

APPENDIX DATED 31 DECEMBER 2018

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined in the section entitled “Definitions”.

This Appendix is circulated to the shareholders of No Signboard Holdings Ltd. (the “**Company**”), together with the Company’s Annual Report for FY2018. The notice of the AGM and the accompanying proxy form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix with the notice of the AGM and the accompanying proxy form immediately to the purchaser or the transferee, or to the stockbroker, bank or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited’s (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this Appendix.

This Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Mr. Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6757.



no signboard seafood

無招牌海鮮

NO SIGNBOARD HOLDINGS LTD.

(Company Registration No. 201715253N)

(Incorporated in the Republic of Singapore on 1 June 2017)

APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

TABLE OF CONTENTS

DEFINITIONS	1
LETTER TO SHAREHOLDERS	4
1. INTRODUCTION	4
2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE	4
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	18
4. DIRECTORS' RECOMMENDATIONS	18
5. DIRECTORS' RESPONSIBILITY STATEMENT	18
6. ADVICE TO SHAREHOLDERS	18
7. ACTIONS TO BE TAKEN BY SHAREHOLDERS	19
8. DOCUMENTS FOR INSPECTION	19

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	The annual general meeting of the Company. Unless the context otherwise requires, “AGM” shall refer to the annual general meeting to be convened and held at No Signboard Seafood, The Central @ Clarke Quay, 6 Eu Tong Sen Street, #04-63 The Central @ Clark Quay, Singapore 059817 on 31 January 2019 at 9.00 a.m.
“Annual Report”	:	The annual report of the Company for FY2018
“Appendix”	:	This appendix to Shareholders dated 31 December 2018 in relation to the proposed adoption of the Share Buyback Mandate
“Associate”	:	<p>(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <p>(i) his immediate family;</p> <p>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</p> <p>(iii) any company in which he or his immediate family (whether directly or indirectly) have an interest of 30% or more; and</p> <p>(b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p>
“Board”	:	The Board of Directors of the Company for the time being
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST’s Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Company”	:	No Signboard Holdings Ltd.
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time

DEFINITIONS

“Controlling Shareholder(s)”	: A person who: <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of all voting Shares; or(b) in fact exercises control over the Company
“COO”	: Chief Operating Officer
“Director(s)”	: The directors of the Company for the time being
“EPS”	: Earnings per Share
“FY”	: Financial year of the Company ended or ending 30 September (as the case may be)
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 17 December 2018, being the latest practicable date prior to the printing of this Appendix
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“NTA”	: Net tangible assets
“Relevant Period”	: The period commencing from the date on which the adoption of the Share Buyback Mandate is approved by the Shareholders and expiring on the date the next AGM is held or is required by law to be held, whichever is earlier
“Rule 14”	: Rule 14 of the Take-over Code
“Securities Account”	: A securities account maintained by a Depositor with the CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	: The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	: The Singapore Exchange Securities Trading Limited
“Share Buyback”	: The purchase or acquisition by the Company of its Shares
“Share Buyback Mandate”	: The general and unconditional mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, and the Companies Act and the Catalyst Rules
“Shareholders”	: Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is the CDP, the term “Shareholders” shall mean the Depositors who have Shares credited to their Securities Account
“Shares”	: Ordinary shares in the capital of the Company
“Substantial Shareholder”	: A person who has an interest in not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the Company

DEFINITIONS

“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“\$”, “S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent”	:	Percentage or per centum

The terms **“treasury shares”**, **“subsidiary”**, **“subsidiary holdings”** and **“related company”** shall have the meaning ascribed to it in the Companies Act.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules, the Take-over Code or any modification thereof and used in this Appendix shall have the same meaning assigned to it thereunder, as the case may be, unless otherwise provided.

Summaries of the provisions of any laws and regulations (including the Catalist Rules and the Take-over Code) contained in this Appendix are of such laws and regulations as at the Latest Practicable Date.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

NO SIGNBOARD HOLDINGS LTD.

