Company or any of its Directors.	Page 45 to 46
Provision 6.4 The Company discloses the engagement of any remuneration consultants and their independence.	Page 46
Principle 8 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between remuneration, performance and value creation.	Page 47 to 50
Provision 8.1 The Company discloses the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.	Page 47 to 50
Provision 8.2 Names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a Director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder	Page 50
Provision 8.3 The Company discloses all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company, and also discloses details of employee share schemes.	For non-executive Directors: Page 47 to 50 For key management personnel: Page 47 to 50 For employee share schemes: Pages 48 and 167
Provision 9.2 Whether the Board has received assurance from (a) the CEO and the Financial Controller that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.	Pages 51 to 52

Corporate Governance Checklist

PRINCIPLES AND PROVISIONS OF THE 2018 CODE – EXPRESS DISCLOSURE REQUIREMENTS	PAGE REFERENCE IN MIYOSHI ANNUAL REPORT 2022
Provision 11.3 Directors' attendance of general meetings of shareholders held during the financial year.	Page 35
Provision 12.1 The steps taken to solicit and understand the views of shareholders.	Pages 58 to 59
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	Page 58 to 59

Risk Management

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

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

a) Risk taken should be carefully evaluated, commensurate with rewards and in line with the Group's core strengths and strategic objectives;

b) No risk arising from a single area of operation or investment, and no undertaking shall be significant enough to endanger the entire Group; and

c) The Group does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

Ongoing improvements are made to strengthen the existing risk governance. In 2022, the Board has assessed that the risk management system is adequate and effective in addressing the key risks of the Company.

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

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

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

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

As part of the control assurance process, Miyoshi has also implemented the Control Self-Assessment ("**CSA**"), which allows one to examine and improve existing internal controls. In FY2022, Miyoshi has received the CSA from its subsidiaries.

Risk management is an integral part of the strategic, operational and financial decision-making processes at all levels of the Group. The Group's holistic approach in identifying and managing risks has instilled a strong risk ownership across the Company and also reduced uncertainties associated with executing our strategies, allowing us to harness opportunities with agility.

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

Risk Management

BOLSTERING OPERATIONAL READINESS

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

Led by the heads of business units across various locations, drills simulating disruptions relevant to their respective locations are conducted. These plans are continuously tested and refined to ensure responses are practical, executable and effective as well as ensuring the continuance smooth operations of critical business functions.

ENHANCING A RISK-CENTRIC CULTURE

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

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

PROACTIVE RISK MANAGEMENT

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

Managing key risks

The key risks identified and appropriate mitigating actions undertaken by Miyoshi in 2022 are as follows:

1) NATURAL DISASTER RISKS

An effective early warning and forecasting system for extending the reaction time is supported by meteorological information and the earliest possible warning of extreme weather conditions, such as floods, typhoons, earthquakes, etc.

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

2) FRAUD/CORRUPTION RISKS

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

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

3) COMPETITION

Miyoshi strives to meet stakeholder's expectations and aims to outperform competitors in terms of quality, time to market, cost and innovation. Improving our products and services on such metrics is as important today as it has ever been.

Risk Management

4) **DISRUPTIVE TECHNOLOGICAL SHIFT AND LOSS OF A MAJOR ORDER AND/OR CUSTOMER**

Sustaining customer loyalty and retention have been increasingly difficult due to disruptive technological innovation in the data storage segment. Substitute products have affected the viability of our current business model and strategic initiatives.

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

5) **BUSINESS CONTINUITY RISKS**

Business units continually review and test their business continuity plans to ensure effectiveness in their responses to disruptive events.

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

6) **SUCCESSION PLANNING**

Succession planning for key executive and management positions is regularly reviewed to ensure relevance. Internships allows Miyoshi to discover new employees and assess whether the intern's personality and abilities are a good match for Miyoshi.

7) **CREDIT RISKS**

Knowing our customer is the foundation of the credit process. Miyoshi operates on pertinent, accurate and timely information of our customers.

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

8) **CYBER SECURITY RISKS**

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

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

9) **INFECTIOUS DISEASES & PANDEMIC RISKS**

Despite the on-going and evolving COVID-19 pandemic measures including easing of travel restrictions and progressive rollout of vaccines to minimise the risk of transmission, we are mindful of the impacts that ongoing COVID-19 will have on our business. The Group will continue to monitor the impact on our business, financial condition, results of operations and prospects, and institute the necessary measures to protect the health and safety of our workforce, and to mitigate the risks to our business to monitor the impact on our business, financial condition, results of operations and prospects, and institute the necessary measures to protect the health and safety of our workforce, and to mitigate the risks to our business.

Directors' Statement

The Directors of Miyoshi Limited (the "**Company**") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 August 2022 and the statement of financial position of the Company as at 31 August 2022.

1. Opinion of the directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2022 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Mr Sin Kwong Wah, Andrew	
Mr Neoh Chin Chee	(Appointed on 21 March 2022)
Mr Low See Lien	(Appointed on 27 December 2021)
Mr Pek Ee Perh, Thomas	

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except as disclosed in paragraph 5 of this statement.

Directors' Statement

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

NAME OF DIRECTORS AND COMPANY IN WHICH INTERESTS ARE HELD	SHAREHOLDINGS REGISTERED IN THE NAME OF DIRECTORS		SHAREHOLDINGS IN WHICH DIRECTORS ARE DEEMED TO HAVE AN INTEREST	
	AT BEGINNING OF YEAR	AT END OF YEAR	AT BEGINNING OF YEAR	AT END OF YEAR
The Company	**Number of ordinary shares**			
Mr Sin Kwong Wah, Andrew	117,624,800	117,624,800	48,726,500	48,726,500
Mr Pek Ee Perh, Thomas	16,454,500	16,454,500	–	–

NAME OF DIRECTORS AND COMPANY IN WHICH INTERESTS ARE HELD	SHAREHOLDINGS REGISTERED IN THE NAME OF THE DIRECTORS	
	AT BEGINNING OF YEAR	AT END OF YEAR
Subsidiaries	**Ordinary shares of philippine peso 1,000 each**	
- Miyoshi Technologies Phils., Inc.		
Mr Sin Kwong Wah, Andrew	1[(3)]	1[(3)]

(1) By virtue of Section 7 of the Act, Mr Sin Kwong Wah, Andrew and Mdm Pek Yee Chew are deemed to have an interest in all the subsidiaries of the Company.

(2) Mr Sin Kwong Wah, Andrew is deemed to have an interest in the 46,444,000 shares held by his spouse, Mdm 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.

(3) Shares held in trust for the Company.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("Catalist Rules"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 September 2022 in the shares or debentures of the Company and its related corporations have not changed from those disclosed as at 31 August 2022.

5. Share plans

RESTRICTED SHARE PLAN AND PERFORMANCE SHARE PLAN

The Company implemented a Miyoshi Restricted Share Plan ("**RSP**") and Miyoshi Performance Share Plan ("**PSP**") which were approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 23 December 2016. Both the RSP and PSP are administered by the Remuneration Committee.

Directors' Statement

The RSP and PSP apply to group employees, executive directors and non-executive directors, there were no options or share awards granted under RSP and PSP to:

(i) Directors of the Company;

(ii) Participants who are controlling shareholders of the Company and their associates; and

(iii) Participants who receive 5% or more of the total number of options or share awards under the PSP and RSP.

There were no RSP and PSP shares granted by the Company or its subsidiary corporations during the financial year.

6. Audit committee

The members of the Audit Committee are:

Mr Low See Lien (Chairman)
Mr Neoh Chin Chee
Mr Pek Ee Perh, Thomas

The Audit Committee, which has written terms of reference, performs the following delegated functions:

(i) Reviews the audit plans and scope of audit examination of external auditor and approves the audit plans of the internal auditors;

(ii) Reviews the nature and extent of non-audit services performed by the external auditor;

(iii) Evaluates the overall effectiveness of both the internal and external audits through meetings with each group of auditors;

(iv) Evaluates the adequacy of the Group's internal controls by reviewing written reports from the internal and external auditors, and management's responses and actions to correct any deficiencies;

(v) Reviews the annual financial statements and quarterly financial announcements to shareholders before submission to the Board of Directors for approval;

(vi) Reviews interested person transactions;

(vii) Nominates the internal and external auditors for re-appointment;

(viii) Reviews the statement of financial position of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company; and

(ix) Reviews the co-operation and assistance given by the management to the Company's internal and external auditors.

The Audit Committee has full access to and has the co-operation of the Management, and has been given the resources required for it to discharge its function properly. It has also full discretion to invite any Director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

Directors' Statement

The Audit Committee also carried out annual review of non-audit services provided by the external auditor to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors prior to recommending their re-nomination.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting of the Company.

7. Auditor

The auditor, BDO LLP, has expressed its willingness to accept re-appointment.

8. Additional disclosure requirements of the listing manual of the SGX-ST

The auditors of the subsidiaries of the Company are disclosed in Note 8 to the financial statements. In the opinion of the Board of Directors and the Audit Committee, Rules 712 and 715 of the Listing Manual of SGX-ST have been complied with.

On behalf of the Board of Directors

Sin Kwong Wah, Andrew
Director

Pek Ee Perh, Thomas
Director

Singapore
13 February 2023

Independent Auditor's Report

To the Members of Miyoshi Limited

Report on the audit of the financial statements

QUALIFIED OPINION

We have audited the financial statements of Miyoshi Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise as set out on pages 79 to 159 which comprises:

(i) the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 August 2022;

(ii) the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and

(iii) notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 August 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

BASIS FOR QUALIFIED OPINION

The Group's and the Company designated the investment in Core Power (Fujian) New Energy Automobile Co., Ltd ("**Core Power**") as a financial asset at Fair Value through Profit or Loss ("**FVTPL**"). During the current financial year, as the management was unable to obtain any relevant information from the investee company, management has determined the fair value of the financial asset at FVTPL as at 31 August 2022 to be Nil.

We were unable to obtain sufficient appropriate audit evidence about the fair value of the financial asset at FVTPL. Consequently, we were unable to determine whether any adjustments to the Group's and the Company's financial asset at FVTPL were necessary. Our opinion on the financial statements for the financial year ended 31 August 2021 was qualified on a similar basis.

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the Members of Miyoshi Limited

Report on the audit of the financial statements (Continued)

KEY AUDIT MATTER	AUDIT RESPONSE
1. Impairment assessment of property, plant and equipment ("**PPE**")	
As at 31 August 2022, the Group's carrying amount of PPE amounted to approximately $27,160,000 and accounted for 48% of the Group's total assets. During the financial year, there were impairment indications on its PPE for the loss-making operating facilities in Singapore, Philippines, Malaysia and People's Republic of China. Management had carried out an impairment assessment to determine whether the recoverable amounts of these PPEs are less than the respective carrying amounts using the fair value less costs of disposal method. The assessment involved critical assumptions and judgement in determining the recoverable amounts. The review led to the recognition of impairment loss amounted to $531,000 during the financial year. The critical assumptions used for assessing: • the fair value of freehold land was based on selling price of comparable properties in similar locations adjusted for property size and costs of disposal; • the fair value of leasehold land was based on selling price of comparable properties in similar locations adjusted for property size, ages and costs of disposal; • the fair value of leasehold and freehold buildings was based on cost approach for buildings and costs of disposal; and • the fair value of plant and equipment, motor vehicles was based on the selling price for similar item adjusted for age and costs of disposal. We have determined the impairment assessment of PPE to be a key audit matter as the impairment assessment involved significant judgements and critical assumptions applied by management in their assessment of the recoverable amounts of PPE.	Our procedures included, amongst others, the following: • Reviewed the management's impairment assessment of PPE in accordance with SFRS(I) 1-36; • Assessed the reasonableness of the key assumptions such as similar property, plant and equipment, adjusted for age and cost of disposal by evaluating the underlying data; • Independently verified the external sources data used by the management in deriving at the fair value of PPE; • Performed sensitivity analysis on the related key assumptions such as adjusted equipment and motor vehicle age and cost of disposal used in management's computation; • Checked the mathematical accuracy of management's computation of the fair value less costs of disposal; and • Reviewed adequacy of the related disclosures in the financial statements.

Refer to Notes 3 and 10 to the financial statements.

Independent Auditor's Report

To the Members of Miyoshi Limited

Report on the audit of the financial statements (Continued)

KEY AUDIT MATTER	AUDIT RESPONSE
2. Impairment loss on investment in subsidiaries and loans deemed as investment in subsidiaries	
As at 31 August 2022, the Company's investment in subsidiaries and loans deemed as investment in subsidiaries amounted to $18,338,000 and $8,563,000 respectively. During the financial year, the impairment indications were arising from certain cash-generating units ("**CGUs**") in Malaysia and Philippines after these CGUs incurred losses during the financial year. Management had carried out an impairment assessment to determine whether the recoverable amounts of the investment in subsidiaries and loans deemed as investment in subsidiaries are less than the carrying amounts. For the loans deemed as investment in subsidiaries in Malaysia's CGU, the management has applied expected credit losses model in accordance with SFRS (I) 9. Subsequently, management determined the recoverable amounts of investment in subsidiaries and loans deemed as investment in subsidiaries based on fair value less costs of disposal method using the adjusted net tangible assets, which approximate the fair value less costs of disposal in accordance with SFRS(I) 1-36. In the current financial year, the Company recognised an impairment on investment in subsidiaries and loans deemed as investment in subsidiaries CGU of $571,000. We have determined the impairment assessment on investment in subsidiaries and loans deemed as investment in subsidiaries to be a key audit matter as the impairment assessment involved significant judgements and critical assumptions applied by management in their assessment of the expected credit losses and recoverable amounts of investment in subsidiaries and loans deemed as investment in subsidiaries.	Our procedures included, amongst others, the following: • Discussed with management and evaluate their assessment of the indication of the impairment loss; • Assessed the reasonableness of the key assumptions used by management to determine the expected credit losses and recoverable amount; • Independently verified the external sources data used by the management in deriving at the adjustments to net tangible assets; • Checked the mathematical accuracy of management's computation of the fair value less cost of disposal; and • Reviewed adequacy of the related disclosures in the financial statements.

Refer to Notes 3 and 8 to the financial statements.

