

NO SIGNBOARD HOLDINGS LTD.
(Company Registration No. 201715253N)
(Incorporated in Singapore)

Response to SGX-ST Queries

The Board of Directors (the “**Board**”) of No Signboard Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 1 May 2022 (the “**1 May Announcement**”) in relation to the Company’s entry into the memorandum of understanding (“**MOU**”) with Gazelle Ventures Pte. Ltd. (the “**Investor**”) in respect of:

- (a) a proposed investment by the Investor of a sum of up to S\$5,000,000 in the Company (the “**Proposed Investment**”); and
- (b) the provision of emergency funding of S\$450,000 by the Investor to the Company (“**Rescue Financing**”) subject to the satisfaction of the necessary conditions as agreed between the Investor and the Company

(collectively, the “**Proposed Transactions**”).

Unless otherwise defined, all capitalised terms used herein shall bear the meanings given in the relevant announcements.

The Company has received the following queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to the MOU disclosed in the 1 May Announcement, and has set out its responses below:

QUERY 1

It is stated that S\$500,000 from the Investor will be to subscribe for new shares in the Company such that the Investor will hold 75% stake in the enlarged capital of the Company.

- (a) **What is the issue price per share?**
- (b) **How did the Company arrive at such issue price?**

Company’s response

As at the date of the 1 May Announcement, the Company is in the initial stages of a restructuring exercise pursuant to which the Company is proposing to undertake a scheme of arrangement, the terms and details of which are still subject to negotiations with its creditors (“**Proposed Scheme**”). Under the terms of the Proposed Scheme that is being contemplated, the Company’s creditors may have their outstanding debts resolved by way of some debt-equity conversion into ordinary shares of the Company. It is contemplated that any shares which may be issued through

this proposed debt-equity conversion may result in the creditors and existing shareholders of the Company accounting for up to 25% of the Company's enlarged share capital of the Company, following the completion of the Proposed Transactions. If so, the remaining 75% may be allotted and issued to the Investor under the terms of the Proposed Scheme. However, this proposed investment structure has not been finalised as the Company is still in discussions with the Investor and Deloitte & Touche Financial Advisory Services Pte Ltd ("**Deloitte**"), the proposed scheme manager, to refine the terms and structure of the Proposed Scheme, including but not limited to the issue price per share and the eventual shareholding structure.

In view of the above, the issue price has not been determined as at the date of this announcement as the issue price will be dependent on the number of new shares that will be eventually allotted to creditors under the proposed debt-equity conversion.

- (c) **The Company's share price and market capitalisation prior to the suspension in trading on 24 January 2022 was S\$0.031 and S\$14.33 million respectively. Please provide details of the Board's considerations as to why a subscription price of S\$500,000 for 75% stake in the Company is in the best interest of the Company and its minority shareholders.**

Company's response

The Board is of the view that the Proposed Transactions as set out in the MOU must be looked at as a whole, and not just the Subscription Amount of S\$500,000 in return for a 75% stake in the Company. Under the MOU, it is envisaged that the Investor will provide an aggregate investment amount of S\$5,000,000 under the Proposed Investment ("**Aggregate Investment Amount**"), comprising the Subscription Amount of S\$500,000 and the Additional Investment Amount of S\$4,500,000.

The Aggregate Investment Amount includes the emergency funding amount of S\$450,000 ("**Emergency Funding Amount**") under the Rescue Financing portion of the Proposed Transactions. The Rescue Financing is critical at this stage to meet the immediate short-term funding required for the Company's existing working capital requirements..

The Company has reached out to other existing and potential lenders for financing, but has been unable to secure any financing as of the 1 May announcement. In the event the Company is unable to secure any alternative short-term financing, the Group will not be in a position to continue its operations, which is not in the interest of the Company or of its stakeholders (who are namely the shareholders and creditors of the Company). On this basis, the Board has determined that the entry into the MOU with the Investor is in the best interests of the Company and its stakeholders.

Further, as mentioned in response to Query 1(a) above, the issue price has not been determined. If the discount presents more than 10% of the prevailing market price then, as required under Rule 811 of the Catalist Rules, specific shareholder approval will be obtained in accordance with Rule 811(3) of the Catalist Rules.