(Company Registration No. 201715253N)
(Incorporated in the Republic of Singapore on 1 June 2017)

Directors

Lim Yong Sim (Lin Rongsen), *Executive Chairman and CEO*
Lim Lay Hoon (Lin Liyun), *COO and Executive Director*
Khua Kian Kheng Ivan, *Lead Independent Director*
Leow Chung Chong Yam Soon, *Independent Director*
Tay Chun Leng Robert, *Independent Director*

Registered Office

10 Ubi Crescent
#05-76 Ubi Techpark
Singapore 408564
Telephone: (65) 6749 9959
Fax: (65) 6749 7768

31 December 2018

To: The Shareholders of No Signboard Holdings Ltd.

Dear Sir/Madam

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

The Directors are proposing to seek Shareholders' approval at the forthcoming AGM for the proposed adoption of the Share Buyback Mandate.

The purpose of this Appendix is to provide Shareholders with, amongst others, relevant information relating to, and to seek Shareholders' approval for, the proposed adoption of the Share Buyback Mandate to be tabled at the AGM to be convened and held at No Signboard Seafood, The Central @ Clarke Quay, 6 Eu Tong Sen Street, #04-63 The Central @ Clark Quay, Singapore 059817 on 31 January 2019 at 9.00 a.m. The notice of AGM is set out on pages 96 to 100 of the Annual Report.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1 Background

Under the Companies Act, companies are allowed to purchase or otherwise acquire their own shares if their constitution expressly permits them to do so, provided that any such purchase or acquisition is made in accordance with and in the manner prescribed by the Companies Act, the Constitution and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 67 of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares must obtain the approval of its shareholders to do so at a general meeting.

Accordingly, approval is being sought from the Shareholders for the adoption of the Share Buyback Mandate. If approved at the AGM, the Share Buyback Mandate will take effect from the date thereof and continue in force until the date of the next AGM of the Company or such date as the next AGM is required by law to be held. The Share Buyback Mandate may be put to Shareholders for renewal at each subsequent AGM of the Company at the discretion of the Directors.

LETTER TO SHAREHOLDERS

2.2 Rationale for the Share Buyback Mandate

The Company is proposing to undertake the purchase or acquisition of its Shares for the following reasons:

- (a) in managing the business of the Group, management strives to increase Shareholders' value by improving, amongst others, the return on equity of the Group. In addition to the growth and expansion of the Group's business, Share Buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced;
- (b) Share Buybacks allow the Company to mitigate short-term market volatility in the price of its Shares, offset the effects of short-term price speculation and bolster Shareholders' confidence;
- (c) Share Buybacks allow the Company greater flexibility to manage its capital and maximise returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, Share Buybacks facilitate the efficient return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;
- (d) Shares purchased or acquired may be held by the Company as treasury shares to satisfy the Company's obligations to furnish Shares to participants in any share-based incentive schemes it may implement from time to time, thus giving the Company greater flexibility to select the method of providing Shares to employees that is most beneficial to the Company and its Shareholders; and
- (e) Directors may utilise Shares which are purchased or acquired, and held as treasury shares, to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose.

If and when circumstances permit, the Directors will decide whether (i) to effect Share Buybacks via market purchases or off-market purchases; and (ii) whether the Shares purchased or acquired should be held as treasury shares or cancelled, after taking into account the relevant factors such as the financial resources available, prevailing market conditions, and the cost and timing involved.

Share Buybacks pursuant to the Share Buyback Mandate will only be undertaken when the Directors are of the view that such purchases or acquisition of Shares are of benefit to the Company and/or its Shareholders.

