

PROPOSED PLACEMENT OF UP TO 45,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF MIYOSHI LIMITED

1. INTRODUCTION

- 1.1. The Board of Directors (the “**Board**”) of Miyoshi Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 31 May 2017 entered into a placement agreement (“**Placement Agreement**”) with CIMB Securities (Singapore) Pte. Ltd. as the placement agent (the “**Placement Agent**”).
- 1.2. Pursuant to the Placement Agreement, the Company has agreed to offer by way of private placement, and the Placement Agent has agreed, on a best efforts basis, to procure subscribers for an aggregate of up to 45,000,000 new ordinary shares in the capital of the Company (the “**Placement Shares**”), at an issue price of S\$0.068 for each Placement Share (the “**Placement Price**”), amounting to an aggregate consideration of up to S\$3,060,000 (the “**Proposed Placement**”).
- 1.3. Assuming that the Placement Shares are fully subscribed, the Placement Shares represent approximately 10.02% of the existing issued and paid-up share capital of the Company of 449,029,490 ordinary shares as at the date of this announcement (excluding treasury shares). Immediately after completion of the Proposed Placement and assuming that no further shares are issued prior thereto, the Proposed Placement will increase the issued and paid-up share capital of the Company to 494,029,490 ordinary shares and the Placement Shares will represent approximately 9.11% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares).

2. GENERAL MANDATE

- 2.1. The Placement Shares will be allotted and issued under the general mandate pursuant to section 161 of the Companies Act, Chapter 50 of Singapore, granted by the shareholders of the Company (the “**Shareholders**”) at the annual general meeting of the Company held on 23 December 2016 (the “**General Mandate**”). As such, no circular will be issued by the Company in connection with the Proposed Placement.
- 2.2. The total number of ordinary shares (excluding treasury shares) in the capital of the Company as at the time of passing of the resolution approving the General Mandate was 452,669,490. As at the date of this announcement, the Company has not issued any Shares under the General Mandate, and no event has occurred which would result in any adjustment in the number of Shares on which the General Mandate is based. The proposed allotment and issuance of up to 45,000,000 Placement Shares will fall within the limits of the General Mandate.

3. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

3.1. Placement Price

In accordance with and subject to the terms and conditions of the Placement Agreement, the Placement Agent has agreed to use its best efforts to procure subscriptions for, and payment of the Placement Shares at the Placement Price, which represents a discount of approximately 9.93% (not more than 10%) to the volume weighted average price of S\$0.0755 for each Share (as defined below), based on trades done on the SGX-ST on 31 May 2017 (being the full day the SGX-ST is open for trading in securities (“**Market Day**”) on which the Placement Agreement is signed).

3.2. Placement Shares

The Placement Shares shall be free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the then existing issued ordinary shares in the capital of the Company (“**Shares**”) at the time of issue except for any dividends, rights, distributions, allotments or other entitlements the record date of which falls before the date of issue of the Placement Shares.

3.3. Conditions Precedent

Completion of the Proposed Placement is conditional upon, *inter alia*:

- (a) the grant of listing and quotation notice of the Placement Shares on the sponsor-supervised platform (“**Catalist**”) of the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Placement Agent, and to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before Completion Date (as defined below), they are so fulfilled;
- (b) the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) being applicable to the Proposed Placement under the Placement Agreement;
- (c) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore (including without limitation, the SGX-ST, the Monetary Authority of Singapore and/or the Securities Industry Council) which is applicable to the Company or the Placement Agent; and
- (d) the representations, warranties and undertakings set out in the Placement Agreement remaining true and correct in all respects as at the Completion Date (as defined below) and the Company having performed all of its obligations hereunder to be performed on or before the Completion Date.

3.4. Cut-off Date

Under the Placement Agreement, the Conditions as set forth in the Placement Agreement are to be satisfied on or before the cut-off date of not more than 30 days after the date of the Placement Agreement or such other date as the Placement Agent and the Company may agree in writing (the “**Cut-off Date**”). In the event that any of the Conditions set forth in the Placement Agreement are not satisfied on or before the Cut-off Date, the Placement Agreement shall *ipso facto* cease and terminate thereafter and the Company and the Placement Agent shall be released and discharged from their respective obligations under the Placement Agreement and neither the Placement Agent nor the Company shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise, save that the Company shall remain liable for the indemnities as set forth in the Placement Agreement.

