

PROPOSED PLACEMENT OF 48,309,179 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Miyoshi Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 15 December 2021 entered into a placement agreement (the “**Placement Agreement**”) with (i) Sycamore Capital SPC, acting for and on behalf of and for the account of Sycamore Equity Fund SP and (ii) FTAG Asset Management Ltd. (collectively, the “**Subscribers**”) pursuant to which the Subscribers shall subscribe, and the Company shall allot and issue to the Subscribers 48,309,179 new ordinary shares (the “**Placement Shares**”) in the capital of the Company at an issue price of S\$0.02070 per Placement Share, for a total aggregate subscription amount of S\$1,000,000 (the “**Subscription Price**”), upon the terms and subject to the conditions set out in the Placement Agreement (the “**Proposed Placement**”).

The Proposed Placement is made pursuant to the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

2. THE PROPOSED PLACEMENT

2.1. The Issue Price

Pursuant to the Placement Agreement, the issue price for the Placement Shares (the “**Issue Price**”) shall be (i) equivalent to 90% to the weighted average price for the ordinary shares in the capital of the Company (“**Shares**”), as traded on the SGX-ST for the full market day on the date of the Placement Agreement and (ii) shall be based on the weighted average price per Share published by Bloomberg L.P. or such other sources that the Company and the Subscribers may mutually agree in writing, and the weighted average price per Share shall be set at four (4) decimal places. If trading of the Shares on the SGX-ST is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the Placement Agreement is signed.

The Issue Price was arrived at following arm’s length negotiations between the Company and the Subscribers, taking into account the prevailing trading price of the Shares and the financial position and prospects of the Company. The Issue Price is within the 10% discount limit as stated in Rule 811(1) of the Catalist Rules.

Accordingly, the Issue Price for the Proposed Placement is S\$0.0207 per Placement Share, being equivalent to 90% of S\$0.0230, the weighted average price per Share, based on trades done on the SGX-ST on 15 December 2021, being the full market day on the date of the Placement Agreement.

2.2. The Placement Shares

As at the date of this announcement, the Company has an issued share capital of 614,829,408 Shares (excluding 16,358,600 Treasury Shares and subsidiary holdings). Immediately following

the completion of the Proposed Placement, the Company will have an enlarged share capital of 663,138,587 Shares (excluding Treasury Shares and subsidiary holdings). The 48,309,179 Placement Shares represents approximately 7.86% of the issued Shares of the Company as at the date of this announcement and approximately 7.28% of the issued Shares comprised in the enlarged share capital of the Company post-issuance of the Placement Shares.

The Placement Shares, when allotted and issued, shall rank *pari passu* in all respects with, and shall carry all rights similar to, the then existing issued ordinary shares of the Company, except that they will not rank for any dividend, right, allotment or other distribution, the record date of which falls on or before the Issue Date (as defined below).

The allotment and issuance of the Placement Shares will not result in any transfer of controlling interest in the Company pursuant to Rule 803 of the Catalist Rules. The Company will not proceed with the Proposed Placement without the prior approval of shareholders of the Company in a general meeting if such issuance would bring about a transfer of controlling interest.

There is no moratorium imposed on the Placement Shares.

There are no share borrowing arrangements for the Proposed Placement.

2.3. Authority for the issuance of the Placement Shares

The Placement Shares will be issued pursuant to the general mandate of the Directors (the “**General Mandate**”) for the allotment and issuance of new Shares duly approved by the shareholders of the Company at its annual general meeting (“**AGM**”) held on 28 December 2020 (“**2020 AGM**”), in which the Directors are authorised and empowered to, *inter alia*, allot and issue Shares in the Company not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of the General Mandate, of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed 50% of the total issued Shares (excluding treasury shares and subsidiary holdings).

As at the date of the 2020 AGM, the total number and issued share capital of the Company was 599,960,890 Shares (excluding Treasury Shares and subsidiary holdings). Therefore, the total number of Shares that may be issued pursuant to the General Mandate is 599,960,890, of which the maximum number of Shares to be issued other than on a pro-rata basis is 299,980,445 Shares. The Company had, on 14 October 2021, issued 18,518,518 Shares at the issue price of S\$0.0270 per placement share under the General Mandate pursuant to a placement exercise which was completed on 14 October 2021 (the “**Previous Placement Exercise**”), raising net proceeds of approximately S\$424,000. As 18,518,518 Shares were previously issued under the General Mandate, the Company is authorised to issue the balance of up to 281,461,927 Shares other than on a pro-rata basis. Accordingly, the proposed allotment and issuance of 48,309,179 Placement Shares is within the limits of the General Mandate approved by the shareholders of the Company at the 2020 AGM.