2.3 Terms of the Share Buyback Mandate

The authority and limitations placed on Share Buybacks by the Company under the Share Buyback Mandate, if approved at the AGM, are summarised below:

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than 10% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings, if applicable), ascertained as at the date of the AGM at which the Share Buyback Mandate is approved ("**Approval Date**"), unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares

LETTER TO SHAREHOLDERS

of the Company as altered. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares or subsidiary holdings will be disregarded. As at the Latest Practicable Date, the Company has no treasury shares and subsidiary holdings.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company of 462,392,475 Shares, and assuming that the Company has no treasury shares and subsidiary holdings and no further Shares are issued on or prior to the AGM, not more than 46,239,247 Shares (representing approximately 10% of the Shares) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out up to the full 10% limit as authorised. In particular, the Directors will not effect the purchase or acquisition of the Shares to be made in circumstances which would have an adverse effect on the free float, liquidity, orderly trading of the Shares and/or financial position of the Group.

(b) Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM (at which the Share Buyback Mandate is approved) up to the earlier of:

- (i) the date on which the next AGM of the Company is held or required by law or the Constitution to be held;
- (ii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting; or
- (iii) the date on which the Share Buyback is carried out to the full extent mandated.

The Share Buyback Mandate may be renewed at each AGM or other general meeting of the Company.

(c) Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of, amongst others:

- (i) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Catalist Rules.

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers for the Share Buybacks shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their Shares;

LETTER TO SHAREHOLDERS

- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of the offers are the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed Share Buyback;
 - (iv) the consequences, if any, of Share Buybacks by the Company that will arise under the Take-over Code or other applicable takeover rules;
 - (v) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
 - (vi) details of any Share Buybacks (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme) made by the Company in the previous twelve (12) months, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.
- (d) Maximum purchase price

The purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter) of the Shares,

(the “**Maximum Price**”) in either case, excluding related expenses of the Share Buyback.

LETTER TO SHAREHOLDERS

For the above purposes:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5) Market Days period;

“day of the making of the offer” means the day on which the Company announces its intention to make an Off-Market Purchase from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares under the Share Buyback Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each Share Buyback, the Company may decide whether the Shares purchased will be cancelled or held as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

LETTER TO SHAREHOLDERS

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued Shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds for Share Buyback

In purchasing Shares under the Share Buyback Mandate, the Company may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore. The Company may not purchase or acquire Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules. Share Buybacks by the Company may be made out of the Company's profits or capital so long as the Company is solvent.

The Company may use internal resources and/or external borrowings to fund Share Buybacks pursuant to the Share Buyback Mandate.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

2.7 Financial Effects of the Share Buyback Mandate

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2018 and are not necessarily representative of future financial performance of the Group. While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out up to the full 10% limit as authorised.

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buyback Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether

LETTER TO SHAREHOLDERS

the Shares purchased are held in treasury or cancelled. It should be noted that where the purchase or acquisition is made out of profits, the purchase price paid by the Company for the Shares (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected. Share Buybacks will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view to enhance the EPS and/or NTA per Share of the Group. The financial effects presented in this section of the Appendix are based on the assumptions set out below:

(a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued share capital of the Company comprised 462,392,475 Shares.

(b) Illustrative Financial Effects

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company of 462,392,475 Shares, and assuming that the Company has no treasury shares and subsidiary holdings and no further Shares are issued on or prior to the AGM, not more than 46,239,247 Shares (representing approximately 10% of the Shares) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 46,239,247 Shares at the Maximum Price of S\$0.156 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 46,239,247 Shares is approximately S\$7,204,999.47.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 46,239,247 Shares at the Maximum Price of S\$0.178 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 46,239,247 Shares is approximately S\$8,234,285.11.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

- (i) the Share Buyback Mandate had been effective on 1 October 2017;
- (ii) the Share Buybacks are funded solely by internal cash of the Group; and
- (iii) transaction costs incurred during the Share Buybacks pursuant to the Share Buyback Mandate are assumed to be insignificant and have thus been ignored for the purpose of computing the financial effects,

the financial effects of:

- (aa) the acquisition of 10% of the issued shares of the Company by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as treasury shares ("**Scenario A**"); and