QUERY 2

It is disclosed that the Investor is a Singapore-incorporated company jointly owned by Gazelle Capital Pte Ltd (“GC”) and Valiant Investments Ltd (“VI”). We noted that both GC and VI are family offices.

(a) Who are the beneficial owners of GC and VI?

Company’s response

Mr. Lim Teck-Ean and Ms. Lim Su-Lynn are the beneficial owners of GC.

VI is a company registered in Hong Kong. Its shareholders are Forerun Holdings Limited, Lin Xuanqing Zachery, Yew Eng Piow and Lim Chong Chieh Bryan.

Forerun Holdings Limited, the supermajority shareholder of VI, is a company registered in the British Virgin Islands. Ms. Eva Wong is the sole shareholder of Forerun Holdings Limited.

(b) How were the Investor, GC and VI introduced to the Company?

Company’s response

The Company was introduced by Deloitte to Tardis Capital (Singapore) Private Limited (“**Tardis Capital**”), a corporate advisory firm, who in turn introduced the Company to the Investor.

Tardis Capital has been engaged by the Investor to look for investment opportunities. The Company was approached by Tardis Capital through Deloitte, which then connected Tardis Capital and the Investor with the Company. As Tardis Capital is being engaged by the Investor, no commission or fee is payable by the Company to Tardis Capital in connection with the Proposed Transactions.

(c) It is stated that the Investor invests in food, agri-tech and sustainable agriculture-related businesses. What are the Investor’s plans for the Company?

Company’s response

The local food and beverage industry in which the Group operates has been materially and adversely impacted by the COVID-19 pandemic. The Company has, with assistance of its professional advisers, been taking steps to manage costs, including reviewing and implementing various cost-cutting and cost control measures.

The Company is committed to focusing on its existing core businesses, and expects the demand for the Group’s businesses to improve with the easing of COVID-19 related restrictions (such as travel and dining restrictions). As the COVID-19 situation improves in the future, the Company will continue to monitor the situation and may explore new areas of opportunities in other food related businesses should the opportunity arise to increase the revenue streams and to ensure sustainability and growth going forward. At this stage, the Company has not identified and is not in negotiations on any such opportunities.

The Investor is aware of, aligned with and supportive of the above-mentioned plans of the Company. The Investor is also exploring other business opportunities for the Company in parallel and if any of these business opportunities materialize, the Company will make further announcements at an appropriate juncture in the future, in compliance with the requirements of the Catalist Rules.

QUERY 3

One of the conditions precedent to the Proposed Investment by the Investor is the termination of all other agreements, arrangements or transactions with any third party, in relation to any funding, rescue funding, white knight arrangements and any investments or acquisition of shares in the Company within a time period which is acceptable to the Investor in its sole discretion.

Why is it in the interest of the Company to leave the Investor with the sole discretion in relation to the above condition?

Company's response

The Company and the Investor collectively believe that it is the most constructive and efficient approach for the Company to be in discussions with only one party at any point of time in relation to the restructuring exercise and future business plans of the Company, and this would be in the best interests of the Company and stakeholders. As such, this is a mutually agreed term as it gives the Company the necessary time to agree and terminate any pre-existing agreements.

QUERY 4

What due diligence has the Company done on the Investor?

Company's response

The Company has done the checks and searches on the Investor's corporate profiles and obtained the CVs of the CEO/Director and the COO of GV (the 2 individuals proposed to be nominated as directors of the Company ("**Nominated Directors**")) and the supermajority shareholder of VI so far. The Company's Independent Directors, CEO and CFO have had discussions with the Investor to find out more about the Investor's investments and business, and their plans for the Company. In addition, the Company had also discussed with the Investor on its ability and willingness to provide the necessary financing by way of an escrow arrangement. If necessary, during the course of negotiations with the Investor, the Company may perform additional checks as and when required.

QUERY 5

What is the status of the Scheme of Arrangement for the restructuring of existing liabilities?