2.4. Application to the SGX-ST

The Company will be making an application to the SGX-ST, through the Sponsor, PrimePartners Corporate Finance Pte. Ltd., to obtain the listing of and quotation for such Placement Shares on the Catalist of SGX-ST (the “**Listing Approval**”). The Company will make the necessary announcement once the Listing Approval has been obtained from the SGX-ST.

3. SALIENT TERMS OF THE PLACEMENT AGREEMENT

3.1. Subscribers' Undertaking

Pursuant to the Placement Agreement, the Subscribers undertakes that it shall not seek management control of the Company.

3.2. Placement Completion

The allotment and issuance of the Placement Shares is scheduled to take place on the date falling no later than two (2) market days following the satisfaction or waiver (as the case may be) of the Conditions Precedents as set out in paragraph 3.3 below (the "**Issue Date**").

3.3. Conditions Precedent

The Subscribers shall not be obliged to subscribe for any Placement Shares unless the following conditions (the "**Conditions Precedent**") have been satisfied on or prior to the date on which the Conditions Precedents are fulfilled:

- (a) the Listing Approval being obtained from the SGX-ST (on conditions, if any, reasonably acceptable to the Company and the Subscribers, and to the extent that any conditions for the listing of and quotation for such Placement Shares on the Catalist of the SGX-ST are required to be fulfilled on or before the Issue Date, they being so fulfilled) having been obtained and such approval being in full force and effect as at the Issue Date;
- (b) the General Mandate being in full force and effect as at the Issue Date;
- (c) the issue and subscription of such Placement Shares on the Issue Date not being prohibited by its constitutive documents, any statute, order, rule or regulation promulgated after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company; and
- (d) all the representations and warranties of each of the Company and the Subscribers being true and accurate in all material respects as of the date of the Placement Agreement and as at the Issue Date.

3.4. Costs and Expenses

Pursuant to the Placement Agreement, the Company will bear and pay:

- (a) all cost and expenses incurred by the Company in connection with the preparation of the Placement Agreement and any other related agreements, and any other documents relating to the issuance and allotment of the Placement Shares pursuant to the terms and conditions of the Placement Agreement;
- (b) all professional fees, cost and expenses incurred by the Subscribers in connection with the preparation of the Placement Agreement and facilitating the subscription of the Placement Shares unless agreed otherwise in writing between the Company and the Subscribers;
- (c) all fees, costs, and expenses incurred or payable in connection with the listing of the Placement Shares on the Catalist of the SGX-ST;
- (d) the fees and expenses of the Company's legal and other professional advisers (including auditors, if any) incurred in connection with the issue of the Placement Shares pursuant to the terms and conditions of the Placement Agreement;

- (e) in connection with the Placement Shares subscribed by Sycamore Equity Fund SP, an administrative fee of 10.0% of the aggregate nominal value of the Placement Shares subscribed for (the “**Sycamore Administrative Fee**”) is payable to Sycamore Capital SPC on the Issue Date of such Placement Shares. The Company agrees that to facilitate this payment, the Sycamore Administrative Fee payable shall be deducted by Sycamore Capital SPC directly from the Subscription Price payable by Sycamore Equity Fund SP to the Company for the subscription of the Placement Shares, unless otherwise agreed in writing between the parties;
- (f) in connection with the Placement Shares subscribed by FTAG Asset Management Ltd., an administrative fee of 10.0% of the aggregate nominal value of the Placement Shares subscribed for (the “**FTAG Administrative Fee**”) is payable to FTAG Asset Management Ltd.’s fund administrator, FTAG Capital Markets Ltd, on the Issue Date of such Placement Shares. The Company agrees that to facilitate this payment, the FTAG Administrative Fee payable shall be deducted by FTAG Capital Markets Ltd directly from the Subscription Price payable by FTAG Asset Management Ltd. to the Company for the subscription of the Placement Shares, unless otherwise agreed in writing between the parties;
- (g) all fees, costs and expenses incurred in connection with the continued listing or listing of the Placement Shares on the Catalist; and
- (h) all other costs and expenses in connection with the performance by the Company of its obligations under the Placement Agreement.

