

## **MIYOSHI LIMITED**

(Incorporated in the Republic of Singapore)

Company Registration Number: 198703979K

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### **PROPOSED DISPOSAL OF PROPERTY LOCATED AT 5 SECOND CHIN BEE ROAD SINGAPORE 618772**

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#### **1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Miyoshi Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that it has entered into a sale and purchase agreement on 11 October 2017 (the “**SPA**”) with A Yong Pte Ltd (the “**Purchaser**”) in relation to the sale of a property located at 5 Second Chin Bee Road Singapore 618772 (the “**Property**”) (the “**Proposed Disposal**”).

Pursuant to the SPA, subject to the satisfaction of the conditions precedent (more particularly set out in paragraph 5 of this announcement), completion of the Proposed Disposal (the “**Completion**”) shall take place:

- a) twelve (12) weeks after the date of the SPA; or
- b) four (4) weeks after the date of Jurong Town Corporation’s (“**JTC**”) written unconditional confirmation that it has no objections to the execution of the deed of assignment or the execution or registration of the transfer instrument (as the case may be), or such other written confirmation from JTC of similar nature (the “**JTC’s Confirmation**”),

whichever is the latest date (the “**Completion Date**”).

If JTC’s Confirmation and/or Approval (as described in paragraph 5 below) is not obtained, either the Company or the Purchaser shall then be at liberty to rescind the Proposed Disposal by giving written notice thereof to the other party whereupon the Proposed Disposal shall be treated as cancelled forthwith and the Purchaser shall return to the Company or its solicitors all title deeds and other papers furnished to the Purchaser, and at the Purchaser’s costs, withdraw any caveats and cancel any entries relating to the Property lodged by the Purchaser or any parties claiming an interest in the Property through the Purchaser at the Singapore Land Authority. In exchange, the Company shall refund all monies paid by the Purchaser to the Purchaser without any interest or deduction.

#### **2. DESCRIPTION OF THE PROPERTY**

The Property comprises a 60-year leasehold (with effect from 16 August 1979) land measuring 4,883.80 square metres together with a JTC type ‘C3’ single-storey detached factory with mezzanine level and rear factory extension located at 5 Second Chin Bee Road Singapore 618772.

The Property is currently used for cold storage and corporate office.

### 3. INFORMATION ON THE PURCHASER

The Purchaser, which is an independent third party, is a company incorporated in the Republic of Singapore (Company Registration Number: 201328409W) with its registered office at 20 Chin Bee Road Singapore 619828. The Purchaser is principally engaged in the wholesale of fruits and vegetables.

### 4. CONSIDERATION FOR THE PROPOSED DISPOSAL

The aggregate consideration for the Proposed Disposal is S\$7,800,000 (the "**Consideration**"), to be paid as follows:

- a) upon execution of the SPA, a sum of S\$780,000 in favour of the Company, being 10% of the Consideration ("**Deposit**"); and
- b) on the Completion date, the balance of the Consideration of S\$7,020,000 (which is equivalent to 90% of the amount of the Consideration) ("**Balance Consideration**").

The Consideration was arrived at on a willing-buyer willing-seller basis, after taking into account the valuation report issued by Savills Valuation and Professional Services (S) Pte Ltd on 18 May 2015 (the "**Valuation Report**"), which valued the Property at S\$8,300,000.

As at the date of this announcement, the Company acknowledges it has received the Deposit from the Purchaser.

### 5. CONDITIONS PRECEDENT TO THE PROPOSED DISPOSAL

Completion is subject to, *inter alia*, JTC's written approval to the Proposed Disposal and subject to such terms and conditions whatsoever which JTC may at its absolute discretion impose (the "**Approval**").

### 6. FINANCIAL EFFECTS

The financial effects of the Disposal set out below are for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the Disposal nor a projection of the future financial performance or position of the Group after the Completion. The financial effects set out below are based on the Company's audited financial statements for the financial year ended 31 August 2016 ("**FY2016**").

- (i) Net tangible assets ("**NTA**") per share

Assuming the Disposal had been effected on 31 August 2016, the NTA per share of the Group as at 31 August 2016 would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	53,680	57,880
Number of issued shares	452,669,490	452,669,490
NTA per share (Singapore cents)	11.86	12.79

(ii) Earnings per share ("EPS")

Assuming the Disposal had been effected on 1 September 2015, the EPS per share of the Group for FY2016 would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit/(loss) after tax (S\$'000)	1,045	1,038
Weighted average number of issued shares	452,669,490	452,669,490
EPS (Singapore cents)	0.23	0.23

**7. RELATIVE FIGURES PURSUANT TO RULE 1006 OF THE LISTING MANUAL**

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") are as follows:

Rule	Bases of computation	Size of relative figure
<b>1006(a)</b>	Net asset value of assets being disposed of, compared with the Group's net asset value	6.4% <sup>(1)</sup>
<b>1006(b)</b>	Net profits attributable to the assets disposed of, compared with the Group's net profits	2.1% <sup>(2)</sup>
<b>1006(c)</b>	Aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	20.3% <sup>(3)</sup>
<b>1006(d)</b>	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
<b>1006(e)</b>	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

- (1) Based on the Property's net asset value of S\$3,600,000 as at 31 May 2017 and the Group's net asset value of S\$55,926,000 as at 31 May 2017
- (2) Based on the net profits attributable to the Property of S\$33,000 for the nine-months ended 31 May 2017 ("3Q2017") and the Group's net profit of S\$1,566,000 for 3Q2017
- (3) Based on the aggregate value of consideration of S\$7,800,000 and the market capitalisation of the Company of S\$38,337,000 (determined by multiplying the existing number of shares, excluding treasury shares, in issue by S\$0.0776, being the weighted average price of the Company's shares transacted on 10 October 2017, the market day preceding the date of SPA).

Based on the relative figures computed above, the Disposal constitutes a discloseable transaction under Rule 1010 of the SGX-ST Listing Manual Section B: Rules of Catalyst. As none of the relative figures exceeds 50%, the Disposal does not constitute a major transaction under Rule 1014, and accordingly, shareholders' approval is not required for the Disposal.

## **8. RATIONALE FOR THE PROPOSED DISPOSAL**

The Board is of the view that it is in the interest of the Group to undertake the Proposed Disposal as the Property is underutilised. The Proposed Disposal will see the optimal release of value from the asset as a strategic imperative.

## **9. USE OF NET PROCEEDS**

Based on the latest announced consolidated financial statements of the Group for the 9 months ended 31 May 2017 ("**9M2017**"), the proceeds from the Proposed Disposal will represent an excess of approximately S\$4,200,000 over the book value of the Property.

The Company intends to use the net proceeds from the Proposed Disposal to reduce borrowings, as well as to provide working capital for the Company and other business opportunities as and when they arise.

## **10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or controlling shareholders of the Company has an interest, direct or indirect, in the Proposed Disposal, other than through their respective directorships and shareholding interests, if any, in the Company.

## **11. DIRECTORS' SERVICE CONTRACTS**

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

## **12. DOCUMENTS FOR INSPECTION**

A copy of the Option is available for inspection during normal business hours at the registered office of the Company at 5 Second Chin Bee Road Singapore 618772 for a period of three (3) months from the date of this announcement.

## **BY ORDER OF THE BOARD**

Andrew Sin Kwong Wah  
Executive Director and CEO

11 October 2017

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*This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this document.*

*The document has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.*

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