LETTER TO SHAREHOLDERS

(bb) the acquisition of 10% of the issued shares of the Company by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled (“**Scenario B**”),

on the audited consolidated financial results of the Group and the Company for FY2018, are set out below:

Scenario A – Purchases made entirely out of capital and held as treasury shares

As at 30 September 2018	Group		
	Before Share Purchase S\$'000	Market Purchase After Share Purchase S\$'000	Off-Market Purchase After Share Purchase S\$'000
Loss Attributable to Owners of the Company	(2,306)	(2,306)	(2,306)
Share Capital	25,181	25,181	25,181
Capital Reserve	(696)	(696)	(696)
Treasury Shares	–	(7,205)	(8,234)
Retained Earnings (Accumulated Losses)	(2,412)	(2,412)	(2,412)
Shareholders' Funds / Total Equity	22,073	14,868	13,839
NTA ⁽¹⁾	21,774	14,569	13,540
Current Assets	26,603	19,398	18,369
Current Liabilities	6,804	6,804	6,804
Working Capital	19,799	12,594	11,565
Total Borrowings	2,054	2,054	2,054
Cash and Cash Equivalents	23,660	16,455	14,426
Number of Shares ('000)	462,392	462,392	462,392
Number of Treasury Shares ('000)	–	46,239	46,239
Number of Shares Excluding Treasury Shares ('000)	462,392	416,153	416,153
<u>Financial Ratios</u>			
NTA per Share (cents) ⁽¹⁾	4.71	3.50	3.25
Gearing Ratio (times) ⁽²⁾	0.093	0.138	0.148
Current Ratio (times) ⁽³⁾	3.91	2.85	2.70
Basic EPS (cents) ⁽⁴⁾	(0.50)	(0.55)	(0.55)

LETTER TO SHAREHOLDERS

As at 30 September 2018	Company		
	Before Share Purchase	Market Purchase After Share Purchase	Off-Market Purchase After Share Purchase
	S\$'000	S\$'000	S\$'000
Loss Attributable to Owners of the Company	2,640	2,640	2,640
Share Capital	25,181	25,181	25,181
Capital Reserve	2,064	2,064	2,064
Treasury Shares	—	(7,205)	(8,234)
Retained Earnings (Accumulated Losses)	5	5	5
Shareholders' Funds / Total Equity	27,250	20,045	19,016
NTA ⁽¹⁾	27,249	20,044	19,015
Current Assets	27,877	20,672	19,643
Current Liabilities	3,407	3,407	3,407
Working Capital	24,470	17,265	16,236
Total Borrowings	600	600	600
Cash and Cash Equivalents	22,902	15,697	14,668
Number of Shares ('000)	462,392	462,392	462,392
Number of Treasury Shares ('000)	—	46,239	46,239
Number of Shares Excluding Treasury Shares ('000)	462,392	416,153	416,153
Financial Ratios			
NTA per Share (cents) ⁽¹⁾	5.89	4.82	4.57
Gearing Ratio (times) ⁽²⁾	0.022	0.030	0.032
Current Ratio (times) ⁽³⁾	8.18	6.07	5.77
Basic EPS (cents) ⁽⁴⁾	0.57	0.63	0.63

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares as at 30 September 2018.
- (2) Gearing ratio equals total debt divided by total equity.
- (3) Current Ratio equals current assets divided by current liabilities.
- (4) Basic EPS equals profit attributable to owners of the Group and Company divided by the number of Shares (excluding treasury shares and subsidiary holdings) as at 30 September 2018.