The Company notes that the Sycamore Administrative Fee and the FTAG Administrative Fee are expenses payable directly to Sycamore Capital SPC and FTAG Capital Markets Ltd, and not for the benefit of the Subscribers. The imposition of such an expense is common in similar fund raising exercises. The Sycamore Administrative Fee and FTAG Administrative Fee was commercially negotiated between the Company and the Subscribers, and the Company made a commercial decision to incur such an expense in the interests of the Company in light of the difficulties in obtaining financing due to the current COVID-19 pandemic.

3.5. Sycamore’s undertaking under the Framework Agreement

Under the framework agreement dated 20 September 2021 (as amended by the amended and restated framework agreement dated 12 October 2021) in connection with the Previous Placement Exercise, Sycamore Capital SPC, acting on behalf of and for the account of Sycamore Equity Fund SP (a segregated portfolio set up under Sycamore Capital SPC), had given an undertaking that it shall not hold more than 5% of the enlarged share capital of the Company at any one time (“**Sycamore’s Undertaking**”). In light of the initial structure of the Previous Placement Exercise being for a maximum of 250,000,000 placement shares in a maximum of ten (10) separate tranches, Sycamore’s Undertaking was given to demonstrate that it had no intention to take control of the Company. The structure of the Previous Placement Exercise was subsequently simplified to be for only 18,518,518 Placement Shares in a single placement following the entry into the amended and restated framework agreement dated 12 October 2021.

As the current structure of the Proposed Placement allows the parties to determine the exact shareholding after the placement, the initial concern is no longer an issue and the Company and Sycamore Capital SPC have therefore agreed, under the Placement Agreement, to revoke Sycamore’s Undertaking.

4. THE SUBSCRIBERS

Shareholders should note that information relating to the Subscribers in this paragraph and elsewhere in this announcement was provided by the Subscribers. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

- 4.1. Pursuant to the Placement Agreement, the Company will allot and issue to the following Subscribers the number of Placement Shares set out against their respective names below:

Name of Subscriber	Number of Placement Shares	Existing interest in Shares (direct or deemed)	Interest in Shares after the Proposed Placement (direct or deemed)	As a percentage of the Company's issued share capital as at the date of this announcement (%) ⁽¹⁾	As a percentage of the Company's enlarged share capital post-issuance of the Placement Shares (%) ⁽²⁾
Sycamore Capital SPC	33,816,425	34,918	33,851,343	5.51	5.10
FTAG Asset Management Ltd.	14,492,754	0	14,492,754	2.36	2.19

Notes:

- (1) Based on the existing and paid-up capital of 614,829,408 Shares (excluding 16,358,600 Treasury Shares and subsidiary holdings) as at the date of this Announcement.
- (2) Based on the enlarged share capital of 663,138,587 Shares immediately following the allotment and issuance of 48,309,179 Placement Shares.

4.2. Information on Sycamore Capital SPC

Sycamore Capital SPC is an exempted company incorporated and registered as a segregated portfolio company in the Cayman Islands and is acting on behalf of and for the account of the Sycamore Equity Fund SP. Sycamore Equity Fund SP is a segregated portfolio set up under Sycamore Capital SPC and is registered as a restricted scheme with the Monetary Authority of Singapore.

The investors of Sycamore Equity Fund SP consist of accredited investors only.

Sycamore Capital SPC has appointed Lucerne Asset Management Pte. Ltd. ("**Lucerne**"), a capital markets services license holder granted by the Monetary Authority of Singapore to serve as the discretionary investment manager of all the investments of the Sycamore Capital SPC. Lucerne is incorporated on 24 June 2016 in Singapore and its registered office is at 80 Tras Street, #01-03, Singapore 079019.

The investment objective of Sycamore Equity Fund SP is to achieve medium to long-term capital appreciation through investment in various financial instruments that assist small and medium capitalisation, publicly listed companies. The investment strategy of Sycamore Equity Fund SP is to invest in quoted shares and options but not limited to warrants, rights issue, preference shares, notes, convertible instruments and derivatives.