Company's response

As mentioned above in the response to Query 1(a), the Company is currently in discussions with Deloitte, the proposed scheme manager, to refine the terms and structure of the Proposed Scheme, including but not limited to the issue price per share and the eventual shareholding structure.

QUERY 6

The MOU includes provision of S\$450,000 Rescue Financing by the Investor to the Company. Such Rescue Financing is subject to, amongst others, the appointment of 2 directors nominated by the Investor to the Company's board; appointment of investor representatives nominated by the Investor to act as signatories of the Rescue Financing bank account.

- (a) Please provide details on who the 2 directors will be and the reasons behind the decision to appoint them.**
- (b) Please explain the rationale behind the appointment of the 2 directors by the Investor even though there is no certainty that the non-binding MOU will proceed to a binding agreement; and that there is no certainty that the Proposed Investment by the Investor will be completed as the Proposed Investment is subject to fulfilment of many conditions, where many of which are beyond the control of the Company and / or the Investor.**

Company's response

Following the signing of the non-binding MOU, it is agreed with the Investor that the funds will be held in an escrow account and to be managed by an escrow agent, and the drawdown of the funds will be subject to the terms of the escrow agreement.

The Nominated Directors will be Lim Teck-Ean and Tan Keng Tiong, Alvin.

Lim Teck-Ean is a director, shareholder and one of the beneficial owners of the Investor. Tan Keng Tiong, Alvin is the Chief Operating Officer of the Investor.

The appointment of the Nominated Directors is a condition precedent to the Rescue Financing. As such, it is the intention of the Parties to enter into the Super Priority Financing Agreement, which is a legally binding document pursuant to which the Company shall then proceed with the appointment of the Nominated Directors after the Nominating Committee of the Company and the

Board reviews their respective candidature for the position as a Director in the Company. It is envisaged that the appointment of the Nominated Directors will take place upon completion of the Super Priority Financing Agreement.

The Nominated Directors will not be nominated to any committees of the Company. In addition, they will abstain from voting on any matters concerning the Proposed Investment and the Proposed Transactions until completion of the Proposed Investment and Proposed Transactions. This is to mitigate any conflict-of-interest issues for the Nominated Directors in connection with the carrying out of their directors' duties to the Company in the course of their appointment as directors on the Board. For the avoidance of doubt, the Company will ensure that it is in compliance with the independence requirements of the Board under the Catalist Rules and that Singapore Code of Corporate Governance.

(c) **In the event the Proposed Investment by the Investor does not proceed to completion, will the 2 directors nominated by the Investor still remain on the board of the Company?**

Company's response

The Company will procure, and the Investor has verbally agreed to provide, written undertakings that if the Proposed Investment is not completed, the Nominated Directors shall resign within a specified number of working days as agreed between the Company and the Investor in the definitive agreements. The Company is in the process of obtaining the above undertakings from the Investor.

QUERY 7

Please explain if the funds from the Proposed Investment will be sufficient to resolve the going concern issue for the Company, and if the Company has any other plans to help resolve its going concern issue.

Company's response

The Company is in the initial stages of a court-supervised restructuring exercise which will include the Proposed Scheme to its creditors to reorganize its liabilities and deleverage the balance sheet of the Group. The terms of the Proposed Scheme are subject to finalization through discussions and negotiations with the Company's creditors and the Investor on the terms of the definitive agreement (the "**Restructuring Exercise**"). Please refer to Company's response to Query 1 for further details.

The funds from the Proposed Investment are intended to provide the Company with the required funds for working capital purposes and to settle its liabilities upon the successful implementation of the Restructuring Exercise.

The Company endeavours to work with the Investor to address any other going concern issues that may arise during the course of the Restructuring Exercise, with the intention of enabling the Company to have sufficient working capital and to operate as a going concern.

As at the date of this announcement and barring unforeseen circumstances, the Board is cautiously optimistic that the funds from the Proposed Investment will assist in meeting the Group's working capital requirements and operate as a going concern.

The Company will make further announcements when there are material developments to the Proposed Scheme and/or the Restructuring Exercise.

