

**NO SIGNBOARD HOLDINGS LTD.**

(Company Registration No. 201715253N)

(Incorporated in Singapore)

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**RESPONSE TO SGX-ST QUERIES**

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The Board of Directors ("**Board**") of No Signboard Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce the Company's responses to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 11 February 2021 in relation to the Company's first quarter financial statements for the period ended 31 December 2020 (the "**Result Announcement**"). *Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as in the Company's Result Announcement.*

Query 1(i): Please disclose the breakdown of the Group's non-current Other Receivables of \$192,856;

Company's response: Please refer to the table below:

	<u>\$</u>
Refundable security deposits placed with landlords	101,595
Refundable deposits placed with utility service providers	9,540
Refundable deposits placed with suppliers	81,721
<b>Total</b>	<b><u>192,856</u></b>

Query 1(ii): Please disclose the nature of the non-current Other Receivables balance; and

Company's response : Non-current Other receivables are refundable deposits placed with various landlords and suppliers for business purposes.

Query 1(iii): Please disclose the Board's assessment of the recoverability of the non-current Other Receivables.

Company's response: The Board has taken into historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operates, in estimating the probability of default of these financial assets occurring within their respective loss assessment time horizon, as well as the loss given default in each case and has determined that its non-current Other Receivables is likely to be recoverable.

Query 2: Please explain why interest income amounted to only \$1,380 during the 1QFY2021 ended 31 December 2020 when the Company has significant cash and bank balance amounting to S\$12,852,633. **If the Company has provided a loan to its related parties:**

Please disclose the terms of the loan and whether the interest income attributable to the loan(s) have been collected by the Company.

Company's response: Interest income is derived from cash placed with reputable local banks. The interest income amounted to only \$1,380 due to the low interest rate paid by the banks for cash deposits with effective interest rate of 0.08% per annum and not all bank accounts are interest-earning. The Company did not provide any loan to its related parties.

Query 3: Please provide the reason(s) for the significant loans and borrowings of \$5.85m (current and non-current) by the Group when the Group recorded a cash and bank balance of \$12.85m as at 31 December 2020.

Company's response: The facilities offered by the banks have specific draw-down expiry dates, hence the loans were drawn down prior to the expiry of these draw-down dates, to bolster the Company's cash resources for working capital and to buffer for any unforeseen contingencies during this difficult period.

Queries 3(i): Please disclose details of the loans and borrowings, including the terms, interest and maturity dates;

Company response: The Group has the following principal bank loans:

- (a) From OCBC Bank amounting to \$3,000,000 was drawn down in May 2020. The loan is unsecured, is repayable in 48 equal monthly instalments commencing in June 2021 and is expected to be repaid in full by May 2025. The loan bears interest of 2% per annum. ("**Loan 1**")
- (b) From DBS Bank amounting to \$848,838 was drawn down in February 2020. The loan is unsecured. Repayment commenced in September 2020 and is expected to be repaid in full by February 2023. The loan bears interest of SIBOR + 2% per annum. ("**Loan 2**")
- (c) From DBS Bank amounting to \$2,000,000 was drawn down in November 2020. The loan is unsecured, is repayable in 48 equal monthly instalments commencing in December 2021 and is expected to be repaid in full by November 2025. The loan bears interest of 2.75% per annum. ("**Loan 3**")

(collectively, "**Loans**")

Query 3(ii): Please disclose a breakdown of the lenders and their identities (and its ultimate beneficial shareholders and directors if this is not a bank);

Company response: Please refer to the responses to Query 3(i) stating that the loans were principally bank loans from reputable local banks.

Query 3(iii): Please disclose when were the loans obtained and approved by the Board including the Audit Committee;

Company's response: The loan facility for Loan 2 was obtained and approved by Board and Audit committee ("AC") in April 2019. The loan facilities for Loan 1 and Loan 3 were obtained and approved by Board and AC in April 2020.

Query 3(iv): Please disclose the use of proceeds of these loans and borrowings;

Company's response: The proceeds of the loans are used for working capital purposes.

Query 3(v): Please disclose what are the Company's plans in repaying the loans and borrowings in view of the Group's cash and bank balances.

Company's response: We made a lump sum loan repayment of \$200K towards Loan 2 in January 2021. For the remaining Loans, we plan to make repayment according to the repayment schedule with the respective banks.

**Query 4:** Please provide the reason(s) for the significant trade and other payables of \$5,130,647 when the Group recorded a cash and bank balance of \$12.85m as at 31 December 2020.

**Company's response:** The Group's key priority, since the onset of the COVID-19, is to preserve cash to support working capital requirements until COVID-19 situation improves and to ensure that the Group has sufficient resources to tide through this period.

**Query 5:** Please disclose a breakdown of trade and other payables amounting to \$5,130,647 as at 31 December 2020. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.

**Company's response:** Please refer to the below:

(a) Breakdown of trade and other payables:

	\$
<b>Trade payables:</b>	
Third parties	728,821
GST payable	95,555
<b>Other payables:</b>	
Third parties	2,038,147
Payables to suppliers of plant and equipment	184,071
Accruals for volume rebates	166,939
Accruals for upfront sponsorship	123,224
Accruals	734,770
Accrued employee benefits expense	1,038,429
Amount due to related party	20,491
Deposits	200
<b>Total</b>	<b>5,130,647</b>

(b) Aging of other payables to Third parties (non-related) (\$)

	current -30 days	30-60 days	61-90 days	> 91 days	Total
Other payables - third parties	347,946	295,275	77,953	1,316,973	2,038,147

**Query 6:** Please explain why trade and other payables amounting to \$5,130,647 as at 31 December 2020 when revenue for 1QFY2021 amounted to only \$2,471,467.

**Company's response:** Trade payables amounted to S\$728,821 and GST payable amounted to \$95,555. The remaining comprises non-trade payables and accruals in the normal course of business.

**Query 7:** Please explain the nature of contract liabilities of \$265,341 as at 31 December 2020.

**Company's response:** The Group entered into contracts with customers in the beer business segment whereby promotional support was given by the Group for promotional and marketing initiatives to develop the Group's brand resulting in the recognition of contract liabilities. Contract liabilities arising from such promotional support is recognized systematically over the contractual period as a reduction of revenue over the contract.

By Order of the Board

Lim Yong Sim (Lin Rongsen)  
Executive Chairman and Chief Executive Officer  
16 February 2021

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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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