Sycamore Capital SPC was identified and introduced by business contacts of the Company. Sycamore Capital SPC has expressed an interest to invest in the Company and, as the Company understands, has entered into the Placement Agreement for financial investment purposes and will not be holding the Placement Shares on trust or as a nominee. The rationale for placing to Sycamore Capital SPC is for the fundraising purposes as set out in Paragraph 5 below.

As at the date of the Placement Agreement, Sycamore Capital SPC:

- (a) has a shareholding interest of approximately 0.01% in the Company;
- (b) save for the Previous Placement Exercise, has no existing and past connection (including but not limited to business relationships) with the Company, its directors, and substantial shareholders of the Company or their respective associates;
- (c) is not a restricted person under Rule 812(1) of the Catalist Rules;
- (d) is not co-operating, pursuant to an agreement, arrangement or understanding between any of the shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company; and
- (e) is not acting in concert with any shareholder of the Company, as defined in the Singapore Code on Take-overs and Mergers.

4.3. Information on FTAG Asset Management Ltd.

FTAG Asset Management Ltd. (formerly known as GCX Financial Group Ltd) is a Labuan company incorporated under the Labuan Companies Act 1990. It is an Asia-focused financial services group dedicated to serving their investors with the most advanced and bespoke solutions in fund management and wealth management. It is licensed by the Labuan Financial Services Authority to carry on business as a Labuan fund manager and its principal activities include setting up funds, fund management, and complex wealth management solutions. The investors of FTAG Asset Management Ltd. consist of accredited investors who are individuals based in Southeast Asia.

FTAG Asset management Ltd.'s investment objectives and investment strategy is to invest predominantly in but not limited to equities, warrants, convertibles, derivatives and rights.

FTAG Asset Management Ltd. was identified and introduced by business contacts of the Company. FTAG Asset Management Ltd. has expressed an interest to invest in the Company and, as the Company understands, has entered into the Placement Agreement for financial investment purposes and will not be holding the Placement Shares on trust or as a nominee. The rationale for placing to FTAG Asset Management Ltd. is for the fundraising purposes as set out in Paragraph 5 below.

As at the date of the Placement Agreement, FTAG Asset Management Ltd.:

- (a) has no shareholding interest in the Company;
- (b) has no existing and past connection (including but not limited to business relationships) with the Company, its directors, and substantial shareholders of the Company or their respective associates;
- (c) is not a restricted person under Rule 812(1) of the Catalist Rules;
- (d) is not co-operating, pursuant to an agreement, arrangement or understanding between any of the shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company; and

(e) is not acting in concert with any shareholder of the Company, as defined in the Singapore Code on Take-overs and Mergers.

- 4.4. The Company confirms that, to the best of its knowledge, save for the Previous Placement Exercise, none of its Directors or substantial shareholders have any connection (including but not limited to business relationships) with the Subscribers, its directors and substantial shareholders or their respective associates.
- 4.5. No placement agent has been appointed in respect of the Proposed Placement and no commission fee, referral fee or introducer fee was paid or is payable by the Company, whether to the business contacts who introduced the Subscribers or any third-party, in connection with the Proposed Placement.

5. RATIONALE AND USE OF PROCEEDS

5.1. Rationale

The Company intends to use the net proceeds from the Proposed Placement for opportunistic acquisitions, joint ventures, partnerships and investments to provide the Group with new revenue streams and improve its prospects, so as to enhance shareholder value and for working capital purposes. In the event such acquisitions require the approval of shareholders of the Company under the Catalist Rules, the Company will procure such approval to be sought at an extraordinary general meeting of shareholders to be convened. In the event that the Company is not able to identify and acquire suitable business investments and/or targets, the proceeds from the Proposed Placement shall be re-deployed for potential future business investments, acquisitions and/or for working capital.

5.2. Use of Proceeds

The amount of gross proceeds to be raised pursuant to the Placement Agreement is S\$1,000,000 and the estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses (including (i) listing and application fees, (ii) the Sycamore Administrative Fee and the FTAG Administrative Fee, and (iii) professional fees and other miscellaneous expenses of approximately S\$126,000.00), is approximately S\$874,000.00 (the “**Net Proceeds**”).