Independent Auditor's Report

To the Members of Miyoshi Limited

Report on the audit of the financial statements (Continued)

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described above, we have issued a qualified opinion on the accompanying financial statements because of the matter discussed in the Basis for Qualified Opinion section of our report. Accordingly, we are unable to conclude whether or not the Directors' Statements, extracted below, is materially misstated:

*"the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2022 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date".*

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

To the Members of Miyoshi Limited

Report on the audit of the financial statements (Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

To the Members of Miyoshi Limited

Report on the audit of the financial statements (Continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is William Ng Wee Liang.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
13 February 2023

Statements of Financial Position

As at 31 August 2022

	NOTE	GROUP 2022 $'000	GROUP 2021 $'000	COMPANY 2022 $'000	COMPANY 2021 $'000
ASSETS					
Current assets					
Cash and bank balances	4	3,010	3,045	93	236
Fixed deposits	4	–	152	–	–
Trade and other receivables	5	13,136	10,663	2,789	2,430
Prepayments		99	245	65	13
Inventories	6	5,772	7,188	6	3
		22,017	21,293	2,953	2,682
Assets classified as held for sale	7	–	611	–	–
Total current assets		22,017	21,904	2,953	2,682
Non-current assets					
Subsidiaries	8	–	–	26,901	27,362
Financial assets at fair value through profit or loss ("**FVTPL**")	9	–	–	–	–
Property, plant and equipment	10	27,160	29,938	3,071	2,809
Investment properties	11	6,319	6,303	–	–
Intangible assets	12	88	46	–	–
Deferred tax assets	13	73	21	–	–
Other receivables	5	752	–	–	–
Total non-current assets		34,392	36,308	29,972	30,171
Total assets		56,409	58,212	32,925	32,853
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	14	12,666	15,147	5,419	4,823
Current income tax payable		204	225	–	–
Lease liabilities	15	161	163	156	152
Bank borrowings	16	4,429	3,906	702	702
Total current liabilities		17,460	19,441	6,277	5,677

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

Statements of Financial Position

As at 31 August 2022

	NOTE	GROUP 2022 $'000	GROUP 2021 $'000	COMPANY 2022 $'000	COMPANY 2021 $'000
Non-current liabilities					
Lease liabilities	15	181	105	172	85
Bank borrowings	16	4,417	5,313	1,399	2,121
Other payables	14	322	285	4,080	3,722
Provisions	17	660	926	–	–
Deferred tax liabilities	18	672	289	–	–
Total non-current liabilities		6,252	6,918	5,651	5,928
Total liabilities		23,712	26,359	11,928	11,605
Equity					
Share capital	19	50,377	49,079	50,377	49,079
Treasury shares	19	(633)	(633)	(633)	(633)
Revaluation reserve	19	666	666	–	–
Other reserve	19	1,719	1,205	–	–
Currency translation account	19	(12,010)	(10,866)	(10,411)	(11,437)
Accumulated losses		(9,577)	(9,514)	(18,336)	(15,761)
Equity attributable to owners of the parent		30,542	29,937	20,997	21,248
Non-controlling interests		2,155	1,916	–	–
Total equity		32,697	31,853	20,997	21,248
Total liabilities and equity		56,409	58,212	32,925	32,853

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 August 2022

	NOTE	GROUP 2022 $'000	GROUP 2021 $'000
Revenue	21	49,852	45,458
Other income	22	4,353	1,611
Raw materials, consumables used and changes in inventories		(32,265)	(26,395)
Employee benefits expense	23	(9,761)	(9,949)
Depreciation and amortisation expense		(2,743)	(2,809)
(Loss allowance)/reversal of loss allowance for impairment of trade receivables		(10)	20
Reversal of loss allowance for impairment of non-trade receivables		28	-
Other expenses	24	(7,937)	(15,030)
Finance costs	25	(424)	(342)
Profit/(Loss) before income tax		1,093	(7,436)
Income tax expense	26	(538)	(296)
Profit/(Loss) for the financial year	27	555	(7,732)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(1,323)	(486)
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on defined benefit plan, net of tax	17	314	193
Other comprehensive income for the financial year, net of tax		(1,009)	(293)
Total comprehensive income for the financial year		(454)	(8,025)
Profit/(Loss) attributable to:			
Owners of the parent		137	(7,824)
Non-controlling interests		418	92
		555	(7,732)
Total comprehensive income/(Loss) attributable to:			
Owners of the parent		(693)	(8,017)
Non-controlling interests		239	(8)
		(454)	(8,025)
Earnings/(Loss) per share			
Basic and diluted (cents)	28	0.02	(1.30)

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 August 2022

	SHARE CAPITAL	TREASURY SHARES	REVALUATION RESERVE	OTHER RESERVE	CURRENCY TRANSLATION ACCOUNT	ACCUMU-LATED LOSSES	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
Balance as at 1 September 2021	49,079	(633)	666	1,205	(10,866)	(9,514)	29,937	1,916	31,853
Profit for the financial year	–	–	–	–	–	137	137	418	555
Other comprehensive income for the financial year:									
Actuarial gain on defined benefit plan	–	–	–	314	–	–	314	–	314
Foreign currency translation	–	–	–	–	(1,144)	–	(1,144)	(179)	(1,323)
Total other comprehensive income for the financial year	–	–	–	314	(1,144)	–	(830)	(179)	(1,009)
Total comprehensive income/(Loss) for the financial year	–	–	–	314	(1,144)	137	(693)	239	(454)
Transactions with owners recognised directly in equity									
Transfer to statutory reserve	–	–	–	200	–	(200)	–	–	–
Share placement	1,298	–	–	–	–	–	1,298	–	1,298
Total transactions with owners recognised directly in equity	1,298	–	–	200	–	(200)	1,298	–	1,298
Balance as at 31 August 2022	50,377	(633)	666	1,719	(12,010)	(9,577)	30,542	2,155	32,697

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 August 2022

	SHARE CAPITAL	TREASURY SHARES	REVALUATION RESERVE	OTHER RESERVE	SHARE AWARDS RESERVE	CURRENCY TRANSLATION ACCOUNT	ACCUMU-LATED LOSSES	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
Balance as at 1 September 2020	49,079	(253)	666	784	37	(10,480)	(1,462)	38,371	1,924	40,295
Loss for the financial year	–	–	–	–	–	–	(7,824)	(7,824)	92	(7,732)
Other comprehensive income for the financial year:										
Actuarial gain on defined benefit plan	–	–	–	193	–	–	–	193	–	193
Foreign currency translation	–	–	–	–	–	(386)	–	(386)	(100)	(486)
Total other comprehensive income for the financial year	–	–	–	193	–	(386)	–	(193)	(100)	(293)
Total comprehensive income for the financial year	–	–	–	193	–	(386)	(7,824)	(8,017)	(8)	(8,025)
Transactions with owners recognised directly in equity										
Transfer to statutory reserve	–	–	–	228	–	–	(228)	–	–	–
Share-based payments	–	–	–	–	(37)	–	–	(37)	–	(37)
Purchase of treasury shares	–	(380)	–	–	–	–	–	(380)	–	(380)
Total transactions with owners recognised directly in equity	–	(380)	–	228	(37)	–	(228)	(417)	–	(417)
Balance as at 31 August 2021	49,079	(633)	666	1,205	–	(10,866)	(9,514)	29,937	1,916	31,853

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

Consolidated Statement of Cash Flows

For the financial year ended 31 August 2022

	GROUP	
	2022	2021
	$'000	$'000
Operating activities:		
Profit/(Loss) before income tax	1,093	(7,436)
Adjustments for:		
Depreciation and amortisation	2,743	2,809
Gain on disposal of plant and equipment	(69)	(273)
Interest expense	424	342
Interest income	(7)	(23)
Net impairment loss on plant and equipment	531	4,995
Net fair value (gain)/loss on investment property	(50)	316
Share based payments	–	(37)
Plant and equipment written off	–	1,416
Gain on disposal of assets held for sales	(1,347)	–
(Reversal of)/Write-down of inventory obsolescence	(17)	16
Loss allowance/ (Reversal of) for impairment of trade receivables	10	(20)
Reversal of impairment of non-trade receivables	(28)	–
Gain on termination of lease	(96)	–
Unrealised currency translation difference	(741)	(185)
Operating cash flows before changes in working capital	2,446	1,920
Trade and other receivables	2,529	962
Prepayments	149	(77)
Inventories	693	(1,187)
Trade and other payables	(5,609)	4,689
Cash generated from operations	208	6,307
Interest paid	(343)	(342)
Interest received	7	23
Income tax paid	(221)	(494)
Net cash (used in)/from operating activities	(349)	5,494
Investing activities:		
Proceeds from disposal of non-current assets held for sales	–	1,945
Proceeds from disposal of property, plant and equipment	1,172	196
Advances paid for purchase of property, plant and equipment	(116)	(437)
Decrease in fixed deposits pledged	152	–
Purchase of property, plant and equipment (Note 10)	(1,354)	(7,951)
Purchase of intangible assets (Note 12)	(48)	
Net cash used in investing activities	(194)	(6,247)

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

Consolidated Statement of Cash Flows

For the financial year ended 31 August 2022

	GROUP	
	2022	2021
	$'000	$'000
Financing activities:		
Purchase of treasury shares	–	(380)
Proceeds from share placements	1,298	–
Proceeds from bank borrowings	840	7,348
Repayment of bank borrowings	(1,718)	(6,078)
Interest paid on lease liabilities	(81)	(30)
Principal repayment of lease liabilities	(176)	(190)
Net cash from financing activities	163	670
Net change in cash and cash equivalents	(380)	(83)
Cash and cash equivalents as at the beginning of the financial year	3,045	3,074
Effect of foreign exchange rate changes on cash and cash equivalents	55	54
Cash and cash equivalents at end of financial year (Note 4)	2,720	3,045

Note A: Reconciliation of liabilities arising from financing activities

				NON-CASH CHANGES	
	1 SEPTEMBER 2021	CASH FLOWS	BANK OVERDRAFT	FOREIGN EXCHANGE DIFFERENCES	31 AUGUST 2022
	$'000	$'000	$'000	$'000	$'000
Bank borrowings	9,219	(878)	290	215	8,846

				NON-CASH CHANGES	
	1 SEPTEMBER 2020	CASH FLOWS	BANK OVERDRAFT	FOREIGN EXCHANGE DIFFERENCES	31 AUGUST 2021
	$'000	$'000	$'000	$'000	$'000
Bank borrowings	7,949	1,270	–	–	9,219

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

Notes to the Financial Statements

For the financial year ended 31 August 2022

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

1. General corporate information

Miyoshi Limited ("**the Company**") is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's registration number is 198703979K. Its principal place of business and registered office is 26 Boon Lay Way #01-80, Singapore 609970.

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

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

The statement of financial position of the Company and the consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 August 2022 were authorised for issue by the Board of Directors on 13 February 2023.

2. Summary of significant accounting policies

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") including related Interpretations of ("**SFRS(I) INTs**") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

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 Singapore Exchange Securities Trading Limited, and management is of the opinion that the Singapore dollar is the currency which would best facilitate trading in its shares.

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

CHANGES IN ACCOUNTING POLICIES

New standards, amendments and interpretations effective from 1 September 2021

The standards, amendments to standards, and interpretations, issued by Accounting Standards Council Singapore ("**ASC**") that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group's business activities or require accounting which is consistent with the Group's current accounting policies.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

There are a number of standards, amendments to standards, and interpretations, which have been issued by the ASC that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

2.2 BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

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

In the separate financial statements of the Company, investment in subsidiaries is carried at cost, less any impairment loss that has been recognised in profit or loss.

2.3 BUSINESS COMBINATIONS

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

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.4 FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

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

Amortised cost

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

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

Impairment allowances for other receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables, cash and bank balances and fixed deposits in the statements of financial position.

*Financial assets at fair value through profit or loss ("**FVTPL**")*

The Group and the Company has a strategic investment in an unlisted entity which is not accounted for as subsidiary, associate or jointly controlled entity. For equity instruments that are either held for trading or irrevocable election to measure the fair value changes through other comprehensive income has not been made, the fair value changes is recognised in profit or loss and presented in "Other expenses".

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.4 FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL ASSETS (CONTINUED)

Derecognition of financial assets

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

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Equity instruments

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

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

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

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

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost.

Trade and other payables

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

Bank borrowings

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

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.4 FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS (CONTINUED)

Financial liabilities (continued)

Financial guarantee contracts

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

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

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

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

Derecognition of financial liabilities

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

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

2.5 LEASES

THE GROUP AND THE COMPANY AS LESSEES

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.5 LEASES (CONTINUED)

THE GROUP AND THE COMPANY AS LESSEES (CONTINUED)

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets within "Property, plant and equipment" and lease liabilities separately from other liabilities in the statements of financial position.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.5 LEASES (CONTINUED)

THE GROUP AND THE COMPANY AS LESSEES (CONTINUED)

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset. The right-of-use assets are depreciated based on the following bases:

Leasehold land and buildings	-	3 to 50 years (over remaining terms of lease)
Office furniture and equipment	-	3 to 8 years
Motor vehicles	-	4 to 5 years

The carrying amounts of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.12 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities is recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

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

THE GROUP AS LESSOR

When the Group is a lessor, it determines whether each lease entered is a finance or an operating lease at the lease inception date and reassessed only if there is a lease modification. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Whereas, it is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

If the lease arrangement contains lease and non-lease components, the Group applies the principles within SFRS(I) 15 to allocate consideration in the lease arrangement.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.5 LEASES (CONTINUED)

THE GROUP AS LESSOR (CONTINUED)

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of “Other income”. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.6 INVENTORIES

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

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

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The damaged, obsolete and slow-moving items are to be written down to the lower of cost and net realisable value.

2.7 ASSETS CLASSIFIED AS HELD FOR SALE

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

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

2.8 CASH AND CASH EQUIVALENTS

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

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.9 PROPERTY, PLANT AND EQUIPMENT

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

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

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the Group and the cost can be reliably measured. All other costs of servicing are recognised in profit or loss when incurred.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

Freehold land is not depreciated. Depreciation is charged so as to allocate their depreciable amounts, other than freehold land and construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings and improvements	-	5 to 40 years
Leasehold land and buildings	-	3 to 50 years (over remaining terms of lease)
Plant and equipment	-	5 to 10 years
Office furniture and equipment	-	3 to 8 years
Motor vehicles	-	4 to 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under lease liabilities are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Construction-in-progress represents buildings and plant and equipment under construction, which is stated at cost. Cost comprises the direct costs incurred during the period of construction. Construction-in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use. No depreciation is provided on construction in-progress. Depreciation commences when the asset is ready for its intended use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.10 INVESTMENT PROPERTIES

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the financial year in which they arise.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

Transfers are made to or from investment properties only when there is a change in use.

If an investment property becomes owner-occupied, it is classified as property, plant and equipment and its fair value at the date of reclassification become its cost for accounting purposes.

If an owner-occupied property becomes an investment property, the property is remeasured to fair value. Any revaluation increase arising from the revaluation of such property is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such property is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the financial year of retirement or disposal. The revaluation surplus in the revaluation reserve relating to that asset is transferred to retained earning directly.

2.11 INTANGIBLE ASSETS

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated impairment losses.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

<u>CLUB MEMBERSHIPS</u>

The club memberships are initially recognised at cost and subsequently carried at cost less accumulated amortisation and impairment loss, if any.

The amortisation periods and amortisation method of club memberships are reviewed at the end of each financial year. The effects of any revisions are recognised in profit or loss when changes arise.

For club memberships with no expiry dates, the carrying amounts of club membership are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.11 INTANGIBLE ASSETS (CONTINUED)

ACCOUNTING SOFTWARE

The accounting software are initially recognised at cost and subsequently carried at cost less accumulated amortisation and impairment loss. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 years.

2.12 IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.13 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimation timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.14 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

(I) SALE OF GOODS

Revenue from the sale of goods and scrap are recognised at point in time when control of the products have been transferred, being when the goods are delivered to the customers, the customers have full discretion to direct the use of the products, and there are no unfulfilled obligation that could affect the customers' acceptance of the goods. Delivery occurs when the risk of obsolescence and loss have been transferred, and being acknowledged by customers for in-country sales. Whereas, for overseas sales, acknowledgement are in accordance with the terms and conditions of shipping incoterms. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay with a credit term of 30 to 120 days.

(II) INTEREST INCOME

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

(III) RENTAL INCOME

Rental income under operating lease is recognised on a straight-line basis over the term of the lease.

2.15 GOVERNMENT GRANTS

Government grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the government grants relate to expenditures, are accounted for in the year where the related costs it intends to compensate is incurred and recognised in the profit or loss. Such government grants are presented under "Other income".

2.16 EMPLOYEE BENEFITS

(I) RETIREMENT BENEFIT COSTS

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.16 EMPLOYEE BENEFITS (CONTINUED)

(I) RETIREMENT BENEFIT COSTS (CONTINUED)

Defined benefit plans

Certain subsidiaries operate a defined benefit pension plan, which is unfunded.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- service cost;
- net interest on the net defined benefit liability or asset; and
- remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or assets. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in other reserve within equity and are not reclassified to profit or loss in subsequent periods.

(II) EMPLOYEE LEAVE ENTITLEMENT

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.17 SHARE-BASED PAYMENTS

The Company's equity-settled share-based payments to employees are modified to cash-settled. As the modification date, the equity-settled share-based payment would be derecognised, and the liability for the original cash-settled share-based payment would be measured at its fair value as at the modification date and the difference between the carrying amount of the equity as at the modification date, and the amount recognised in liability as at that date, would be recognised in profit or loss immediately.

For equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. For cash-settled share-based payments, a liability and a corresponding expense equal to the portion of the goods or services received is recognised at the current fair value determined at the end of each reporting period, with movements recognised in profit or loss.

2.18 TAXES

Income tax expense represents the sum of the tax currently payable and deferred tax.

CURRENT INCOME TAX

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the subsidiaries operate by the end of the financial year, and any adjustment to income tax payable in respect of previous financial years.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

DEFERRED TAX

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investment in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.18 TAXES (CONTINUED)

DEFERRED TAX (CONTINUED)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination is taken into account in calculating goodwill on acquisition.

SALES TAX

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.19 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.20 FOREIGN CURRENCIES TRANSACTIONS AND TRANSLATION

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company and the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised initially in other comprehensive income and accumulated in the Group's currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings are taken to the currency translation reserve.

On disposal of a foreign operation, the accumulated currency translation reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.21 CONTINGENCIES

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

Notes to the Financial Statements

For the financial year ended 31 August 2022

2. Summary of significant accounting policies (Continued)

2.21 CONTINGENCIES (CONTINUED)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair value can be reliably determined.

2.22 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director who makes strategic decisions.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 CRITICAL JUDGEMENTS IN APPLYING THE ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Group's accounting policies and which have a significant effect on the amounts recognised in the consolidated financial statements.

(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.