LETTER TO SHAREHOLDERS

Scenario B – Purchases made entirely out of capital and cancelled

As at 30 September 2018	Group		
	Before Share Purchase	Market Purchase After Share Purchase	Off-Market Purchase After Share Purchase
	S\$'000	S\$'000	S\$'000
Loss Attributable to Owners of the Company	(2,306)	(2,306)	(2,306)
Share Capital	25,181	17,976	16,947
Capital Reserve	(696)	(696)	(696)
Treasury Shares	–	–	–
Retained Earnings (Accumulated Losses)	(2,412)	(2,412)	(2,412)
Shareholders' Funds / Total Equity	22,073	14,868	13,839
NTA ⁽¹⁾	21,774	14,569	13,540
Current Assets	26,603	19,398	18,369
Current Liabilities	6,804	6,804	6,804
Working Capital	19,799	12,594	11,565
Total Borrowings	2,054	2,054	2,054
Cash and Cash Equivalents	23,660	16,455	15,426
Number of Shares ('000)	462,392	416,153	416,153
Number of Treasury Shares ('000)	–	–	–
Number of Shares Excluding Treasury Shares ('000)	462,392	416,153	416,153
<u>Financial Ratios</u>			
NTA per Share (cents) ⁽¹⁾	4.71	3.50	3.25
Gearing Ratio (times) ⁽²⁾	0.093	0.138	0.148
Current Ratio (times) ⁽³⁾	3.91	2.85	2.70
Basic EPS (cents) ⁽⁴⁾	(0.50)	(0.55)	(0.55)

LETTER TO SHAREHOLDERS

As at 30 September 2018	Company		
	Before Share Purchase	Market Purchase After Share Purchase	Off-Market Purchase After Share Purchase
	S\$'000	S\$'000	S\$'000
Loss Attributable to Owners of the Company	2,640	2,640	2,640
Share Capital	25,181	17,976	16,947
Capital Reserve	2,064	2,064	2,064
Treasury Shares	—	—	—
Retained Earnings (Accumulated Losses)	5	5	5
Shareholders' Funds / Total Equity	27,250	20,045	19,016
NTA ⁽¹⁾	27,249	20,044	19,015
Current Assets	27,877	20,672	19,643
Current Liabilities	3,407	3,407	3,407
Working Capital	24,470	17,265	16,236
Total Borrowings	600	600	600
Cash and Cash Equivalents	22,902	22,902	22,902
Number of Shares ('000)	462,392	416,153	416,153
Number of Treasury Shares ('000)	—	—	—
Number of Shares Excluding Treasury Shares ('000)	462,392	416,153	416,153
Financial Ratios			
NTA per Share (cents) ⁽¹⁾	5.89	4.82	4.57
Gearing Ratio (times) ⁽²⁾	0.022	0.030	0.032
Current Ratio (times) ⁽³⁾	8.18	6.07	5.77
Basic EPS (cents) ⁽⁴⁾	0.57	0.63	0.63

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares as at 30 September 2018.
- (2) Gearing ratio equals total debt divided by total equity.
- (3) Current Ratio equals current assets divided by current liabilities.
- (4) Basic EPS equals profit attributable to owners of the Group and Company divided by the number of Shares (excluding treasury shares and subsidiary holdings) as at 30 September 2018.

LETTER TO SHAREHOLDERS

The actual impact will depend on the number and price of the Shares purchased or acquired. As stated, the Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected. Share Buybacks will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view to enhance the EPS and/or NTA per Share of the Group.

Shareholders should note that the financial effects set out above, based on the respective aforesaid assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the Group and the Company's audited consolidated financial statements for FY2018, and is not representative of the future financial performance of the Group and the Company.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buyback by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

2.9 Other Applicable Catalyst Rules

(a) Reporting Requirements

The Catalyst Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the Market Day following the day on which it purchased or acquired any of its shares; and
- (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D of the Catalyst Rules).

(b) Restrictions on Share Buybacks

While the Catalyst Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Catalyst Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one (1) month immediately preceding the announcement of the Company's annual full-year results respectively.