The Company intends to use such Net Proceeds in the following estimated proportions:

Proposed use of Net Proceeds	% of Net Proceeds
Expansion via mergers and acquisitions, joint ventures, partnerships and investments	80%
General working capital	20%
Total	100%

Shareholders should note that the proposed use of the Net Proceeds as set out above only serves as a general guideline. In the event that the Net Proceeds initially allocated for the purposes set out above are not fully applied towards such uses for any reasons, the Company will announce the reasons for any such deviation.

Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with banks and/or financial institutions, invested in short term money markets or debt instruments or for any other purpose on a short term basis as the Directors may, in their absolute discretion, deem fit from time to time.

Pursuant to Rule 704(30) and Rule 1204(22) of the Catalist Rules, the Company will make periodic announcements on the utilisation of the Net Proceeds, as and when such proceeds are materially disbursed or utilised and, whether such use is in accordance with the stated use. The Company will also provide a status report on the specific use of such proceeds in the Company's interim and full year financial results announcements as well as the annual report of the Company. In addition, if there is any material deviation from the specific use of such proceeds, the Company will make a separate announcement setting out the reasons for such deviation. The Company undertakes to provide a breakdown with specific details on the use of the proceeds for working capital in these announcements and annual reports.

The Company had also raised net proceeds of approximately S\$424,000 from the Previous Placement Exercise which is intended to be used for opportunistic acquisitions, joint ventures, partnerships and investments to provide the Group with new revenue streams and improve its prospects, so as to enhance shareholder value and for working capital purposes. [As at the date of this announcement, none of the net proceeds from the Previous Placement Exercise has been utilised.

6. FINANCIAL EFFECTS

The financial effects of the Proposed Placement on the net tangible assets ("**NTA**") per Share and the loss per Share ("**LPS**") are prepared strictly for illustrative purposes only and do not purport to reflect the actual future results and financial position of the Group following completion of the Proposed Placement.

The financial effects have been computed based on the following bases and assumptions:

- (a) the audited financial statements of the Group for the financial year ended 31 August 2021 ("**FY2021**");
- (b) the effect of the allotment and issuance of Placement Shares on the NTA per Share is computed based on the assumption that the allotment and issuance of Placement Shares was completed on 31 August 2021;
- (c) the effect of the allotment and issuance of Placement Shares on the LPS per Share is computed based on the assumption that the Proposed Placement was completed on 1 September 2020; and
- (d) the estimated fees and expenses (including the Sycamore Administrative Fee and the FTAG Administrative Fee) incurred by the Company in connection with the Proposed Placement is approximately S\$126,000.

The LPS and the NTA per Share based on the audited financial statements of the Group for FY2021 are computed as follows:

	Before the Proposed Placement	After the allotment and issuance of all the Placement Shares
Loss attributable to owners of the parent (S\$'000)	(7,824)	(7,824)
Weighted average number of Shares (excluding Treasury Shares and subsidiary holdings)⁽¹⁾	614,829,408	663,138,587
LPS (Singapore cents)	(1.27)	(1.18)
Share Capital (S\$'000)	49,503	50,377

NTA(S\$'000)⁽²⁾	32,231	33,105
Number of issued Shares (excluding Treasury Shares and subsidiary holdings)⁽¹⁾	614,829,408	663,138,587
NTA per Share (Singapore cents)	5.24	4.99 ⁽³⁾

Notes:

- (1) The number of Shares exclude 16,358,600 treasury shares
- (2) NTA is computed based on total assets less total liabilities and less intangible assets
- (3) Taking into account the estimated fees and expenses for the Proposed Placement of approximately S\$126,000.00

7. DIRECTORS' OPINION

The Directors are of the opinion that, after taking into consideration: (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and (b) the present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the aforementioned, the Company has decided to undertake the Proposed Placement for the reasons as set out in Paragraph 5 above.

8. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect in the Proposed Placement, other than through their respective shareholdings in the Company (if any).

9. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements as and when there are further developments.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection at the registered office of the Company at 26 Boon Lay Way #01-80 Singapore 609970 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Sin Kwong Wah, Andrew
Executive Director and CEO

16 December 2021

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

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