3.5. Completion

Completion under the Placement Agreement (“**Completion**”) shall take place on the date falling three (3) Market Days after the date on which the last in time of the Conditions to the Completion is satisfied or such other date as the Parties may agree in writing, but in any event being a date no later than the Cut-off Date (“**Completion Date**”).

3.6. **Commission**

In consideration of the Placement Agent procuring subscribers on a best effort basis for the Placement Shares, the Company shall pay to the Placement Agent a placement commission of 3% of the Placement Price for each Placement Share (and if applicable, goods and services tax thereon) allotted, issued and subscribed. No part of the commission will be shared with any placee.

3.7. **General**

The Placement Shares will not be placed out to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Listing Manual Section B: Rules of Catalyst of the SGX-ST ("**Catalist Rules**"), save for exceptions under Rule 812(3) of the Catalyst Rules.

4. **RATIONALE AND USE OF PROCEEDS**

4.1. Based on the Placement Price of S\$0.068 per Placement Share and assuming the Placement Shares will be taken up in full, the Proposed Placement will allow the Company to raise net cash proceeds (after deducting estimated expenses of approximately S\$109,800) of approximately S\$2,950,200 (the "**Net Proceeds**").

4.2. The Company intends to utilise the Net Proceeds as follows:

- (a) 35% of the Net Proceeds will be used to support new business investments and acquisitions; and
- (b) 65% of the Net Proceeds will be utilised for general working capital purposes.

4.3. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such Net Proceeds are materially disbursed, and whether the use of Net Proceeds is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company's interim and full-year financial statements and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

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

5. **FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT**

5.1. The financial effects of the Proposed Placement set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Placement. The table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:

- (a) the latest audited consolidated financial statements of the Group for the financial year ended 31 August 2016;
- (b) the financial effect on the consolidated net tangible asset ("**NTA**") per Share is computed based on the assumption that the Proposed Placement was completed on 31 August 2016;

- (c) the financial effect on the consolidated earnings per Share ("**EPS**") is computed based on the assumption that the Proposed Placement was completed on 1 September 2015; and
- (d) the Proposed Placement of 45,000,000 Placement Shares at the Placement Price of S\$0.068 each.

	Before completion of Proposed Placement	After completion of Proposed Placement
Paid-up share capital (S\$'000)	39,309	42,259
Number of Shares	452,669,490	497,669,490
NTA ⁽¹⁾ (S\$'000)	56,191	59,141
NTA per share (Singapore cents)	12.41	11.88 ⁽²⁾
Profit attributable to owners of the parent (S\$'000)	1,153	1,153
EPS (Singapore cents)	0.25	0.23

Notes:

- (1) NTA is computed based on total assets less total liabilities and less intangible assets
- (2) Taking into account the estimated fees and expenses for the Proposed Placement of approximately S\$109,800

6. DIRECTORS' CONFIRMATION

The Proposed Placement will not result in any transfer of controlling interest in the Company.

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

The Directors are of the opinion that, after taking into consideration the present bank facilities, and Net Proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT TO BE ISSUED

The Proposed Placement will be undertaken pursuant to Sections 272B of the SFA. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Proposed Placement.

8. ADDITIONAL LISTING APPLICATION

The sponsor of the Company, CIMB Bank Berhad, Singapore branch, will be making an application on behalf of the Company to the SGX-ST for the admission of the Placement Shares to Catalist of the SGX-ST and for the listing and quotation of the Placement Shares on Catalist of the SGX-ST. The Company will make the necessary announcements once the approval in-principle for the listing and quotation of the Placement Shares has been obtained from the SGX-ST.

9. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or, to the best of the Company's knowledge, the substantial shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Placement (other than through their respective shareholdings in the Company) except that the Placement Agent may elect to place the Placement Shares to substantial shareholders as permitted under Rule 812(3) of the Catalist Rules.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. Completion of the Proposed Placement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance 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 when there are further developments. Shareholders 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.

11. 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 and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this 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.

By the Order of the Board

Sin Kwong Wah, Andrew
Executive Director and CEO

31 May 2017

*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 Catalyst. 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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