QUERY 8

Please provide the Board's assessment with regards to the non-binding MOU with the Investor.

Company's response

In the Board's view, the Investor is the only potential investor that the Board has negotiated thus far that is willing to extend funding on an emergency basis, and such emergency funding is critical to the Company's and the Group's continued operations and survival, given that the Group is projected to exhaust its current cash balances in the immediate term.

As set out in the response to Query 1(c), the Company has reached out to other existing and potential lenders for financing but has been unable to secure any financing as of the date of the 1 May Announcement. In the event that the Company is unable to secure any alternative short-term financing, the Group will not be in a position to continue its operations, which is not in the interest of the Company or of its stakeholders. As at the date of this announcement and barring unforeseen circumstances, the Board is cautiously optimistic that the funds from the Proposed Investment will assist in meeting the Group's working capital requirements and operate as a going concern.

It was in view of this and for the purposes of acting in the best interests of the Company's stakeholders, that the Board had approved the entry by the Company into the MOU with the Investor.

QUERY 9

We noted that the Company's recent extension of time applications were granted on the basis of the conditional loan agreement entered into between the Company and Mr. Bryan Lim Soon Fang and the conditional sales and purchase agreement entered into between the Company and Dr Ng Siau Chin. Please the Board's considerations on whether the justifications for the extension of time are still applicable.

Company's response

The application for extension of time was submitted on the basis, *inter alia*, that the Company was in negotiation with Mr. Bryan Lim Soon Fang and Dr Ng Siau Chin on the possibility of securing additional funding for the Company, however, the negotiations were not fruitful.

The conditional loan agreements were subsequently terminated and the Company had, on 29 April 2022, filed an application to the Court for the grant of a moratorium under Section 64 of the IRDA. In addition, the Company's subsidiaries, NSB Hotpot Pte. Ltd. and NSB Restaurants Pte. Ltd., had also on the same date filed applications for moratorium relief under Section 64 of the IRDA. On 5 May 2022, the Company filed an application to the Court under Section 67 of the IRDA for the debt arising from the Rescue Financing provided by the Investor, to be accorded super priority status. Please refer to the Company's response to Query 5 above, on the status of the Scheme of Arrangement.

In order to secure the future of the Company and the Group for its shareholders and its creditors, the Board considered other proposals, especially proposals which included the capacity for the provision of emergency funding to ensure that the Company has immediate cash to continue its operations. After careful consideration and deliberation by the Board of the various proposals that was made available to them, the Company decided to enter into the MOU with the Investor for the reasons set out in the response to Query 8 above.

Taking into account the recent developments as stated above, the Company will be submitting a revised application for the extension of time to the SGX-ST.

QUERY 10

We also noted that the Company and Investor agreed that they will act in good faith and work together to satisfy the conditions precedent for the Proposed Investment as reasonably practicable and in any event, no later than three (3) months from the date of entry into the MOU.

Please provide an indicative timeline providing the milestones to be achieved before the Proposed Investment is practicable.

Company's response

As set out in the responses to Query 1 and Query 7 above, the Company is in the initial stages of a court-supervised restructuring exercise. Therefore, at this juncture, the proposed timeline for the key milestones are as follows: (i) the definitive agreements are to be signed by the Company and the Investor within 30 days from the date of the MOU, (ii) the moratorium and rescue financing applications are to be made within 30 days of the date of the MOU, and (iii) subsequently, the Proposed Scheme will be targeted to complete no later than three (3) months from the date of the MOU. Nevertheless, the Company will endeavour to complete the Proposed Scheme as soon as possible.

As of the date of this announcement, the Company has made the moratorium and rescue financing applications.

QUERY 11

Please disclose if there are any other material information that shareholders should be aware of.

Company's response

There is no material information other than the Company's Monthly Update announcement dated 29 April 2022 and announcements dated 3 May 2022 and 6 May 2022.

The Company will keep shareholders of the Company updated as and when there are further material developments in relation to this matter.

In the meantime, shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lim Yong Sim (Lin Rongsen)
Executive Chairman and Chief Executive Officer

11 May 2022

*This announcement and its contents have 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**"). The Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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