Notes to the Financial Statements

For the financial year ended 31 August 2022

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 CRITICAL JUDGEMENTS IN APPLYING THE ACCOUNTING POLICIES (CONTINUED)

(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 the production or supply of goods or 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. The details of the Group's investment properties and property, plant and equipment are set out in Note 11 and Note 10 to the financial statements respectively.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(I) IMPAIRMENT LOSS ON INVESTMENT IN SUBSIDIARIES AND LOANS DEEMED AS INVESTMENT IN SUBSIDIARIES

For those subsidiaries with indication of impairment, management determined impairment of investment in subsidiaries and loans deemed as investment in subsidiaries in CGU, the management has applied expected credit losses model in accordance with SFRS (I) 9. Subsequently, management determined the recoverable amounts of investment in subsidiaries and loans deemed as investment in subsidiaries based on fair value less costs of disposal method using the adjusted net tangible assets, which approximate the fair value less costs of disposal based on key assumptions as disclosed in Note 8 to the financial statements in accordance with SFRS(I) 1-36 as at end of the financial year. The carrying amount of the Company's investment in subsidiaries and loans deemed as investment in subsidiaries as at 31 August 2022 was $26,901,000 (2021: $27,362,000) respectively.

(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.

The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 August 2022 were $27,160,000 (2021: $29,938,000) and $3,071,000 (2021: $2,809,000) respectively. Please refer to Note 10 to the financial statements for more details on impairment of these assets.

Notes to the Financial Statements

For the financial year ended 31 August 2022

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(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. The Company's credit risk exposure for trade and other receivables are disclosed in Note 32.1 to the financial statements. The aggregate carrying amounts of the Group's and the Company's trade and other receivables as at 31 August 2022 were $13,888,000 (2021: $10,663,000) and $2,789,000 (2021: $2,430,000) respectively.

(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 fluctuations of price or cost, or any inventories on hand that may not be realised, directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the financial year. As at 31 August 2022, the carrying amounts of the Group's and the Company's inventories were $5,772,000 (2021: $7,188,000) and $6,000 (2021: $3,000) respectively.

(V) FAIR VALUE OF INVESTMENT PROPERTIES

The Group's investment properties are stated at fair value in accordance with the accounting policy stated in Note 2.10 to the financial statements. As at 31 August 2022, the fair value of the Group's investment properties was determined by independent professional valuation firms and the carrying amounts of the investment properties were $6,319,000 (2021: $6,303,000). The valuation was based on certain assumptions, which are subject to uncertainty and might differ from the actual results. In making the judgement, consideration has been given to assumptions that are mainly based on market conditions existing as at the end of the financial year. These estimates are regularly compared to actual market data.

(IV) MEASUREMENT OF LEASE LIABILITIES

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The management has determined the discount rate by reference to the respective lessee's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The management obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers its own credit spread information from its recent borrowings, industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease. The weighted average incremental borrowing rate applied to lease liabilities as at 31 August 2022 was 3.69% (2021: 3.69%). The carrying amount of the Group's and the Company's lease liabilities as at 31 August 2022 was $342,000 (2021: $268,000) and $328,000 (2021: $237,000) respectively.

Notes to the Financial Statements

For the financial year ended 31 August 2022

4. Cash and cash equivalents

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash and bank balances	3,010	3,045	93	236
Fixed deposits	–	152	–	–
Cash and cash equivalents on statements of financial position	3,010	3,197	93	236
Less:				
Fixed deposits pledged	–	(152)		
Bank overdraft (Note 16)	(290)	–		
Cash and cash equivalents on consolidated statement of cash flows	2,720	3,045		

In the previous financial year, the Group's fixed deposits earn interest at 1.85% per annum and are for a tenor ranging from 90 to 365 days.

Restricted cash pertains to fixed deposits of a subsidiary pledged with bank as securities for banking facilities granted (Note 16).

The Group's and the Company's cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
United States dollar	736	615	–	–
Malaysia ringgit	19	339	–	–
Philippines peso	123	162	–	–
Singapore dollar	42	102	42	102

As at 31 August 2022, the Group had cash and bank balances of approximately $1,857,000 (2021: $1,540,000) placed with the banks in the People's Republic of China ("**PRC**"). Chinese Renminbi ("**RMB**") is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

Notes to the Financial Statements

For the financial year ended 31 August 2022

5. Trade and other receivables

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current				
Trade receivables				
- third parties	12,744	10,028	195	144
- subsidiaries	–	–	254	327
	12,744	10,028	449	471
Loss allowance for trade receivables	(423)	(406)	(1)	–
	12,321	9,622	448	471
Non-trade receivables				
- third parties	3,451	3,203	3,092	2,978
- loan to employees	7	52	–	–
- subsidiaries	–	–	2,283	1,895
	3,458	3,255	5,375	4,873
Loss allowance for non-trade receivables	(3,067)	(2,963)	(3,067)	(2,951)
	391	292	2,308	1,922
Advance on purchase of plant and equipment	116	437	–	–
Advance to suppliers	120	29	–	–
Deposits	188	283	33	37
	815	1,041	2,341	1,959
	13,136	10,663	2,789	2,430
Non-current				
Trade receivables				
- third parties	101	–	–	–
Non-trade receivables				
- third parties	651	–	–	–
- loan to employees and former employee	221	240	221	240
Loss allowance for non-trade receivables	(221)	(240)	(221)	(240)
	651	–	–	–
	752	–	–	–
	13,888	10,663	2,789	2,430

Trade receivables from third parties are non–interest bearing and are generally on a 30 to 120 (2021: 30 to 120) days credit terms. The amounts owing from subsidiaries are unsecured, interest–free and are generally on a 30 to 120 (2021: 30 to 120) days credit terms.

Notes to the Financial Statements

For the financial year ended 31 August 2022

5. Trade and other receivables (Continued)

The Group's and Company's current non-trade receivables due from third parties includes advances and refundable deposit due from Core Power (Fujian) Electric Co., Ltd, a shareholder of the investee (Note 9) for expansion of the electric vehicle business, involving the development, manufacturing, assembling and selling of electric vehicles and other infrastructure projects which was fully provided for loss allowance in the previous financial year. The amount owing from third parties are unsecured, interest-free and repayable on demand.

The Company's current non-trade receivables due from subsidiaries are unsecured, interest–free and repayable on demand.

A part of the Group's non-current trade receivables from third parties of $101,000 (2021: $Nil) and non-current non-trade receivables from third parties of $643,000 (2021: $Nil) representing the amount due from a third party which is supported by the guarantee of the controlling shareholder of the receivable, interest free and repayable over 24 month instalments commencing from 1 January 2023.The non-current receivables due from third parties approximate fair value.

The Group's and Company's loan to employees and former employee are expected to be repaid within 10 years (2021: 10 years). The amount is unsecured and bear interest at 5% (2021: 5% to 7%) per annum and have been fully impaired as mentioned in the movements in loss allowances table below.

Deposits mainly relate to the rental deposits of office spaces, utilities and electricity deposits.

Trade receivables

The management estimates expected credit loss allowance using a forward-looking expected credit loss ("**ECL**") model. When measuring ECL, the Group performs a review of the historical trends, default payment information, profile of its customers to determine a reasonable probability of default.

Movements in the loss allowance on trade receivables are as follows:

	GROUP		COMPANY	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balance as at the beginning of the financial year	406	426	–	–
Loss allowance recognised during the financial year			–	–
– non-credit impaired	10	–	1	–
Reversal of loss allowance	–	(20)	–	–
Currency realignment	7	–	–	–
Balance as at the end of the financial year	423	406	1	–
Comprising:				
- third parties	423	406	1	–

As at 31 August 2022, trade receivables of $211,000 (2021: $207,000) had lifetime expected credit losses of the full value of the receivables. These receivables due as at the end of financial year were considered as lifetime expected credit losses as these customers are with financial difficulties.

Notes to the Financial Statements

For the financial year ended 31 August 2022

5. Trade and other receivables (Continued)

Non-trade receivables, including loan to employees

The Group has applied the general approach in accordance with SFRS(I) 9 to measure the loss allowance of non-trade receivables using 12-month ECL.

Movements in the loss allowance of non-trade receivables are as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Balance as at the beginning of the financial year	3,203	3,248	3,191	3,239
Written off during the financial year	(1)	(10)	–	(10)
Reversal of loss allowance	(28)	–	(28)	–
Currency realignment	114	(35)	125	(38)
Balance as at the end of the financial year	3,288	3,203	3,288	3,191
Comprising:				
Current				
- third parties (credit-impaired)	3,067	2,963	3,065	2,949
- subsidiaries	–	–	2	2
	3,067	2,963	3,067	2,951
Non-current				
- loans to former employee (credit-impaired)	221	240	221	240
	3,288	3,203	3,288	3,191

The Group's and the Company's credit-impaired balances was mainly contributed by Core Power (Fujian) Electric Co., Ltd, a shareholder of the investee (Note 9) and former employee that the Group had difficulty in recovering the amounts which were overdue way beyond the credit term granted.

Amount due from subsidiaries

For amount due from subsidiaries, the management has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The management monitors and assesses at each reporting date on any indicator of significant increase in credit risk on the amount due from the subsidiary, by considering the financial performance and any default in external debt. The loss allowance as at the financial year end represents allowances made for non-trade receivables that are credit impaired. Core Power (Fujian) Electric Co Ltd indicated that it is unable to repay the advances.

Notes to the Financial Statements

For the financial year ended 31 August 2022

5. Trade and other receivables (Continued)

Amount due from subsidiaries (continued)

The Group's and the Company's trade and other receivables that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
United States dollar	6,140	5,453	–	–
Singapore dollar	3,314	2,731	179	69
Philippines peso	105	276	–	–
Malaysian ringgit	482	585	–	–
Euro	818	424	–	–

6. Inventories

	GROUP		COMPANY	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Finished goods	2,217	1,875	6	3
Work-in-process	903	930	–	–
Raw materials	2,652	4,383	–	–
Total inventories at lower of cost and net realisable value	5,772	7,188	6	3

In the previous financial year, the Group has recognised inventories written down approximately $16,000 in profit or loss under "raw materials, consumables used and changes in inventories".

As at 31 August 2022, the Group carried out a review of the realisable values of its inventories and the review led to a reversal of allowance for obsolete inventories of $17,000 (2021: $Nil) that have been sold above their carrying amounts. This reversal of allowance has been included in profit or loss under "raw materials, consumables used and changes in inventories".

The cost of inventories recognised as an expense and included in "raw materials, consumables used and changes in inventories" amounted to $32,265,000 (2021: $26,395,000).

Notes to the Financial Statements

For the financial year ended 31 August 2022

7. Assets classified as held for sale

	GROUP AND COMPANY	
	2022	2021
	$'000	$'000
Balance as at the beginning of the financial year	611	611
Disposals	(611)	–
Balance as at the end of the financial year	–	611

The assets classified as held for sale relates to the completion of the disposal of the assets to the PRC government. Assets classified as held for sale comprised right-of-use asset (leasehold land and building) and certain plant and equipment which were sold to the PRC government. During the financial year, the disposal has completed as the legal title to these assets have been transferred, the sale proceeds of $1,945,000 have been paid in advance and subsequently reversed as disclosed in Note 14 to the financial statements.

8. Subsidiaries

	COMPANY	
	2022	2021
	$'000	$'000
Unquoted equity shares, at cost	20,417	20,417
Loans deemed as investment in subsidiaries	20,846	20,976
Currency alignment	(1,149)	(1,875)
	40,114	39,518
Loss allowance	(13,213)	(12,156)
	26,901	27,362

Movements in the loans deemed as investment in subsidiaries are as follows:

	COMPANY	
	2022	2021
	$'000	$'000
Balance as at the beginning of the financial year	20,976	22,088
Repayment	(932)	(859)
Currency realignment	802	(253)
Balance as at the end of the financial year	20,846	20,976

Notes to the Financial Statements

For the financial year ended 31 August 2022

8. Subsidiaries (Continued)

Movements in the loss allowance on investment in subsidiaries and loans deemed as investment in subsidiaries are as follows:

	COMPANY	
	2022	2021
	$'000	$'000
Balance as at the beginning of the financial year	12,156	11,825
Reversal during the financial year	(232)	–
Recognised during the financial year	803	466
Currency realignment	486	(135)
Balance as at the end of the financial year	13,213	12,156

The impairment assessment carried out at the end of the reporting period indicated that the recoverable amount of certain CGUs were lower than their carrying amounts. Accordingly, Malaysian subsidiary impairment is $803,000 (2021: $466,000) which attributable to loan deemed as investment and investment in subsidiary. The business segment of Malaysian subsidiary were from consumer electronics and rental. The loan to subsidiaries as deemed investment, have been assessed in accordance with SFRS (I) 9 using expected credit loss. The management has assessed the recoverable amount of CGU in Malaysia which amounted to $3,642,000 (2021: $4,005,000) was determined using the fair value less costs of disposal method.

A reversal of an allowance for impairment loss of $232,000 was recognised relating to the investment in Miyoshi Technologies Phils., Inc. in the Philippines manufacturing segment following an improvement in market conditions that resulted in an increase in the fair value less costs of disposal of this investment. The management has assessed the recoverable amount of CGU in Philippines which amounted to $20,052,000 was determined using the fair value less costs of disposal method.

The management's assessment comprised primary the following methods and assumptions in determining the fair value less costs of disposal of these subsidiaries:

CATEGORY	METHODS AND ASSUMPTIONS
Investment property	Independent professional valuation using the sales comparison method by making reference to market evidence of comparable properties in similar locations, adjusted for differences in key attributes as disclosed in Note 11.
Freehold and leasehold land	Sales comparison method by reference to the market evidence of recent transaction prices, adjusted for difference in size.
Buildings and improvements and leasehold buildings	Cost approach reference to the replacement cost of each replaceable asset, adjusted for accrued depreciation.
Plant and equipment	Selling price for similar plant and equipment, adjusted for age.
Other assets and liabilities	The carrying amount of current assets and current liabilities approximate their fair values in view of the relative short-term maturity.

Notes to the Financial Statements

For the financial year ended 31 August 2022

8. Subsidiaries (Continued)

The fair value less costs of disposal method above include the adjustments for the effect of non-marketability of the equity investment and lack of control.

The fair value hierarchy used in determining the above is considered as Level 3 as the assessment included unobservable inputs.

Details of the Company's subsidiaries are as follows:

NAME OF COMPANY (COUNTRY OF INCORPORATION AND PRINCIPAL PLACE OF BUSINESS)	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST HELD BY THE GROUP		PROPORTION OF OWNERSHIP INTEREST HELD BY NON-CONTROLLING INTEREST	
		2022	2021	2022	2021
		%	%	%	%
Hua-San Pte. Ltd.[(1)] (Singapore)	Investment holding and trading of machine	100	100	–	–
Miyoshi Precision (Malaysia) Sdn. Bhd.[(2)] (Malaysia)	Metal stamping, fabrication of parts and components of machine tools	100	100	–	–
Miyoshi Technologies Phils., Inc.[(3)] (Philippines)	Metal stamping, fabrication of parts and components of machine tools	100	100	–	–
Miyoshi International Philippines, Inc.[(3)(4)] (Philippines)	Property holding	40	40	60	60
Miyoshi Hi-Tech Co., Ltd[(5)] (Thailand)	Metal stamping	80	80	20	20
Wuxi Miyoshi Precision Co., Ltd.[(6)] (People's Republic of China)	Metal stamping and plastic injection moulding	100	100	–	–
Miyoshi Precision Huizhou Co., Ltd[(6)] (People's Republic of China)	Metal stamping and assembly of electronic components	100	100	–	–
Miyoshi Commerce Singapore Pte. Ltd. (formerly known as Miyoshi Mechatronic (S) Pte. Ltd.)[(1)] (Singapore)	Trading of commodities	100	100	–	–
OE Aquitech (Singapore) Pte. Ltd.[(7)] (Singapore)	Growing and wholesale of fruit and leafy vegetable	100	100	–	–
OE Aquitech (Malaysia) Sdn. Bhd.[(2)] (Malaysia)	Cultivate vegetables and high-value aromatic herbs hydroponically	70	70	30	30
Miyoshi FL Systems, Inc.[(7)] (Philippines)	Manufacturing and assembly of automated cash counting and dispensing machine components	51	51	49	49

Notes to the Financial Statements

For the financial year ended 31 August 2022

8. Subsidiaries (Continued)

Details of the Company's subsidiaries are as follows: (Continued)

Notes:

(1) Audited by BDO LLP, Singapore

(2) Audited by BDO PLT, Malaysia, a member firm of BDO International Limited

(3) Audited by Moore Roxas Cruz Tagle and Co., Philippines

(4) Deemed to be a subsidiary as the Company has the ability to direct relevant activities of the entity.