(c) Free Float

The Company will ensure that any Shares purchased or acquired by the Company will not result in a fall in the percentage of Shares held by the public to below 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities and subsidiary holdings). For this purpose, "public", as defined under the Catalyst Rules, means persons other than the Directors, CEO, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

LETTER TO SHAREHOLDERS

The Company does not have any individual shareholding limit or foreign shareholding limit. As at the Latest Practicable Date, 118,703,500 Shares, representing approximately 25.7% of the total number of issued Shares are held by the public. In the event that the Company should, pursuant to the Share Buyback Mandate, purchase or acquire its Shares up to the full 10% limit, about 72,464,253 Shares representing 15.7% of the Shares (excluding treasury shares and subsidiary holdings) would continue to be in the hands of the public.

Accordingly, the Directors are of the view that there is, at present, a sufficient number of Shares in issue held by the public which would permit the Company to undertake purchases of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate. Nonetheless, the Directors will at all times ensure that when purchasing any Shares pursuant to the Share Buyback Mandate, at least 10% of its Shares will remain in the hands of the public in accordance with the Catalist Rules without: (a) affecting the listing status of the Company; (b) causing market illiquidity of the Shares; or (c) affecting adversely the orderly trading of the Shares.

2.10 Take-Over Obligations

(a) Obligation to make a Take-over Offer

Pursuant to the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share Buyback by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**").

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, amongst others, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of six (6) months.

(b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, amongst others, be presumed to be acting in concert:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (ii) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

LETTER TO SHAREHOLDERS

- (v) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons for the purchase of voting rights.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

The Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholders are, or may be regarded as parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a Share Buyback.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the proposed Share Buyback Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity before they acquire any Shares in the Company during the period when the proposed Share Buyback Mandate is in force.

2.11 Details of Shares Bought by the Company in the Previous Twelve (12) Months

No Share Buybacks have been made by the Company in the twelve (12) months preceding the Latest Practicable Date.

LETTER TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or Substantial Shareholders has any direct or deemed interest in the Shares of the Company:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Lim Yong Sim (Lin Rongsen) ⁽²⁾⁽³⁾	—	—	345,737,675	74.77
Lim Lay Hoon (Lin Liyun) ⁽²⁾	—	—	—	—
Khua Kian Kheng Ivan	—	—	100,000	0.02
Leow Chung Chong Yam Soon	100,000	0.02	—	—
Tay Chun Leng Robert	100,000	0.02	—	—
Substantial Shareholders				
GuGong Pte. Ltd. ⁽³⁾	345,737,675	74.77	—	—

Notes:

- (1) The percentage of issued share capital is calculated on the basis of 462,392,475 Shares, excluding any treasury shares, as at the Latest Practicable Date.
- (2) Mr. Lim Yong Sim (Lin Rongsen) and Ms. Lim Lay Hoon (Lin Liyun) are siblings.
- (3) Mr. Lim Yong Sim (Lin Rongsen) is deemed to be interested in all the Shares held by GuGong Pte. Ltd. by virtue of Section 7 of the Companies Act

4. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, amongst others, the terms, the rationale and the benefits of the Share Buyback Mandate, are of the view that the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the ordinary resolution in respect of the Share Buyback Mandate as set out in the notice of AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed adoption of the Share Buyback Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 Appendix in its proper form and context.

6. ADVICE TO SHAREHOLDERS

As different Shareholders would have different investment objectives and profiles with specific investment objectives, financial situation, tax position or unique needs or constraints, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

LETTER TO SHAREHOLDERS

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on their behalf are requested to complete, sign and return the proxy form attached to the notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, not less than seventy-two (72) hours before the time fixed for the AGM.

The completion and lodgement of the proxy form by a Shareholder will not prevent him from attending and voting in person at the AGM if he subsequently wishes to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the proxy form to the AGM.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time appointed for the AGM.

8. DOCUMENTS FOR INSPECTION

Copies of the Constitution may be inspected at the registered office of the Company at 10 Ubi Crescent, #05-76 Ubi Techpark, Singapore 408564 during normal business hours from the date of this Appendix up to and including the date of the AGM.

Yours faithfully

For and on behalf of the Board of Directors of
NO SIGNBOARD HOLDINGS LTD.

Lim Yong Sim (Lin Rongsen)
Executive Chairman and CEO