

PROPOSED PLACEMENT OF UP TO 250,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

– ENTRY INTO AN AMENDED AND RESTATED FRAMEWORK AGREEMENT

*Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Company's announcement dated 20 September 2021 in relation to the Proposed Placement ("**Announcement**").*

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Miyoshi Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Announcement and wishes to announce that the Company and the Subscriber (the "**Parties**") have mutually agreed to revise the structure of the Proposed Placement and an amended and restated framework agreement (the "**Amended and Restated Framework Agreement**") has been entered into on 12 October 2021, the salient terms of which are elaborated below.

2. THE AMENDED AND RESTATED FRAMEWORK AGREEMENT

Further to the entry into the Amended and Restated Framework Agreement, the Parties have agreed that the Subscriber shall subscribe for only 18,518,518 Placement Shares at an issue price of S\$0.0270 per Placement Share, such issue price calculated at 90% to the weighted average price per Share based on trades done on the SGX-ST on 20 September 2021, being the full market day on which the original Framework Agreement was entered into. The Subscriber shall no longer subscribe for a maximum of 250,000,000 Placement Shares in a maximum of ten separate tranches via Subscription Notice(s). All other relevant terms and conditions of the Proposed Placement remain the same and will only be applicable for this single placement.

As at the date of this announcement, the Company has an issued share capital of 596,310,890 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 614,829,408 Shares (excluding Treasury Shares and subsidiary holdings), representing approximately 3.1% of the issued Shares of the Company as at the date of this Announcement and approximately 3.0% of the issued Shares comprised in the enlarged share capital of the Company post-issuance of the Placement Shares. Such Placement Shares will be issued pursuant to the General Mandate granted by the shareholders of the Company at the 2020 AGM, and as no Shares were previously issued under the General Mandate, the Company is authorised to issue up to 299,980,445 Shares other than on a pro-rata basis. As such, the proposed allotment and issuance of 18,518,518 Placement Shares is within the limits of the General Mandate approved by the shareholders of the Company at the 2020 AGM.

The Company has submitted an application to the SGX-ST, through the Sponsor, PrimePartners Corporate Finance Pte. Ltd., to obtain the Listing Approval for the listing and quotation of the 18,518,518 Placement Shares from the SGX-ST. The Company will make the necessary announcement once the Listing Approval has been obtained from the SGX-ST.

3. RATIONALE FOR THE AMENDED AND RESTATED FRAMEWORK AGREEMENT

Notwithstanding that the Parties had originally entered into the Framework Agreement for the proposed placement of up to 250,000,000 new Placement Shares in a maximum of ten (10) separate tranches, the Parties have, in the interest of time, decided and agreed to simplify the structure of the Proposed Placement such that the Subscriber shall subscribe for only 18,518,518 Placement Shares in a single placement for the time being.

Shareholders should note that the current weighted average price of the Shares which is S\$0.0300 per Share as at 12 October 2021, as traded on the SGX-ST for the full market day on 12 October 2021, being the date of the Amended and Restated Framework Agreement, has not changed from S\$0.0300 per Share as at the date of the Original Framework Agreement and hence, Shareholders would not be disadvantaged by the Issue Price that was fixed then.

In light of the foregoing, the Board is of the view that the entry into the Amended and Restated Framework Agreement is in the best interest of the Company.

4. USE OF PROCEEDS

The amount of gross proceeds to be raised pursuant to the Amended and Restated Framework Agreement is S\$500,000 and the estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses (including (i) listing and application fees, (ii) the Administrative Fee, and (iii) professional fees and other miscellaneous expenses of approximately S\$76,000), is approximately S\$424,000 ("**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.

5. 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 2020 (“FY2020”);
- (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, in full was completed on 31 August 2020;
- (c) the effect of the allotment and issuance of Placement Shares in full on the LPS per Share is computed based on the assumption that the Proposed Placement was completed on 1 September 2019;
- (d) the estimated fees and expenses (including the Administrative Fee) incurred by the Company in connection with the Proposed Placement is approximately S\$76,000;

The LPS and the NTA per Share based on the audited financial statements of the Group for FY2020 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)	(23,357)	(23,357)
Weighted average number of Shares⁽¹⁾	596,310,890	614,829,408
LPS (Singapore cents)	(3.92)	(3.80)
Share Capital (S\$'000)	49,079	49,503
NTA⁽²⁾ (S\$'000)	40,254	40,678
Number of issued Shares⁽¹⁾	596,310,890	614,829,408
NTA per Share (Singapore cents)	6.75	6.62 ⁽³⁾

Note:

- (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\$76,000

6. 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 4.1 of the previous Announcement.

7. 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).

8. 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.

9. 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Amended and Restated Framework 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

12 October 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.

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