(5) Audited by BDO Audit Company Limited, a member firm of BDO International Limited

(6) Audited by BDO China Shu Lun Pan Certified Public Accountants, People's Republic of China, for consolidation purposes, a member firm of BDO International Limited

(7) Dormant company

<u>Non-controlling interests</u>

The Group has the following subsidiaries that have NCI that are material to the Group.

NAME OF SUBSIDIARY	PROFIT/(LOSS) ALLOCATED TO NCI		TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO NCI		ACCUMULATED NCI	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Miyoshi Hi-Tech Co., Ltd	115	22	(16)	(61)	1,566	1,582
Miyoshi International Philippines, Inc.	303	70	255	53	589	334
Total	418	92	239	(8)	2,155	1,916

Notes to the Financial Statements

For the financial year ended 31 August 2022

8. Subsidiaries (Continued)

Non-controlling interests (Continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material NCI is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	MIYOSHI HI-TECH CO., LTD		MIYOSHI INTERNATIONAL PHILIPPINES, INC.	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Assets and liabilities				
Non-current assets	5,075	5,250	4,096	3,785
Current assets	4,655	4,183	593	523
Non-current liabilities	(222)	(245)	(1,107)	(289)
Current liabilities	(1,676)	(1,280)	(2,600)	(3,462)
Net assets	7,832	7,908	982	557
Revenue	4,846	4,442	100	105
Income/(Expenses)	(4,270)	(4,332)	576	(39)
Income tax expenses	–	–	(171)	51
Profit for the financial year	576	110	505	117
Other comprehensive income	(654)	(416)	(80)	(29)
Total comprehensive income	(78)	(306)	425	88
Net cash (outflow)/ inflow from operating activities	(51)	(266)	(177)	2,690
Net cash outflow from investing activities	(135)	–	–	–
Net cashflow from financing activities	–	–	–	–

Significant restrictions

Cash and cash equivalents of $1,857,000 (2021: $1,540,000) held in People's Republic of China are subject to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus significantly affect the Group's ability to access or use assets, and settle liabilities, of the Group.

Notes to the Financial Statements

For the financial year ended 31 August 2022

9. Financial assets at fair value through profit or loss ("FVTPL")

	GROUP AND COMPANY	
	2022	2021
	$'000	$'000
Unquoted equity shares, at fair value:		
Balance as at the beginning and end of the financial year	–	–

As at 31 August 2020, the Company's management has performed the valuation of the unquoted shares in last financial year and categorised into Level 3 of the fair value hierarchy as the assessment included unobservable inputs as follow:

CATEGORY	METHODS AND ASSUMPTIONS
Land and buildings	Fair value derived using reproduction method under the cost approach less accumulated depreciation, adjusted for land use rights growth rate and sales price indices of buildings
Plant and equipment	Residual value of the production machinery and mould
Inventories	Market price of battery and scrap material based on the average weight
Other assets	The carrying amount of assets deemed to be zero in view of the non-collectability
Other liabilities	The carrying amount of liabilities approximate their fair values in view of the relative short-term maturity

During the current financial year, as the management was unable to obtain any relevant information from the investee company for the valuation of the investment, management has determined the fair value of the financial asset at FVTPL remains to be Nil based on the following:

a) Valuation work performed in one of the previous years as mentioned above and

b) Limited information from the investee's management which indicated that it is substantially inactive in the current financial year.

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For the financial year ended 31 August 2022

10. Property, plant and equipment

	FREEHOLD LAND	BUILDINGS AND IMPROVEMENTS	LEASEHOLD LAND AND BUILDINGS	PLANT AND EQUIPMENT	OFFICE FURNITURE AND EQUIPMENT	MOTOR VEHICLES	CONSTRUCTION-IN-PROGRESS	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Cost								
Balance as at 1 September 2021	3,620	21,514	10,750	32,434	1,911	1,099	2,274	73,602
Currency realignment	(170)	293	(96)	(180)	6	20	71	(56)
Additions	–	19	411	865	63	220	176	1,754
Disposals/Write-offs	–	–	–	(2,589)	(65)	(376)	(18)	(3,048)
Transfer from constructions in progress	–	421	40	758	–	–	(1,219)	–
Balance as at 31 August 2022	3,450	22,247	11,105	31,288	1,915	963	1,284	72,252
Accumulated depreciation and impairment								
Balance as at 1 September 2021	–	13,597	3,422	25,150	240	689	566	43,664
Currency realignment	–	15	(43)	(408)	6	9	22	(399)
Depreciation for the financial year	–	533	661	1,320	91	138	–	2,743
Disposals/Write-offs	–	–	–	(1,062)	(62)	(323)	–	(1,447)
Impairment loss/(Reversal)	–	300	(198)	429	–	–	–	531
Balance as at 31 August 2022	–	14,445	3,842	25,429	275	513	588	45,092
Net carrying value								
Balance as at 31 August 2022	3,450	7,802	7,263	5,859	1,640	450	696	27,160

Notes to the Financial Statements

For the financial year ended 31 August 2022

10. Property, plant and equipment (Continued)

	FREEHOLD LAND	BUILDINGS AND IMPROVEMENTS	LEASEHOLD LAND AND BUILDINGS	PLANT AND EQUIPMENT	OFFICE FURNITURE AND EQUIPMENT	MOTOR VEHICLES	CONSTRUCTION-IN-PROGRESS	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Cost								
Balance as at 1 September 2020	3,751	16,034	10,363	38,602	1,820	1,078	4,792	76,440
Currency realignment	(131)	(363)	333	(225)	9	(6)	(63)	(446)
Additions	–	3,254	41	1,207	89	380	3,089	8,060
Disposals/Write-offs	–	(19)	(9)	(9,784)	(7)	(353)	(280)	(10,452)
Transfer from constructions in progress	–	2,608	22	2,634	–	–	(5,264)	–
Balance as at 31 August 2021	3,620	21,514	10,750	32,434	1,911	1,099	2,274	73,602
Accumulated depreciation and impairment								
Balance as at 1 September 2020	–	7,851	3,100	32,819	135	856	573	45,334
Currency realignment	–	(241)	110	(230)	9	(2)	(7)	(361)
Depreciation for the financial year	–	592	621	1,369	99	128	–	2,809
Disposals/Write-offs	–	(2)	(7)	(8,808)	(3)	(293)	–	(9,113)
Impairment loss/(Reversal)	–	5,397	(402)	–	–	–	–	4,995
Balance as at 31 August 2021	–	13,597	3,422	25,150	240	689	566	43,664
Net carrying value								
Balance as at 31 August 2021	3,620	7,917	7,328	7,284	1,671	410	1,708	29,938

Notes to the Financial Statements

For the financial year ended 31 August 2022

10. Property, plant and equipment (Continued)

	LEASEHOLD LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND EQUIPMENT	MOTOR VEHICLES	CONSTRUCTION-IN-PROGRESS	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000
Company						
Cost						
Balance as at 1 September 2021	2,866	843	298	553	-	4,560
Currency realignment	118	34	12	20	-	184
Additions	220	68	8	201	43	540
Disposals	–	(9)	–	(286)	–	(295)
Transfer from construction in progress	40	–	–	–	(40)	–
Balance as at 31 August 2022	3,244	936	318	488	3	4,989
Accumulated depreciation and impairment						
Balance as at 1 September 2021	985	299	225	242	–	1,751
Currency realignment	37	14	13	8	–	72
Depreciation for the financial year	269	123	45	104	–	541
Disposals	–	(7)	–	(241)	–	(248)
Reversal of impairment	(198)	–	–	–	–	(198)
Balance as at 31 August 2022	1,093	429	283	113	–	1,918
Net carrying value						
Balance as at 31 August 2022	2,151	507	35	375	3	3,071

Notes to the Financial Statements

For the financial year ended 31 August 2022

10. Property, plant and equipment (Continued)

	LEASEHOLD LAND AND BUILDINGS $'000	PLANT AND EQUIPMENT $'000	FURNITURE AND EQUIPMENT $'000	MOTOR VEHICLES $'000	CONSTRUCTION-IN-PROGRESS $'000	TOTAL $'000
Company						
Cost						
Balance as at 1 September 2020	2,870	430	286	474	1	4,061
Currency realignment	(33)	(4)	(3)	(5)	–	(45)
Additions	–	424	15	270	28	737
Disposals	–	(7)	–	(186)	–	(193)
Transfer from construction in process	29	–	–	–	(29)	–
Balance as at 31 August 2021	2,866	843	298	553	–	4,560
Accumulated depreciation and impairment						
Balance as at 1 September 2020	1,141	210	173	276	–	1,800
Currency realignment	(16)	(2)	(2)	(3)	–	(23)
Depreciation for the financial year	262	95	54	105	–	516
Disposals	–	(4)	–	(136)	–	(140)
Reversal of Impairment loss	(402)	–	–	–	–	(402)
Balance as at 31 August 2021	985	299	225	242	–	1,751
Net carrying value						
Balance as at 31 August 2021	1,881	544	73	311	–	2,809

Notes to the Financial Statements

For the financial year ended 31 August 2022

10. Property, plant and equipment (Continued)

Right-of-use assets of the Group are as follows:

	LEASEHOLD LAND AND BUILDINGS $'000	OFFICE FURNITURE AND EQUIPMENT $'000	MOTOR VEHICLES $'000	TOTAL $'000
Group				
Cost				
Balance as at 1 September 2021	8,315	6	307	8,628
Currency realignment	(193)	–	11	(182)
Addition	411	–	201	612
Disposal	–	–	(244)	(244)
Balance as at 31 August 2022	8,533	6	275	8,814
Accumulated depreciation				
Balance as at 1 September 2021	2,493	–	204	2,697
Currency realignment	(78)	–	5	(73)
Depreciation	533	1	47	581
Disposal	–	–	(195)	(195)
Balance as at 31 August 2022	2,948	1	61	3,010
Carrying amount				
Balance as at 31 August 2022	5,585	5	214	5,804
Cost				
Balance as at 1 September 2020	7,915	14	242	8,171
Currency realignment	368	(1)	(3)	364
Addition	41	–	68	109
Disposal	(9)	(7)	–	(16)
Balance as at 31 August 2021	8,315	6	307	8,628
Accumulated depreciation				
Balance as at 1 September 2020	1,867	3	145	2,015
Currency realignment	132	–	(2)	130
Depreciation	501	–	61	562
Disposal	(7)	(3)	–	(10)
Balance as at 31 August 2021	2,493	–	204	2,697
Carrying amount				
Balance as at 31 August 2021	5,822	6	103	5,931

Notes to the Financial Statements

For the financial year ended 31 August 2022

10. Property, plant and equipment (Continued)

	LEASEHOLD LAND AND BUILDINGS $'000	MOTOR VEHICLES $'000	TOTAL $'000
Company			
Cost			
Balance as at 1 September 2021	430	307	737
Currency realignment	22	11	33
Addition	220	201	421
Disposal	–	(244)	(244)
Balance as at 31 August 2022	672	275	947
Accumulated depreciation			
Balance as at 1 September 2021	281	204	485
Currency realignment	14	5	19
Depreciation	142	47	189
Disposal	–	(195)	(195)
Balance as at 31 August 2022	437	61	498
Carrying amount			
Balance as at 31 August 2022	235	214	449
Cost			
Balance as at 1 September 2020	435	242	677
Currency realignment	(5)	(3)	(8)
Addition	–	68	68
Balance as at 31 August 2021	430	307	737
Accumulated depreciation			
Balance as at 1 September 2020	141	145	286
Currency realignment	(2)	(2)	(4)
Depreciation	142	61	203
Balance as at 31 August 2021	281	204	485
Carrying amount			
Balance as at 31 August 2021	149	103	252

Notes to the Financial Statements

For the financial year ended 31 August 2022

10. Property, plant and equipment (Continued)

For the purpose of consolidated statement of cash flows, the Group additions to property, plant and equipment during the financial year comprise the following:

	GROUP	
	2022	2021
	$'000	$'000
Additions of property, plant and equipment	1,754	8,060
Acquired under lease arrangements	(400)	(109)
Cash payments to acquire property, plant and equipment	1,354	7,951

As at 31 August 2022, the carrying amount of the Group's and the Company's motor vehicles acquired under finance lease agreement was $213,000 (2021: $102,000) and are pledged as securities for the related lease liabilities as set out in Note 15 to the financial statements.

As at 31 August 2022, the Group's and Company's land and buildings with carrying amount of $3,196,000 (2021: $7,619,000) and $Nil (2021: $1,729,000) respectively are held as security for certain bank borrowings (Note 16).

At the end of the financial year, the Group carried out an impairment review of their property, plant and equipment in view of the declining operating performance by certain subsidiaries. An impairment loss on buildings and improvements and plant and equipment of $300,000 (2021: $806,000) and $429,000 (2021: $Nil) recognised in profit or loss respectively which represents the write-down of the excess of the carrying amount of $6,463,000 (2021: $11,523,000) and $565,000 (2021: $Nil) over the recoverable amount of $6,163,000 (2021: $6,126,000) and $136,000 (2021: $Nil) was determined based on fair value less cost of disposal (replacement cost approach). The valuation was done by an independent professional valuer.

In the current financial year, there is a reversal of impairment loss of leasehold land and buildings by the Group and the Company, amounting to $198,000 and $198,000 respectively based on the recoverable amount of $2,299,000 and $2,299,000 respectively which were determined based on fair value less cost of disposal.

In the previous financial year, there is a reversal of impairment loss of leasehold building land and buildings by the Group, amounting to $402,000 based on the recoverable amount of $1,302,000 which were determined based on fair value less cost of disposal.

Key assumptions used by management for assessing the fair value less cost of disposal of the freehold building and improvement, leasehold land and buildings included the selling price of comparable properties in similar locations adjusted for property size, ages and costs of disposal. The resulting fair values of the property, plant and equipment is considered Level 3 of the fair value hierarchy.

Notes to the Financial Statements

For the financial year ended 31 August 2022

10. Property, plant and equipment (Continued)

The Group's land and buildings comprise the following:

LOCATION	TITLE	DESCRIPTION
Lot B1-5 Carmelray Industrial Park II, Barangay Tulo, Calamba, Laguna 4027,Philippines	Freehold	A two-storey factory building
Lot 3 Blk. 2 Daiichi Industrial Park, Barangay Maguyam, Silang Cavite, Philippines	Freehold	A two-storey factory building
38 Moo 1 Tumbol Banpo Amphur Bangpa-In Ayutthaya Province,Thailand	Freehold	A factory cum office building
Lot 16/17/18, Blk. 60, Carmel Ridge Residential Estates, Barangay Punta, City of Calamba, Laguna, Philippines	Freehold	Residential units
No. 4, Jalan Wira 3,Taman Tan Sri Yaacob, 81300 Skudai, Johor Bahru, Johor, Malaysia	Freehold	A factory cum office building
Tongqiao Industrial Base Huicheng District Huizhou, Guangdong China 516032	Leasehold (50 years from 12 March 2008)	A factory cum office building
No.108 Hongda Road, Hongshan Town, Wuxi City, Jiangsu, China	Leasehold (50 years from 25 December 2006)	A factory cum office building
28D Penjuru Close, #01-07, Singapore 609132	Leasehold (30 years from 16 November 1995)	A factory cum office building
26 Boon Lay Way, #01-80 Tradehub 21, Singapore 609970	Leasehold (60 years from 10 December 2003)	A 2-storey intermediate industrial unit

11. Investment properties

	GROUP	
	2022 $'000	2021 $'000
At fair value		
Balance as at the beginning of the financial year	6,303	6,755
Net fair value gain/(loss) recognised in profit or loss	50	(316)
Currency realignment	(34)	(136)
Balance as at the end of the financial year	6,319	6,303

As at 31 August 2022, the Group's investment properties with carrying amount of $5,810,000 (2021: $5,691,000) was held as security for a bank borrowings (Note 16).

Notes to the Financial Statements

For the financial year ended 31 August 2022

11. Investment properties (Continued)

The Group's investment properties were valued as at 31 August 2022 and 31 August 2021 by certain independent professional valuation firms with recent experience in the location and category of the investment properties held by the Group. The valuations were arrived at by using:

(i) the sales comparison approach whereby sale prices of comparable properties in similar locations are adjusted for unobservable inputs such as tenure, age, size, design, floor level, condition and standard of finishes amongst other factors. The most significant unobservable input into this valuation approach is selling price per square metre.

(ii) the cost approach whereby value of the property or another asset that consider as a substitute for the purchase of a given property, the possibility of constructing another property that is equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. The most significant unobservable input into this valuation approach is reproduction or replacement cost of the subject property or asset, less total (accrued) depreciation.

As at 31 August 2022 and 31 August 2021, 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.

The following table presents the valuation technique and key input that was used to determine the fair value of investment property categorised under Level 3 of the fair value hierarchy:

COUNTRY	DESCRIPTION	FAIR VALUE AT 2022 $'000	FAIR VALUE AT 2021 $'000	VALUATION TECHNIQUE	UNOBSERVABLE INPUT	RELATIONSHIP OF UNOBSERVABLE INPUT TO FAIR VALUE
Philippines	Industrial land	2,487	2,041	Sales comparison approach	Selling price per square metre	The higher the selling price per square metre, the higher the fair value, vice versa
Philippines	Industrial building	3,204	3,196	Cost approach	Replacement cost of each replaceable asset, adjusted for accrued depreciation	The higher the replacement cost, the higher the fair value, vice versa
Malaysia	Industrial land	63	97	Sales comparison approach	Selling price per square metre	The higher the selling price per square metre, the higher the fair value, vice versa
Malaysia	Industrial building	565	969	Cost approach	Replacement cost of each replaceable asset, adjusted for accrued depreciation	The higher the replacement cost, the higher the fair value, vice versa

Notes to the Financial Statements

For the financial year ended 31 August 2022

11. Investment properties (Continued)

There were no changes to the valuation techniques during the financial year.

The Directors have exercised their judgement in relying on the valuation reports and are satisfied that the fair values are reflective of current market situations.

The following amounts are recognised in profit or loss:

	GROUP	
	2022	2021
	$'000	$'000
Rental income from investment properties	1,417	1,357
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment properties	75	112

As at 31 August 2022 and 31 August 2021, the Group's investment properties comprise the following:

LOCATION	DESCRIPTION	TENURE
PLO 122, Jalan Cyber 5, Senai III Industrial Estate 81400 Senai, Johor, Malaysia	Land and a factory cum office building	30 years Leasehold from 1996
Lot B1-4 Carmelray Industrial Park II, Barangay Tulo, Calamba, Laguna 4027, Philippines	Land and two factory buildings	Freehold
Lot B1-5, Road 6, Carmelray Industrial Park II, Brgy. Milagrosa, Calamba Cuity, Laguna, Philippines	Land and two factory buildings	Freehold

Notes to the Financial Statements

For the financial year ended 31 August 2022

12. Intangible assets

	CLUB MEMBERSHIPS $'000	ACCOUNTING SOFTWARE $'000	TOTAL $'000
Group			
2022			
Cost			
Balance as at 1 September 2021	46	–	46
Addition during the financial year	–	48	48
Disposal during the financial year	(6)	–	(6)
Currency realignment	2	(2)	–
Balance as at 31 August 2022	42	46	88
Accumulated amortisation			
Balance at 1 September 2021 and 31 August 2022	–	–	–
Net carrying value			
Balance as at 31 August 2022	42	46	88

13. Deferred tax assets

The deferred tax assets recognised by the Group and movements thereon during the financial year:

	2022 $'000	2021 $'000
Group		
Balance as at the beginning of the financial year	21	26
Credit/(Charge) to other comprehensive income	4	(6)
Credit to profit or loss	55	1
Currency alignment	(7)	–
Balance as at the end of the financial year	73	21

Deferred tax are attributable to the provision of retirement benefit computed at income tax rate which available for offset against future taxable profits subject to agreement by the tax authority and provision of the tax legislations.

Notes to the Financial Statements

For the financial year ended 31 August 2022

14. Trade and other payables

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current				
Trade payables				
- third parties	8,755	8,189	112	85
- subsidiaries	–	–	137	157
	8,755	8,189	249	242
Non-trade payables				
- third parties	2,156	3,541	411	380
- subsidiaries	–	–	4,122	3,827
- related party	11	6	–	–
- director	228	–	228	–
Accrued expenses	1,516	1,466	409	374
Advance received in relation assets classified as held for sale (Note 7)	–	1,945	–	–
	3,911	6,958	5,170	4,581
	12,666	15,147	5,419	4,823
Non-current				
Non-trade payables				
- subsidiaries	–	–	3,758	3,437
Deferred consideration payable	322	285	322	285
	322	285	4,080	3,722
Total	12,988	15,432	9,499	8,545

Trade payable to third parties are non-interest bearing and are normally settled on 30 to 90 (2021: 30 to 90) days terms.

Trade payable due to subsidiaries are unsecured, interest-free and are normally settled on 30 to 120 (2021: 30 to 120) days terms.

Non-trade payable to third parties, subsidiaries and related parties are unsecured, interest-free and repayable on demand.

Non-trade payable to director bear interest at 6% per annum which are expected to be repaid within one year.

Deferred consideration payable represents agreed consideration to be paid to its fair value through profit or loss in unquoted investment for the investment purposes. Management expects the payment to be made by 1 April 2028.

Notes to the Financial Statements

For the financial year ended 31 August 2022

14. Trade and other payables (Continued)

During the financial year, the Company's non-trade payables to subsidiaries comprise mainly of loans payable amounted to $7,052,000 (2021: $6,735,000) which are expected to be repaid within 5 years. The amounts are unsecured and bear interest ranging from 6.25% to 6.95% (2021: 5.6% to 7.0%) per annum. The carrying amount of the non-trade payables to subsidiaries approximate their fair value as these payables are subject to market rates.

The carrying amount of the Group's non-current non-trade payables approximate its fair value.

The Group's and the Company's trade and other payables that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Singapore dollar	4,425	3,755	4,412	3,750
Philippines peso	–	2,553	–	–
Malaysian ringgit	135	162	–	–
United States dollar	3,754	1,256	–	–
Chinese renminbi	1,832	1,881	1,832	1,881
Others	–	10	–	–

15. Lease liabilities

	2022	2021
	$'000	$'000
Group		
Balance as at the beginning of the financial year	268	394
Addition	400	63
Termination of lease due to disposal of asset	(145)	–
Interest expense (Note 25)	81	30
Lease payments		
- Principal portion	(176)	(190)
- Interest portion	(81)	(30)
Currency alignment	(5)	1
Balance as at the end of the financial year	342	268

Notes to the Financial Statements

For the financial year ended 31 August 2022

15. Lease liabilities (Continued)

The maturity analysis of lease liabilities of the Group at each reporting date are as follows:

	2022 $'000	2021 $'000
Contractual undiscounted cash flows		
Within one financial year	172	180
After one financial year but within five financial years	187	109
After five financial years	–	–
	359	289
Less: Future interest expense	(17)	(21)
Present value of lease liabilities	342	268
Presented in consolidated statements of financial position		
- Non-current	181	105
- Current	161	163
	342	268

	2022 $'000	2021 $'000
Company		
Balance as at the beginning of the financial year	237	363
Addition	300	63
Interest expense (Note 25)	11	15
Lease payments		
- Principal portion	(213)	(187)
- Interest portion	(11)	(15)
Currency alignment	4	(2)
Balance as at the end of the financial year	328	237

Notes to the Financial Statements

For the financial year ended 31 August 2022

15. Lease liabilities (Continued)

The maturity analysis of lease liabilities of the Company at each reporting date are as follows:

	2022 $'000	2021 $'000
Contractual undiscounted cash flows		
Within one financial year	168	167
After one financial year but within five financial years	183	89
	351	256
Less: Future interest expense	(23)	(19)
Present value of lease liabilities	328	237
Presented in the consolidated statements of financial position		
- Non-current	172	85
- Current	156	152
	328	237

The Group leases offices, warehouses, motor vehicles and office equipment in Singapore, Philippines, Malaysia, Thailand and China. These leases typically run for a period of 1 to 5 years. The Group leases office equipment, which are low value asset leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Group had total cash outflows for leases of $270,000 (2021: $226,000).

The Group's and the Company's lease liabilities of $94,000 (2021: $80,000) and $94,000 (2021: $80,000) are secured by the leased assets (Note 10), which will be repossessed by the lessors (legal owners) in the event of default in repayment by the Group and the Company.

The finance lease term was 5 (2021: 4) years for the financial year ended 31 August 2022. The effective interest rates for the finance lease obligations was 5.63% (2021: 5.63%) per annum for the financial year ended 31 August 2022.

The Group's and the Company's lease liabilities that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore dollar	328	237	328	237

Notes to the Financial Statements

For the financial year ended 31 August 2022

16. Bank borrowings

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current				
Term loans				
- secured	3,437	3,204	–	–
- unsecured	702	702	702	702
	4,139	3,906	702	702
Bank overdraft				
- secured	290	–	–	–
	4,429	3,906	702	702
Non-current				
Term loans				
secured	3,018	3,192	–	–
unsecured	1,399	2,121	1,399	2,121
	4,417	5,313	1,399	2,121
Total bank borrowings	8,846	9,219	2,101	2,823

The carrying amount of non-current bank borrowings approximates its fair value as they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The Group's and Company's unsecured borrowing comprises of a temporary bridging loan from United Overseas Bank Limited to the Company. The temporary bridging loan is a government assisted financing scheme as announced during the Singapore budget 2020 on 6 April 2020.

Non-current bank borrowings are repayable as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
In the second year	2,096	3,566	797	750
In the third year	1,175	1,126	602	750
In the fourth year	573	621	–	621
In the fifth year	573	–	–	–
	4,417	5,313	1,399	2,121

Notes to the Financial Statements

For the financial year ended 31 August 2022

16. Bank borrowings (Continued)

The effective interest rates per annum of the bank borrowings during the financial year are as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	%	%	%	%
Bank overdraft	6.0	–	–	–
Term loans	3.0 - 4.25	2.52 - 4.4	3.0	3.0

Bank borrowings are arranged at floating rates, thus exposing the Group to interest rate risk.

The Group's secured term loans are secured as follows:

(i) legal charge over certain of the Group's properties (Note 10 and 11)

(ii) pledges over fixed deposits (Note 4)

The term loans have maturity dates between 2021 and 2025.

The Group's bank overdraft is secured by:

(i) Legal mortgage of a property of the Company;

(ii) Legal mortgage of a property of a related party of the Company; and

(iii) Legal assignment of rental proceeds of all current and future rental income from the property of related party.

The related party is as the Company in which the director of the Company and his wife has equity interest.

The bank overdraft is repayable on demand. The average effective interest rate on the bank overdraft is approximately 6% (2021: Nil) per annum and rates are determined based on 1% plus bank's prime lending rate.

As at the end of the reporting period, the Group has banking facilities as follows:

	GROUP	
	2022	2021
	$'000	$'000
Banking facilities granted	13,653	15,670
Banking facilities utilised	11,693	9,390

Notes to the Financial Statements

For the financial year ended 31 August 2022

16. Bank borrowings (Continued)

The Group's and the Company's bank borrowings that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Singapore dollar	2,391	2,823	2,101	2,823
Philippine peso	4,428	–	–	–

17. Provisions

Subsidiaries of the Group in Thailand and Philippines operate a non-contributory defined benefit plan for all its qualifying employees.

For Philippines' subsidiary, an employee, who retires at the age of 60 with at least 5 years of service, shall have a normal retirement benefit in accordance with the Retirement Pay Law (Republic Act No. 7641). The regulatory benefit is paid in lump sum upon retirement.

For Thailand's subsidiary, employees, who are terminated by the retirement age provided that these employees have worked for an uninterrupted period commencing from the first working day to the retirement date as stipulated in Section 118, shall be paid severance pay, in accordance with the Thai Labour Protection Act B.E. 2553 (2010).

	GROUP	
	2022 $'000	2021 $'000
Provision for employee service entitlement benefits	660	926

	GROUP	
	2022 $'000	2021 $'000
Defined benefit plans		
Present value of defined benefit obligation	659	968
Currency alignment	1	(42)
Net benefit liability	660	926

Notes to the Financial Statements

For the financial year ended 31 August 2022

17. Provisions (Continued)

The amount recognised in profit or loss in respect of these employee benefits are as follows:

	GROUP	
	2022	2021
	$'000	$'000
Current services	79	108
Interest costs	34	33
Total	113	141

The amount included in the statements of financial position are as follows:

	GROUP	
	2022	2021
	$'000	$'000
Balance as at the beginning of the financial year	926	1,092
Charged to profit or loss	113	141
Employer direct benefit payment	(70)	(66)
Net actuarial gain recognised	(310)	(199)
Present value of unfunded obligations	659	968
Currency realignment	1	(42)
Balance as at the end of the financial year	660	926

The cost of providing for employee benefits is calculated by independent actuaries. The actuarial valuations were carried out using the following key assumptions:

	GROUP	
	2022	2021
For Philippines' subsidiary		
Annual discount rate	6.6%	4.0%
Annual salary growth rate	4.0%	4.0%
Weighted average duration	15.70 years	16.40 years
Normal retirement age	60.00 years	60.00 years

Notes to the Financial Statements

For the financial year ended 31 August 2022

17. Provisions (Continued)

	GROUP	
	2022	2021
For Thailand's subsidiary		
Annual discount rate	2.91%	2.0%
Annual salary growth rate	3.0%	3.0%
Weighted average duration	43.00 years	17.57 years
Normal retirement age	60.00 years	60.00 years

Significant actuarial assumptions for the determination of the defined obligation are annual discount rate and annual salary growth. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

For Philippines' subsidiary

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by $62,000 (increase by $74,000).

- If the salary growth rate increases (decreases) by 100 basis points, the defined benefit obligation would increase by $75,000 (decrease by $64,000).

For Thailand's subsidiary

- If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by $203,000 (increase by $244,000).

- If the salary growth rate increases (decreases) by 100 basis points, the defined benefit obligation would increase by $243,000 (decrease by $203,000).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

Notes to the Financial Statements

For the financial year ended 31 August 2022

18. Deferred tax liabilities

	REVALUATION OF INVESTMENT PROPERTY	
	2022	2021
	$'000	$'000
Group		
Balance as at the beginning of the financial year	289	353
Charge to profit or loss	413	(49)
Currency realignment	(30)	(15)
Balance as at the end of the financial year	672	289

As at the end of the financial year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is $14,826,000 (2021: $10,678,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

19. Share capital and reserves

Share capital

	GROUP AND COMPANY			
	2022		2021	
	NUMBER OF ORDINARY SHARES		NUMBER OF ORDINARY SHARES	
	'000	$'000	'000	$'000
Issued and fully paid				
Balance as at the beginning of the financial year	612,670	49,079	612,670	49,079
Acquired during the financial year	66,827	1,298	–	–
Balance as at the end of the financial year	679,497	50,377	612,670	49,079

The Company has one class of ordinary shares which have no par value and carry no right to fixed income. All ordinary shares carry one vote per share without restriction. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company.

In the current financial year, the Company issued and placed 66,827,697 of new ordinary shares for cash consideration of $1,298,000.

Notes to the Financial Statements

For the financial year ended 31 August 2022

19. Share capital and reserves (Continued)

Treasury shares

	GROUP AND COMPANY			
	2022		2021	
	NUMBER OF ORDINARY SHARES		NUMBER OF ORDINARY SHARES	
	’000	$’000	’000	$’000
Balance as at the beginning of the financial year	16,359	633	5,066	253
Acquired during the financial year	–	–	11,293	380
Balance as at the end of the financial year	16,359	633	16,359	633

There were no repurchase, sales, transfer, cancellation and/or use of treasury shares in the current financial year.

Reserves

Reserves comprise the following:

	GROUP		COMPANY	
	2022	2021	2022	2021
	$’000	$’000	$’000	$’000
Revaluation reserve	666	666	–	–
Other reserve	1,719	1,205	–	–
Currency translation account	(12,010)	(10,866)	(10,411)	(11,437)
	(9,625)	(8,995)	(10,411)	(11,437)

The amounts of the Group’s reserves and the movements therein for the financial year ended 31 August 2022 are presented in the consolidated statement of changes in equity.

(a) Revaluation reserve

Revaluation reserve arises when an owner-occupied property becomes an investment property and the property is remeasured to fair value which results in a revaluation of such property.

Notes to the Financial Statements

For the financial year ended 31 August 2022

19. Share capital and reserves (Continued)

(b) *Other reserves*

Movements of other reserves are as follows:

	GROUP	
	2022	2021
	$'000	$'000
Balances as at the beginning of the financial year	1,205	784
Actuarial gain on defined benefit plan	314	193
Statutory reserve transfer from retained earnings	200	228
Balances as at the end of the financial year	1,719	1,205

Other reserve comprises:

(i) Statutory reserve of subsidiaries in the following countries:

- People's Republic of China

  In accordance with the Foreign Enterprise Law applicable to foreign companies in PRC, the companies are required to make appropriation to a Statutory Reserve Fund ("SRF") of at least 10% of the statutory after-tax profits as determined in accordance with the applicable PRC accounting standards and regulations until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

- Thailand

  Under the provisions of the Civil and Commercial Code, companies in Thailand are required to appropriate at least 5% of their net earnings as reserve fund until the reserve reaches 10% of the authorised capital. This reserve fund is not available for dividend distribution.

(ii) Actuarial gains/losses on defined benefit plan

The Group operates a non-contributory defined benefit plan for all qualifying employees of a subsidiary to comply with local statutory requirements. The Group has recognised the actuarial gains/losses on remeasuring defined benefit obligations in other comprehensive income, rather than profit or loss.

(iii) Capital reserve

Capital reserve is non-distributable and represents the difference between fair value of the share-based payment grants to the Group's employee and the cash consideration paid to acquire treasury shares for share based payments.

Notes to the Financial Statements

For the financial year ended 31 August 2022

19. Share capital and reserves (Continued)

(c) Share awards reserve

Share awards reserve represents the equity-settled shares granted to employees (Note 20). The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled shares.

(d) Currency translation account

The currency translation account is used to record exchange differences arising from the translation of financial statements of the Company and foreign operations whose functional currencies are different from that of the Group's presentation currency.

20. Share-based payments

Share plans

The Miyoshi Restricted Share Plan ("**RSP**") and the Miyoshi Performance Share Plan ("**PSP**") were approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 December 2016. The two share plans are administrated by the Remuneration Committee where members are:

Mr Low See Lien (Chairman)
Mr Neoh Chin Chee
Mr Thomas Pek Ee Perh

The number of shares available under the two share plans shall not exceed 15% of the issued share capital of the Company.

Details of share plans under the RSP and PSP as set out in the circular to the shareholders dated 30 November 2016 as follows:

Miyoshi RSP

Awards granted under the RSP will typically vest only after the satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years (time-based restricted awards) or, where the award is performance-related (performance-based restricted awards), after a further period of service beyond the performance target completion date. No minimum vesting periods are prescribed under the RSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

A time-based restricted award may be granted, for example, as a supplement to the cash component of the remuneration packages of senior executives. A performance-based restricted award may be granted, for example, with a performance target based on the successful completion of a project, or on the Company meeting certain specified corporate target(s), and thereafter with a further vesting period to encourage the participant to continue serving the Group for a further period of time following completion of the project.

Notes to the Financial Statements

For the financial year ended 31 August 2022

20. Share-based payments (Continued)

Details of share plans awarded under RSP scheme as follows:

	2022 NUMBER OF SHARES	2021 NUMBER OF SHARES
Balance as at the beginning of the financial year	–	265,744
Vested	–	(265,744)
Balance as at the end of the financial year	–	–

In the previous financial year, the board of directors approved share awards under RSP 2018 and RSP 2019 to be paid in cash to the participants who have given their consent in writing to the Company. In the previous financial year, all participants under RSP 2018 and RSP 2019 have provided consent to settle the share awards in cash. The reclassification from equity awards to cash-settled share awards resulted in a reversal of share awards reserve of $37,000 and this amount was subsequently paid out to the participants in cash in the previous financial year as employee benefits.

There were no RSP shares granted by the Company or its subsidiary corporations during the financial year.

21. Revenue

	GROUP	
	2022 $'000	2021 $'000
Sales of goods	48,330	44,067
Rental income	1,522	1,391
	49,852	45,458

Disaggregation of revenue

The Group has disaggregated revenue into various categorical in the following table which is intended to:

(i) depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and

(ii) enable users to understand the relationship with revenue segment information provided in Note 34 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 August 2022

21. Revenue (Continued)

Disaggregation of revenue (continued)

	GROUP	
	SALES OF GOODS	
	2022	2021
	$'000	$'000
Type of goods		
Consumer electronics	22,955	19,334
Automotive	21,969	21,281
Data storage	2,215	3,452
Commodities	1,191	–
	48,330	44,067

The revenue generated from the above sale of goods is recognised at point in time.

22. Other income

	GROUP	
	2022	2021
	$'000	$'000
Gain on disposal of assets held for sale	1,347	–
Gain on disposal of plant and equipment	69	273
Fair value gain on investment properties, net	50	–
Government grants	70	156
Insurance claim, net	1,254	898
Interest income from bank deposits	7	23
Gain on foreign exchange, net	952	–
Gain on termination of lease	96	–
Miscellaneous income	508	261
	4,353	1,611

Notes to the Financial Statements

For the financial year ended 31 August 2022

23. Employee benefits expense

	GROUP	
	2022	2021
	$'000	$'000
Short-term benefits	9,170	9,363
Post-employment benefits	591	586
	9,761	9,949

The above includes remuneration of Directors and key management as disclosed in Note 33 to the financial statements.

24. Other expenses

	GROUP	
	2022	2021
	$'000	$'000
Fair value loss on investment properties, net	–	316
Impairment loss on plant and equipment, net	531	4,995
Insurance expenses	158	138
Lease expenses on low-value leases	13	6
Loss on foreign exchange, net	–	38
Office and sundry expenses	1,017	635
Plant and equipment written off	–	1,416
Professional fees	711	437
Repairs and maintenance	868	436
Supplies and services	2,269	4,088
Transportation and travelling	535	502
Utilities	1,485	1,419
Others	350	604
	7,937	15,030

Notes to the Financial Statements

For the financial year ended 31 August 2022

25. Finance costs

	GROUP	
	2022	2021
	$'000	$'000
Interest expense on:		
- bank borrowings	343	312
- lease liabilities (Note 15)	81	30
	424	342

26. Income tax expense

	GROUP	
	2022	2021
	$'000	$'000
Current tax		
- current financial year	77	287
- under provision in prior financial years	13	–
- withholding tax	90	59
	180	346
Deferred tax		
- current financial year	358	(50)
	538	296

Domestic income tax is calculated at 17% (2021: 17%) of the estimated assessable profit for the financial year. Taxation of other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Notes to the Financial Statements

For the financial year ended 31 August 2022

26. Income tax expense (Continued)

The total tax charge for the financial year can be reconciled to the accounting loss as follows:

	GROUP	
	2022	2021
	$'000	$'000
Profit/(Loss) before income tax	1,093	(7,436)
Income tax calculated at statutory tax rate	186	(1,264)
Effects of different tax rates of overseas operations	394	1,123
Effects of expenses not deductible for income tax purposes	57	663
Effects of income not subject to tax	(204)	(172)
Utilisation of deferred tax assets not recognised in prior financial years	(349)	(363)
Deferred tax assets not recognised	357	212
Under provision of current income tax in prior years	13	–
Withholding tax	90	59
Other items	(6)	38
Total income tax expense recognised in profit or loss	538	296

The amount of unutilised tax losses and unabsorbed capital allowance for which no deferred tax assets is recognised is as follows:

	GROUP	
	2022	2021
	$'000	$'000
Unabsorbed capital allowance	3,708	3,636
Unutilised tax losses	37,138	36,156
	40,846	39,792
Deferred tax benefits not recognised	7,675	7,667

Deferred tax benefits for certain subsidiaries have not been recognised due to the unpredictability of future profit stream.

The future income tax benefits of the Group's unutilised tax losses as at 31 August 2022 are available for an unlimited future period, except for unutilised tax losses amounting to $4,856,000 (2021: $8,719,000) which will expire 2026 to 2027 (2021: 2022 to 2028), and are subject to the conditions imposed by law including the retention of majority shareholders.

Notes to the Financial Statements

For the financial year ended 31 August 2022

27. Profit/(Loss) for the financial year

In addition to the charges and credits disclosed elsewhere in the notes, this item includes the following charges:

	GROUP	
	2022	2021
	$'000	$'000
Audit fees:		
- Auditors of the Company	113	90
- Other auditors	92	65
Non-audit fees:		
- Other auditors	–	1

28. Earnings/(Loss) per share

The calculation of the basic and diluted earnings /(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

	2022	2021
	$'000	$'000
Profit/(Loss)		
Profit/(loss) for the purposes of basic and diluted earnings/(loss) per share (profit/(loss) attributable to the owners of the parent)	137	(7,824)

	2022	2021
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of basic earnings or loss per share	645,472	599,666

	2022	2021
Earnings/(Loss) per share (cents)		
Basic and diluted	0.02	(1.30)

The basic earnings or loss per share is computed by dividing the profit or loss attributable to owners of the parent in each financial year by the weighted average of ordinary shares in issue during the respective financial year.

Notes to the Financial Statements

For the financial year ended 31 August 2022

28. Earnings/(Loss) per share (Continued)

For the purpose of calculating diluted earnings per share, profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares including weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For the previous and current financial year, diluted earnings per share is the same as basic earnings per share as there are no diluted potential ordinary shares.

29. Dividends

In the financial years ended 31 August 2022 and 31 August 2021, the Directors did not recommend any tax-exempt dividend to be paid.

30. Commitments

(a) Operating lease commitments

The Group as lessor

The Group leased out its investment properties in Malaysia and Philippines under non-cancellable operating leases. The leases are contracted for 9 (2021: 1 to 2) years.

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	GROUP	
	2022 $'000	2021 $'000
Within one financial year	1,072	748
After one financial year but within five financial years	1,981	1,563
	3,053	2,311

31. Contingent liabilities, unsecured

As at 31 August 2022, the Company had given guarantees amounting to $1,700,000 (2021: $Nil) to certain banks in respect of banking facilities granted to one of the subsidiaries. Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended, fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facility.

Notes to the Financial Statements

For the financial year ended 31 August 2022

32. Financial instruments, financial risks and capital management

The Group's overall policy with respect to managing risk arising in the normal course of the Group's business as well as that associated with financial instruments is to minimise the potential adverse effects on the financial performance of the Group. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures them. The Group's policies for managing specific risks and its risk exposures are summarised below.

32.1 CREDIT RISK

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

In respect of the Group and Company, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	COMPANY	
	2022	2021
	$'000	$'000
Corporate guarantees provided to bank for a subsidiary's banking facilities utilised as at the end of financial year	290	–

For the corporate guarantee issued, the Company has assessed that the subsidiary has sufficient financial capabilities to meet its contractual cash flows obligation in the near future hence, does not expect any material loss allowance under 12-month expected credit loss model.

Based on assessment at the end of the financial year, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Group and Company do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for trade receivables by 3 (2021: 3) customers which accounted for 43% (2021: 23%) of the total trade receivables of the Group as at the end of the reporting period. At the reporting date, the maximum exposure to credit risk is represented by the carrying amount of each of the financial asset in the statements of financial position.

The Group's and Company's major classes of financial assets are cash and cash equivalents and trade and other receivables and financial assets at FVTPL.

The Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance using lifetime Expected Credit Loss ("**ECL**") model. The Group determines the ECL based on historical credit loss experience and past due status of the receivables, adjusted as then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate as the key macroeconomic factors in the countries where the Group operates. The ECL on the trade receivables are disclosed in Note 5 to the financial statements as well as the credit impaired ECL.

Credit risk also arises from deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "BBB" are accepted and hence, subjected to insignificant credit loss.

Notes to the Financial Statements

For the financial year ended 31 August 2022

32. Financial instruments, financial risks and capital management (Continued)

32.2 MARKET RISKS

Foreign exchange risk

The Group transacts in various foreign currencies, including United States dollar ("**USD**"), Philippines peso ("**PHP**"), Euro, Malaysian ringgit ("**RM**"), Singapore dollar ("**SGD**") and Chinese renminbi ("**RMB**") and therefore is exposed to foreign exchange risk.

The Group uses a combination of natural hedges of matching assets and liabilities to manage its exposure to fluctuation in foreign exchange rates. Foreign currency exposures are monitored by management on an ongoing basis.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the financial year are as follows:

Net monetary assets/(liabilities)

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
United States dollar	3,122	4,812	–	–
Philippines peso	(4,200)	(2,115)	–	–
Euro	818	414	–	–
Malaysian ringgit	366	762	–	–
Singapore dollar	(3,788)	(3,982)	(6,620)	(6,639)
Chinese renminbi	(1,832)	(1,881)	(1,832)	(1,881)

The following table details the Group's and the Company's sensitivity to a 9% (2021:5%) change in USD, SGD, Peso and RMB against the functional currencies of the respective entities. In the analysis, the net monetary assets/liabilities of only certain entities in the Group are used in sensitivity analysis. The sensitivity analysis assumes an instantaneous 9% (2021:5%) change in the foreign currency exchange rates from the end of the financial year, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in USD, SGD, Peso and RMB are included in the analysis.

Foreign currency sensitivity analysis

	GAIN/(LOSS)			
	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
USD				
Strengthens against RMB	228	38	–	–
Weakens against RMB	(228)	(38)	–	–

Notes to the Financial Statements

For the financial year ended 31 August 2022

32. Financial instruments, financial risks and capital management (Continued)

32.2 MARKET RISKS (CONTINUED)

Foreign currency sensitivity analysis (continued)

	GAIN/(LOSS)			
	GROUP		COMPANY	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
USD				
Strengthens against THB	333	182	–	–
Weakens against THB	(333)	(182)	–	–
Strengthens against PHP	(280)	–	–	–
Weakens against PHP	280	–	–	–
SGD				
Strengthens against USD	(596)	(320)	(596)	(320)
Weakens against USD	596	320	596	320
Strengthens against THB	255	133	–	–
Weakens against THB	(255)	(133)	–	–
Peso				
Strengthens against USD	(378)	(106)	–	–
Weakens against USD	378	106	–	–
RMB				
Strengthens against USD	(165)	(94)	(165)	(94)
Weakens against USD	165	94	165	94

Notes to the Financial Statements

For the financial year ended 31 August 2022

32. Financial instruments, financial risks and capital management (Continued)

32.2 MARKET RISKS (CONTINUED)

Interest rate risk

The Group's and the Company's exposure to interest rate risk mainly arises from bank borrowings. Their interest rates and terms of repayment are disclosed in Note 16 to the financial statements.

The Group's and the Company's borrowings as at the end of the financial year are as follows:

	GROUP		COMPANY	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Bank borrowings	8,846	9,219	2,101	2,823

Assuming that the amount of borrowings outstanding at the end of the financial year was outstanding for the whole year and interest rates increase/decrease instantaneously by 100 basis points from the end of the financial year, with all other variables held constant, the interest expense of the Group would increase/decrease by approximately $88,000 (2021: $92,000), while the interest expense of the Company would increase/decrease by approximately $21,000 (2021: $28,000).

32.3 LIQUIDITY RISK

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short–term obligations. The Group's and the Company's liquidity risk management policy is to maintain a sufficient level of liquid financial assets through proper management of its receivables and payables and by arranging for appropriate bank financing facilities.

Contract maturity analysis

The following table details the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

Notes to the Financial Statements

For the financial year ended 31 August 2022

32. Financial instruments, financial risks and capital management (Continued)

32.3 LIQUIDITY RISK (CONTINUED)

Financial liabilities

	1 YEAR OR LESS $'000	2 TO 5 YEARS $'000	AFTER 5 YEARS $'000	TOTAL $'000
2022				
Group				
Trade and other payables	12,680	–	322	13,002
Bank borrowings	4,615	4,564	–	9,179
Lease liabilities	172	187	–	359
	17,467	4,751	322	22,540
Company				
Trade and other payables	5,419	3,758	322	9,499
Bank borrowings	755	1,437	–	2,192
Lease liabilities	168	183	–	351
	6,342	5,378	322	12,042
Financial guarantee contracts	290	–	–	290
2021				
Group				
Trade and other payables	15,147	–	285	15,432
Bank borrowings	4,102	5,613	–	9,715
Lease liabilities	180	109	–	289
	19,429	5,722	285	25,436
Company				
Trade and other payables	4,823	3,437	285	8,545
Bank borrowings	776	2,311	–	3,087
Lease liabilities	167	89	–	256
	5,766	5,837	285	11,888

The disclosures for financial guarantees contracts represent the maximum amount of issued financial guarantees in the earliest period for which the guarantees would be called upon in the contractual maturity analysis.

Notes to the Financial Statements

For the financial year ended 31 August 2022

32. Financial instruments, financial risks and capital management (Continued)

32.4 CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group manages capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. It maintains sufficient cash and cash equivalents and internally generated cash flows to finance its activities. Adequate lines of credit and availability of committed funding lines are maintained at all times to meet its obligations as and when they fall due.

The capital structure of the Group consists of equity attributable to owners of the parent, comprising issued share capital and reserves.

Management monitors its capital to ensure that there is adequate liquidity, taking into consideration internal funding requirements as well as external economic conditions.

As disclosed in Note 19 to the financial statements, the Group's subsidiaries in the People's Republic of China and Thailand are required by local regulations to contribute to and maintain a non-distributable statutory reserve fund.

The Group and the Company are in compliance with the financial covenants in respect of bank borrowings disclosed in Note 16 to the financial statements and the above externally imposed capital requirements for the financial years ended 31 August 2022 and 2021.

The Group's overall strategy remains unchanged from 2021.

32.5 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

For the financial year ended 31 August 2022

32. Financial instruments, financial risks and capital management (Continued)

32.5 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Fair value of financial instruments that are not carried at fair value

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, approximate their respective fair values due to the relatively short–term maturity of these financial instruments.

The fair values of non-current financial liabilities that are not carried at fair value in relation to other payables and bank borrowings are disclosed in Notes 14 and 16 to the financial statements respectively. The management considers that the fair values of Group's and Company's non-current financial liabilities were not materially different from their carrying amounts at the end of the reporting years as explained in Notes 14 and 16 to the financial statements.

Fair value of financial instruments carried at fair value

The fair value of financial assets at FVTPL is disclosed in Note 9 to the financial statements.

32.6 CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the financial year:

	GROUP		COMPANY	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial assets				
Cash and bank balances	3,010	3,045	93	236
Fixed deposits	–	152	–	–
Trade and other receivables (excluding advances and GST recoverable)	13,652	10,197	2,789	2,430
Financial assets at amortised cost	16,662	13,394	2,882	2,666
Financial assets at FVTPL	–	–	–	–
Financial liabilities				
Trade and other payables (excluding advance received)	12,988	13,487	9,499	8,545
Bank borrowings	8,846	9,219	2,101	2,823
Lease liabilities	342	268	328	237
Financial liabilities at amortised cost	22,176	22,974	11,928	11,605

Notes to the Financial Statements

For the financial year ended 31 August 2022

33. Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, in addition to the information disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

	2022 $'000	2021 $'000
Transaction with companies in which director or/and his wife have equity interests:		
Sales	9	–
Disposal of assets	5	87
Lease rental	107	107
Purchases	32	150

As at 31 August, the outstanding balances in respect of the above related party transactions are disclosed in Note 14 to the financial statements.

Compensation of Directors and key management personnel

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

	GROUP	
	2022 $'000	2021 $'000
Short-term benefits	1,263	1,098
Post-employment benefits	68	43
	1,331	1,141

	GROUP	
	2022 $'000	2021 $'000
Directors' remuneration		
- of the Company	747	580
- of the subsidiaries	156	165
	903	745

The remuneration of Directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

Notes to the Financial Statements

For the financial year ended 31 August 2022

34. Group segmental information

34.1 ANALYSIS BY BUSINESS SEGMENTS

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

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

Income taxes are managed by the management of the Group.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

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

The Group is primarily engaged in four business segments, namely:

(i) Data Storage

Manufacture of metal semi-finished components for hard disk drives and removable storage devices.

(ii) Consumer Electronics

Manufacture of metal semi-finished components for photocopiers, scanners and printers.

(iii) Automotive

Manufacture of finished products of light electric vehicles and semi-finished metal components for motor vehicles.

(iv) Others

Commodities trading and rental income arising from investment properties.

The revenue from one customer from each of the Group's data storage and automotive segment represents $2,213,000 (2021: $3,452,000) and $18,953,000 (2021: $21,281,000) respectively.

34. Group segmental information (Continued)

34.1 ANALYSIS BY BUSINESS SEGMENTS (CONTINUED)

The Group adopts these four business segments for segment reporting.

	CONSUMER ELECTRONICS		AUTOMOTIVE		DATA STORAGE		OTHERS		UNALLOCATED		GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue												
External sales	22,955	19,334	21,969	21,281	2,215	3,452	2,713	1,391	–	–	49,852	45,458
Results												
Segment results	746	(2,931)	883	1,008	(2,061)	(1,184)	1,942	1,300	–	(5,310)	1,510	(7,117)
Interest expense	–	–	–	–	–	–	–	–	(424)	(342)	(424)	(342)
Interest income	–	–	–	–	–	–	–	–	7	23	7	23
Profit/(Loss) before income tax	746	(2,931)	883	1,008	(2,061)	(1,184)	1,942	1,300	(417)	(5,629)	1,093	(7,436)
Income tax expense											(538)	(296)
Profit/(Loss) for the financial year											555	(7,732)

34. Group segmental information (Continued)

34.1 ANALYSIS BY BUSINESS SEGMENTS (CONTINUED)

	CONSUMER ELECTRONICS		AUTOMOTIVE		DATA STORAGE		OTHERS		UNALLOCATED		GROUP	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Allowance/ (Reversal) for impairment of:												
- trade and other receivables	12	(20)	(30)	–	–	–	–	–	–	–	(18)	(20)
- property, plant and equipment	271	3,280	260	1,456	–	259	–	–	–	–	531	4,995
- inventory obsolescence	(17)	16		–	–	–	–	–	–	–	(17)	16
Depreciation	1,193	1,565	1,420	957	130	287	–	–	–	–	2,743	2,809
Gain on disposal of plant and equipment	(67)	–	(2)	–	–	–	–	–	–	(273)	(69)	(273)
Net fair value gain on investment property	–	–	–	–	–	–	(50)	316	–	–	(50)	316
Gain on disposal of assets held for sales	(1,347)	–	–	–	–	–	–	–	–	–	(1,347)	–
Plant and equipment written off	–	353	–	154	–	909	–	–	–	–	–	1,416
Segment assets	25,675	26,824	19,361	20,351	2,293	2,846	9,080	8,170	–	21	56,409	58,212
Segment assets include:												
Additions to:												
Right-of-use assets	313	109	299	–	–	–	–	–	–	–	612	109
- Property, plant & equipment	527	3,551	535	3,854	80	546	–	–	–	–	1,142	7,951
	840	3,660	834	3,854	80	546	–	–	–	–	1,754	8,060
Segment liabilities	16,356	15,943	3,183	5,382	242	1,543	1,754	294	2,177	3,197	23,712	26,359

Notes to the Financial Statements

For the financial year ended 31 August 2022

34. Group segmental information (Continued)

34.2 ANALYSIS BY GEOGRAPHICAL SEGMENTS

Revenue is analysed by the location of the customers. Non-current assets excluding financial assets at FVTPL, other receivables and deferred tax are analysed by the location of the assets:

	EXTERNAL SALES		NON-CURRENT ASSETS	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Philippines	17,587	17,157	17,202	20,628
PRC	17,038	15,148	5,510	5,692
Thailand	5,346	4,764	3,199	2,745
Mexico	2,966	3,266	–	–
Hungary	808	1,422	–	–
Malaysia	1,429	1,211	3,191	3,531
Singapore	1,758	873	4,465	3,691
Others	2,920	1,617	–	–
	49,852	45,458	33,567	36,287

Group Five Year Financial Summary

Group financial highlights

FOR THE YEAR ($'000)	FY2018	FY2019	FY2020	FY2021	FY2022
Revenue	51,318	53,452	44,793	45,458	49,852
Revenue Growth (%)	-3%	4%	-16%	1%	10%
Profit/ (loss) for the Period	1,017	(973)	(23,321)	(7,732)	555

Group segment information

FOR THE YEAR ($'000)	FY2018	FY2019	FY2020	FY2021	FY2022
Consumer Electronics	21,526	22,646	19,503	19,334	22,955
Automotive	15,316	16,604	15,501	21,281	21,969
Data Storage	13,461	12,945	8,422	3,452	2,215
Others	1,015	1,257	1,367	1,391	2,713
Total	51,318	53,452	44,793	45,458	49,852

Group cashflows

FOR THE YEAR ($'000)	FY2018	FY2019	FY2020	FY2021	FY2022
Operating cash flow before working capital changes	5,512	4,465	2,216	1,863	2,446
Work capital changes	2,917	250	1,571	4,444	(2,238)
Interest paid, net	(397)	(403)	(348)	(319)	(336)
Income tax paid	(447)	(458)	(339)	(494)	(221)
Net cash from operating activities	7,585	3,854	3,100	5,494	(349)
Net cash used in investing activities	(15,279)	(2,914)	(2,462)	(6,247)	(194)
Net cash from/(used in) financial activities	2,843	(1,956)	(87)	670	163
(Decrease)/increase in cash and cash equivalents	(4,851)	(1,016)	551	83	(380)

Group Five Year Financial Summary

Group financial ratios

FOR THE YEAR ($'000)	FY2018	FY2019	FY2020	FY2021	FY2022
Earnings per share (cents)	0.24	-0.13	-3.84	-1.3	0.02
Net asset value per share (cents)	10.48	10.14	6.32	5.02	4.61
Dividend per share (cents)	0.2	–	–	–	–
Return on equity (%)	2.11	-1.28	-46.71	-22.91	1.83
Return on assets (%)	1.22	-1.11	-32.57	-13.20	0.98
Gearing ratio	0.16	0.13	0.21	0.31	0.29
Current ratio	1.89	1.38	1.54	1.13	1.26
Cash ratio	0.27	0.18	0.24	0.16	0.17

Group financial position

FOR THE YEAR ($'000)	FY2018	FY2019	FY2020	FY2021	FY2022
Property, plant and equipment	32,049	34,543	31,106	29,938	27,160
Investment properties	6,827	6,933	6,755	6,303	6,319
Associate	17,010	18,640	–	–	–
Intangible assets	15	39	41	46	88
Other assets	208	296	221	266	172
Cash and cash equivalents	5,342	3,139	3,223	3,197	3,010
Trade and other receivables	16,713	13,867	11,007	10,663	13,888
Inventories	5,249	6,776	6,017	7,188	5,772
Assets classified as held for sale	3,601	–	611	611	–
Total Assets	87,014	84,233	58,981	58,212	56,409
Equity attributable to owners of the parent	63,825	61,630	38,371	29,937	30,542
Non-controlling interests	2,008	1,894	1,924	1,916	2,155
Bank borrowings: non-current	3,874	2,105	3,126	5,313	4,417
Bank borrowings: current	6,150	6,145	4,823	3,906	4,429
Lease liabilities	118	89	394	268	342
Trade and other payables	10,093	11,097	8,872	15,432	12,988
Other liabilities	946	1,273	1,471	1,440	1,536
Total Equity and Liabilities	87,014	84,233	58,981	58,212	56,409

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Jin Chuan Road, Tong Qiao Industrial Park
Huicheng District, Huizhou, 516032 Guangdong Province,
People's Republic of China
Tel: (86) (752) 711-9926

MIYOSHI PRECISION (MALAYSIA) SDN BHD
OE AQUITECH (M) SDN BHD
No. 4, Jalan Wira 3, Taman Tan Sri Yaacob
81300 Skudai, Johor D.T.,
Malaysia
Tel: (60) 7511-1855

Statistics of Shareholdings

As at 26 January 2023

Share capital

Class of equity securities	:	Ordinary shares
No. of equity securities (excluding treasury shares)	:	663,138,587
No. and percentage of treasury shares		16,358,600 (2.47%)[(1)]
Number of subsidiary holdings	:	Nil
Voting rights	:	One vote per share

Shareholdings held in hands of public

As at 26 January 2023, approximately 64.74% of the issued ordinary shares of the Company were held in the hands of the public and therefore Rule 723 of the Catalist Rules is complied with.

Distribution of shareholdings

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%[(1)]	NO. OF SHARES	%[(1)]
1 – 99	9	0.34	277	0.00
100 – 1,000	244	9.09	132,429	0.02
1,001 – 10,000	892	33.25	4,843,100	0.73
10,001 – 1,000,000	1,483	55.27	169,868,030	25.62
1,000,001 and above	55	2.05	488,294,751	73.63
TOTAL	**2,683**	**100.00**	**663,138,587**	**100.00**

Note:

(1) Percentage is calculated based on the total number of issued shares, excluding treasury shares.

Statistics of Shareholdings

As at 26 January 2023

Twenty largest shareholders

NO.	NAME	NO. OF SHARES	% [1]
1	SIN KWONG WAH ANDREW	117,624,800	17.74
2	MIYOSHI INDUSTRY CO LTD	50,901,890	7.67
3	PEK YEE CHEW	46,444,000	7.00
4	LIM YUH PING	23,800,300	3.59
5	DBS NOMINEES PTE LTD	19,656,389	2.96
6	HONG LEONG FINANCE NOMINEES PTE LTD	17,545,900	2.64
7	KHOO TECK POH	16,700,000	2.52
8	PEK EE PERH THOMAS	16,454,500	2.48
9	UOB KAY HIAN PTE LTD	14,970,297	2.26
10	KOH SWEE YONG	13,800,000	2.08
11	NG HWEE KOON	12,845,300	1.94
12	LOW HUAT YEW	11,716,800	1.77
13	KUAN BON HENG	10,436,000	1.57
14	ONG ENG HONG	8,892,500	1.34
15	RAFFLES NOMINEES (PTE) LIMITED	8,482,500	1.28
16	PHILLIP SECURITIES PTE LTD	8,064,145	1.22
17	LEE BOON SEONG	7,800,000	1.18
18	LUO JINPING	5,092,400	0.77
19	LIM BUAN HUA	4,698,100	0.71
20	TOH GUAN HENG	4,460,000	0.67
	TOTAL	**420,385,821**	**63.39**

Substantial shareholders

NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST NUMBER OF SHARES	DIRECT INTEREST % [1]	DEEMED INTEREST NUMBER OF SHARES	DEEMED INTEREST % [1]
SIN KWONG WAH ANDREW	117,624,800	17.74	48,726,500 [2]	7.35
MIYOSHI INDUSTRY CO LTD	50,901,890	7.68	–	–
PEK YEE CHEW	46,444,000	7.00	119,907,300 [3]	18.08

Notes:

(1) Percentage is calculated based on the total number of issued shares, excluding treasury 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, Miss Sin Shi Min Andrea and 782,500 shares held by his son, Mr Sin Shi Han Kenneth.

(3) 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.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**") of Miyoshi Limited (the "**Company**") will be held by electronic means on Tuesday, 28 February 2023 at 1.00 p.m. for the following purposes:

As ordinary business

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 August 2022 together with the Auditors' Report thereon.

(Resolution 1)

2. To re-elect Mr Sin Kwong Wah Andrew who is retiring under Regulation 89 of the Constitution, as Director of the Company. *[See Explanatory Note (1)]*

(Resolution 2)

3. To re-elect Mr Low See Lien who is retiring under Regulation 88 of the Constitution, as Director of the Company. *[See Explanatory Note (1)]*

(Resolution 3)

4. To approve the payment of Directors' fees of S$64,500 for the year ended 31 August 2022 (2021: S$60,000).

(Resolution 4)

5. To approve the payment of Directors' fees of S$60,000 for the year ending 31 August 2023, to be paid quarterly in arrears (2022: S$60,136).

(Resolution 5)

6. To re-appoint BDO LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 6)

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

As special business

to consider and, if thought fit, to pass the following resolution as Ordinary Resolutions, with or without amendments:-

8. **Authority to issue shares**

That that pursuant to Section 161 of the Companies Act 1967 and subject to Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of bonus issue, rights issue or otherwise; and/or

(ii) to make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

Notice of Annual General Meeting

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Ordinary Resolution) and Instruments to be issued pursuant to this Ordinary Resolution, on a pro rata basis, shall not exceed 100% of the total issued Shares at the time of passing of this Ordinary Resolution (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 50% of the total issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the Catalist Rules) for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (i) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(1) new Shares arising from the conversion or exercise of any convertible securities;

(2) new Shares arising from exercising share options or vesting of share awards; and

(3) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (b)(ii)(1) or (b)(ii)(2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act 1967 and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (2)]

(Resolution 7)

Notice of Annual General Meeting

9. **Authority to allot, issue and deliver shares pursuant to Miyoshi Restricted Share Plan 2016**

That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised and empowered to offer and grant awards ("**RSP Awards**") under the prevailing Miyoshi Restricted Share Plan ("**Miyoshi RSP**") and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be delivered pursuant to the vesting of RSP Awards under the Miyoshi RSP, provided that the aggregate number of (1) new Shares allotted and issued and/or to be allotted and issued and (2) existing Shares (including Shares held in treasury) delivered and/or to be delivered, and (3) Shares released and/or to be released in the form of cash in lieu of Shares, pursuant to the Miyoshi RSP and the Miyoshi Performance Share Plan and all options or awards granted under any other share option schemes or share schemes implemented by the Company and for the time being in force shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (3)]
(Resolution 8)

10. **Authority to allot, issue and deliver shares pursuant to Miyoshi Performance Share Plan 2016**

That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised and empowered to offer and grant awards ("**PSP Awards**") under the prevailing Miyoshi Performance Share Plan ("**Miyoshi PSP**") and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be delivered pursuant to the vesting of PSP Awards under the Miyoshi PSP, provided that the aggregate number of (1) new Shares allotted and issued and/or to be allotted and issued and (2) existing Shares (including Shares held in treasury) delivered and/or to be delivered, and (3) Shares released and/or to be released in the form of cash in lieu of Shares, pursuant to the Miyoshi RSP and the Miyoshi Performance Share Plan and all options or awards granted under any other share option schemes or share schemes implemented by the Company and for the time being in force shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (4)]
(Resolution 9)

By Order of the Board

Ong Wei Jin
Company Secretary
13 February 2023
Singapore

Notice of Annual General Meeting

Explanatory Notes:

(1) Please refer to the Section "Board of Directors" in the annual report for the financial year ended 31 August 2022 for information on Mr Sin Kwong Wah Andrew and Mr Low See Lien.

(2) The Ordinary Resolution 7 in item 8 above, if passed, will empower the Directors, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to existing shareholders of the Company.

(3) The Ordinary Resolution 8 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards under the RSP and such other share-based incentive schemes up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(4) The Ordinary Resolution 9 in item 10 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards under the PSP and such other share-based incentive schemes up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

Notes relating to measures to minimise the risk of COVID-19:

General

1. Pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the AGM is being convened, and will be held, by electronic means as part of the Company's efforts to minimise physical interactions and COVID-19 transmission risk. Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change its AGM arrangements at short notice. Shareholders should check the Company's announcements on SGXNet for the latest updates on the status of the AGM, if any.

2. Printed copies of this Notice will not be sent to shareholders. Instead, this Notice will be sent to members by electronic means via publication on the Company's corporate website at the URL : https://www.miyoshi.biz and the following website that is set up for the purposes of the AGM at the URL : https://registration.ryt-poll.com/home/index/miyoshi-agm. This Notice will also be made available on the SGXNET website at the URL https://www.sgx.com/securities/company-announcements.

3. Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by:

   (a) attending, asking questions and communicating via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in Note 4 below;

   (b) submission of questions in advance of or "live" at the AGM. Please refer to Notes 8 to 10 below for further details; and

   (c) voting by proxy at the AGM or by voting 'live' if attending the AGM by electronic means. Please refer to Notes 11 to 17 below for further details.

Participation in the AGM via live webcast or live audio feed

4. A shareholder of the Company or their corporate representatives (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a "live" webcast via mobile phone, tablet or computer ("**Live Webcast**"). Shareholders will also be able to ask questions and communicate 'live'. In order to do so, the member must pre-register by 1.00 p.m. on 25 February 2023 ("**Registration Deadline**"), at the following URL: [https://registration.ryt-poll.com/home/index/miyoshi-agm ("**Miyoshi AGM Website**"), to create an account.

   Corporate shareholders must also submit the Corporate Representative Certificate to Miyoshi-agm@ryt-poll.com, in addition to the registration procedures as set out above, by the Registration Deadline, for verification purpose.

Notice of Annual General Meeting

5. Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email on their authentication status and will be able to access the Live Webcast using the account created.

6. Shareholders who have registered by the Registration Deadline in accordance with paragraph 4 above but do not receive an email response by 1.00 p.m. on 27 February 2023 may contact the Company for assistance at the following email address: Miyoshi-agm@ryt-poll.com], with the following details included: (1) the member's full name; and (2) his/her/its identification/ registration number.

7. Non-Supplementary Retirement Scheme investors whose shares are registered under Depository Agents ("**DAs**") must also contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the AGM proceeding at least 7 working days before the AGM.

Submission of questions in advance of or "live" at the AGM

8. A shareholder of the Company may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations in advance of, or "live" at, the AGM. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received no later than 6.00 p.m. on 20 February 2023, by posting its responses via SGXNET and the Company's website by 1.00 p.m. on 23 February 2023 or "live" at the AGM for the relevant questions received during the AGM. The Company will publish the minutes of the AGM on SGXNET and the Company's website within one month after the date of AGM and the minutes will include the responses to the questions referred to above.

9. A shareholder who wishes to submit questions prior to the AGM must do so by submitting the questions through any one of the following means:

   (a) by post to reach the office of the Company's Share Registrar, M&C Services Pte Ltd, 112 Robinson Road #05-01 Singapore 068902; or

   (b) by email to kenlew@sg.miyoshi.biz

   no later than 6.00 p.m. on 20 February 2023

10. If the questions are deposited in physical copy at the office of the Company's Share Registrar or sent via email, and in either case not accompanied by the completed and executed Proxy Form the following details must be included with the submitted questions, for verification purpose:

   (a) the member's full name;

   (b) current address;

   (c) number of shares held; and

   (d) the manner in which you hold the shares in the Company (e.g. via CDP, CPF/SRS or scrip).

How to submit questions "live" at the AGM

Shareholders, CPF and SRS Investors may submit textual questions "live" at the AGM in the following manner:

(a) Shareholders or where applicable, their appointed proxy(ies), CPF and SRS investors who have pre-registered and are verified to attend the AGM can ask questions relating to the ordinary resolutions tabled for approval at the AGM "live" at the AGM, by typing in and submitting their questions through the "live" ask-a-question function via the audio-visual webcast platform during the AGM within a certain prescribed time limit.

(b) Shareholders who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to ask questions "live" at the AGM on their behalf must, in addition to completing and submitting an instrument appointing a proxy(ies), ensure that their proxy(ies) pre-register separately via the registration link that will be sent to the appointed proxy(ies) via email by the AGM service provider, RYT Polling Solutions , upon verification of the Proxy Form(s).

(c) Shareholders, CPF and SRS investors or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" audio-visual webcast in order to ask questions "live" at the AGM, and will not be able to do so via the audio-only stream of the AGM proceedings.

(d) The Company will, during the AGM itself, address as many substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

Notice of Annual General Meeting

Live Voting

11. Shareholders or their duly appointed proxy(ies) (other than the Chairman of the Meeting) attending the AGM by electronic means will be able to participate by voting "live" at the AGM.

Submission of instrument appointing a proxy(ies) to vote, or vote "live", at the AGM

12. Shareholders who wish to exercise their voting rights at the AGM may:

    (a) (where such shareholders are individuals) vote "live" via electronic means at the AGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM)# to vote "live" via electronic means at the AGM on their behalf; or

        # For the avoidance of doubt, CPF and SRS Investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

    (b) (where such shareholders are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.

    - Shareholders (including CPF and SRS Investors) and, where applicable, appointed proxy(ies), who wish to vote "live" at the AGM must first pre-register at the Miyoshi AGM Website via the URL: https://registration.ryt-poll.com/home/index/miyoshi-agm.

    - Shareholders (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment for that resolution will be treated as invalid.

13. A member who is not a Relevant Intermediary*, entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the AGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company. The accompanying proxy form for the AGM may be accessed via the Miyoshi AGM Website at the URL: [https://registration.ryt-poll.com/home/index/miyoshi-agm], the Company's corporate website at the URL: http://www.miyoshi.biz, and will also be made available on the SGXNET website at the URL https://www.sgx.com/securities/companyannouncements.

14. A member who is a Relevant Intermediary* may appoint one or more proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

15. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it in the following manner:

    (a) if submitted by post/courier/hand, to reach at the office of the Company's Share Registrar, M&C Services Pte Ltd, 112 Robinson Road #05-01 Singapore 068902; or

    (b) by sending a scanned PDF copy by email to miyoshi-agm@ryt-poll.com,

    in either case by no later than 1 p.m. on 25 February 2023.

    Members are strongly encouraged to submit completed proxy forms electronically via email to the Company's Share Registrar.

16. The instrument appointing a proxy or proxies must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.

17. CPF and SRS Investors who wish to vote, should approach their respective CPF Agent Banks and SRS Operators to appoint the Chairman of the Meeting as their proxy, at least 7 working days before the AGM.

18. A Depositor's name must appear on the Depository Register maintained by The Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.

Notice of Annual General Meeting

***"Relevant Intermediary"** means:

(a) a banking corporation licensed under the Banking Act 1970 of Singapore 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 of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, 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 Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the proxy(ies) and/or representative(s) to vote at the AGM and/or any adjournment thereof, and/ or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents 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.

This notice has been reviewed by the Company's Sponsor, RHB Bank Berhad, through its Singapore branch (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 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 Mr Alvin Soh, Head, Corporate Finance, RHB Bank Berhad, Singapore branch, at 90 Cecil Street #04-00 Singapore 069531, Telephone: +65 6320 0627.

Disclosure of Information on Directors Seeking Re-Election

Mr Sin Kwong Wah Andrew and Mr Low See Lien are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 February 2023 (“**AGM**”) (the “**Retiring Directors**”).

Pursuant to Rule 720(5) of the Catalist Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Listing Manual of the SGX-ST:

	MR SIN KWONG WAH ANDREW	MR LOW SEE LIEN
Date of Appointment	24 September 1991	27 December 2021
Date of last re-appointment	28 December 2020	N.A.
Age	69	47
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“**NC**”) and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Sin Kwong Wah Andrew for re-appointment as Executive Director of the Company. The Board have reviewed and concluded that Mr Sin Kwong Wah Andrew possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“**NC**”) and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Low See Lien for re-appointment as an Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Mr Low See Lien possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive, oversees the operations in Singapore, China, the Philippines, Thailand and Malaysia as well as the charting and reviewing of corporate directions and strategies for the Group as well as the Group’s marketing operations.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive and Executive Director	Independent Non-Executive Director Chairman of Audit Committee Member of Remuneration and Nominating Committees

Disclosure of Information on Directors Seeking Re-Election

	MR SIN KWONG WAH ANDREW	MR LOW SEE LIEN
Professional qualifications	Bachelor of Science (First Class Honours), Japan National Defence Academy FSID - Fellow, Singapore Institute of Directors	Bachelor of Accountancy Degree, Nanyang Technological University Practicing Member of Institute of Singapore Chartered Accountants ("**ISCA**") Member of Singapore Institute of Directors ("**SID**")
Working experience and occupation(s) during the past 10 years	1991 to current Miyoshi Limited (CEO and Executive Director)	May 2021 – present Baker Tilly TFW LLP (Partner) June 2012 - May 2021 Nextia TS Public Accounting Corporation (Director) December 2010 - May 2012 Screentech Display Pte Ltd (Director)
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 117,624,800 Indirect interest: 48,726,500	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Brother-in-law of Pek Ee Perh, Thomas and Spouse of Pek Yee Chew	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Nil	CLA Global TS Holdings Pte.Ltd. (f.k.a. Nexia TS Public Accounting Corporation

Disclosure of Information on Directors Seeking Re-Election

		MR SIN KWONG WAH ANDREW	MR LOW SEE LIEN
Present		1. Miyoshi FL Systems, Inc. 2. Miyoshi Hi-Tech Co., Ltd 3. Miyoshi Industry Co., Ltd 4. Miyoshi International Philippines, Inc. 5. Miyoshi Mechatronic (S) Pte. Ltd. 6. Miyoshi Precision Huizhou Co., Ltd 7. Miyoshi Precision (Malaysia) Sdn Bhd 8. Hua-San Pte. Ltd. 9. Miyoshi Technologies Phils., Inc. 10. OE Aquitech (M) Sdn Bhd 11. OE Aquitech (Singapore) Pte. Ltd. 12. Wuxi Miyoshi Precision Co., Ltd	1. Baker Tilly TFW LLP 2. Singapore National Paralympic Council
a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c)	Whether there is any unsatisfied judgment against him?	No	No

Disclosure of Information on Directors Seeking Re-Election

		MR SIN KWONG WAH ANDREW	MR LOW SEE LIEN
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

Disclosure of Information on Directors Seeking Re-Election

		MR SIN KWONG WAH ANDREW	MR LOW SEE LIEN
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

Disclosure of Information on Directors Seeking Re-Election

	MR SIN KWONG WAH ANDREW	MR LOW SEE LIEN
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

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MIYOSHI LIMITED

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

Important
1. The Annual General Meeting ("**AGM**") is being convened by electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. A member will not be able to attend the AGM in person. Alternative arrangements relating to the attendance of the AGM through electronic means, as well as conduct of the AGM and relevant guidance with full details are set out in the accompanying Company's Notice of AGM dated 13 February 2023, which can be accessed via the SGXNET website at: https://www.sgx.com/securities/company-announcements. Printed copies of the proxy form ("**Proxy Form**") will NOT be despatched to members.
3. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investors**") and CPF investor who wishes to vote should approach their respective SRS Operators and CPF Agent Banks to appoint the Chairman of the Meeting as their proxy, at least 7 working days before the Meeting.
4. This Proxy Form is not valid for use by SRS and CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ________________________ *(Name)*, ________________________ *(NRIC/Passport No.)*

of ____ *(Address)*

being a member/members of Miyoshi Limited (the "**Company**"), hereby appoint:

NAME	EMAIL ADDRESS^	*NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
			NO. OF SHARES	%

and/or (delete as appropriate)

NAME	EMAIL ADDRESS^	*NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
			NO. OF SHARES	%

or failing which, the Chairman of the AGM of the Company, as *my/our *proxy/proxies to attend, speak or vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held by way of electronic means on Tuesday, 28 February 2023 at 1.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid at the AGM and at any adjournment thereof.

^ *Compulsory for registration purposes. Only valid email address provided in the submitted Proxy Form will receive a confirmation email from the Company.*

* *Delete as appropriate*

NO.	RESOLUTIONS RELATING TO:	FOR**	AGAINST**	ABSTAIN**
	ORDINARY BUSINESS			
1	Adoption of Audited Accounts, Directors' Report and Auditors' Report for the financial year ended 31 August 2022.			
2	Re-election of Mr Sin Kwong Wah Andrew as a Director of the Company.			
3	Re-election of Mr Low See Lien as a Director of the Company.			
4	Approval for the payment of Directors' Fees amounting to S$64,500 for the financial year ended 31 August 2022.			
5	Approval for the payment of Directors' Fees amounting to S$60,000 for the financial year ending 31 August 2023, to be paid on a quarterly basis in arrears.			
6	Re-appointment of Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
	SPECIAL BUSINESS			
7	Authority to issue new shares			
8	Authority to allot, issue and deliver shares pursuant to Miyoshi Restricted Share Plan 2016			
9	Authority to allot, issue and deliver shares pursuant to Miyoshi Performance Share Plan 2016			

** *If you wish to exercise all your votes "For", "Against" or "Abstain", please tick [ ] within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.*

Dated this ________ day of___________, 2023

TOTAL NUMBER OF SHARES IN:	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

2. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, 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 entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.

3. **Members will not be able to attend the AGM in person.** If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may:

   (a) (where the member is an individual) vote "live" via electronic means at the AGM or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM)# to vote "live" via electronic means at the AGM on his/her/its behalf; or

      # For the avoidance of doubt, CPF and SRS Investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

   (b) (where the member is an individual or corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.

   In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.

4. A member of the Company who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act 1967) 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.

5. Where a member who is not a Relevant Intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his her shareholding to be represented by each proxy.

6. A member who is 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 such member (which number and class of shares shall be specified).

7. Subject to paragraph (10) below, completion and return of this Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this Proxy Form to the AGM.

8. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it in the following manner:

   (a) if submitted by post/courier/hand, to reach the office of the Company's Share Registrar, M&C Services Pte Ltd, 112 Robinson Road #05-01 Singapore 068902; or

   (b) by sending a scanned PDF copy by email to miyoshi-agm@ryt-poll.com

   in either case by no later than 1.00 p.m. on 25 February 2023, being 72 hours before the time appointed for the AGM.

   Members are strongly encouraged to submit completed Proxy Forms electronically via email to the Company's Share Registrar.

9. The instrument appointing Chairman of the AGM as proxy must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing of Chairman of the Meeting as proxy is executed by a corporation , it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing of a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy form, failing which the instrument may be treated as invalid.

10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 February 2023.

MIYOSHI

MIYOSHI LIMITED

A Tomorrow-Focused Manufacturer

Company Registration No.: 198703979K
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Singapore 609970
Website: www.miyoshi.biz