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

THE PROPOSED ACQUISITION OF 60% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF DINING HAUS PTE. LTD.

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1 INTRODUCTION

1.1 The Board of Directors (the "**Board**") of No Signboard Holdings Ltd (the "**Company**"), wishes to announce that the Company had on 10 January 2024 entered into a share sale and purchase agreement ("**SPA**") with Mr. Chia Shu Sian (the "**Vendor**") and Gazelle Ventures Pte. Ltd. (the "**Investor**") for the proposed acquisition of 60% of the entire issued and paid-up capital (the "**Sale Shares**") of Dining Haus Pte. Ltd. ("**Target**") for an aggregate consideration of $1,200,000 ("**Purchase Consideration**") (the "**Proposed Acquisition**").

1.2 The Proposed Acquisition constitutes a "disclosable transaction" pursuant to Rule 1006 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and Paragraph 4.3(b) of Practice Note 10A of the Catalist Rules. Please refer to paragraph 5 of this announcement for further details on the relative figures in respect of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules.

1.3 In connection with the Proposed Acquisition, the Company had also on 10 January 2024, entered into a shareholders' agreement in relation to the Target with the Vendor, to regulate the relationship between the shareholders of the Target and to set out the basis on which the business affairs of the Target will be managed and controlled, as well as to provide for their rights and duties as shareholders of the Target ("**Shareholders' Agreement**").

2. INFORMATION ON THE VENDOR AND THE TARGET

2.1 As at the date of this announcement, the Vendor is the chief executive officer of the Target and owns the entire issued and paid-up share capital of the Target and Eat What Pte. Ltd. ("**Eat What**"). The Target is a private company limited by shares incorporated under the laws of Singapore on 14 September 2022 with an issued and paid-up share capital of $100,000 comprising of 100,000 ordinary shares. As the target is a newly-incorporated entity, there's no prior financials relating to the business and assets to be acquired (defined below). Prior to the completion of the Proposed Acquisition (defined above, the Target intends to acquire the business and assets of Eat What Pte. Ltd., a company wholly-owned by the Vendor ("**Eat What Business**"). Eat What Business involves the provision of institutional catering services to clients at various industrial sites in Singapore, including semiconductor and maritime sites. Its customers include those in semiconductor, medical equipment and aerospace sectors.

The acquisition of Eat What Business will be a condition precedent to the Completion ("**Eat What Business Transfer**"). The Eat What Business Transfer would comprise, *inter alia*, the transfer or acquisition of its business (including but not limited to Eat What's customer contracts, business assets, business and financial records and business goodwill) to the Target. For the avoidance of doubt, the following assets and liabilities of the Eat What Business have not and shall not be transferred to the Company:

(i) any liabilities, including contingent liabilities (known or unknown);
(ii) tax liabilities; and
(iii) bank balances of Eat What as at Completion Date.

2.2 To the best of the knowledge of the Directors and save as disclosed above, the Vendor and the Target do not have any other connections (including business relationships) with the Company and the Directors of the Company.

3 SOURCE OF FUNDS FOR THE PROPOSED ACQUISITION

3.1 The Purchase Consideration which shall be satisfied by the Full Investment Amount (as defined in the Implementation Agreement entered into between the Company and Gazelle Ventures Pte Ltd (the "**Investor**"). (Please refer to the Company's announcement dated 1 July 2022).

4 SALIENT TERMS OF THE SPA

4.1 Consideration and Valuation

The Company will acquire the Sale Shares for an aggregate Purchase Consideration of S$1,200,000.

The Purchase Consideration shall be fulfilled as follows:

(i) The Company has paid the Vendor a sum of S$120,000 as earnest monies following the signing of the term sheet, which was signed on 14 July 2023;

(ii) the Company will pay a deposit of S$600,000 upon the execution of the SPA to the Vendor, of which S$120,000 has been paid following the signing of the term sheet as per paragraph (i) above;

(iii) the Company will pay the Vendor S$300,000 on Completion (as defined below); and

The Company will pay the remainder S$300,000 by April 2024 or upon completion of the audit for the financial year 2023, whichever is later ("**Deferred Consideration**"). Subject to the mutual agreement between the Company, the Vendor and the Investor, the Catalist Rules and necessary approvals (including but not limited to regulatory approvals), this final tranche may be paid by an issue and allotment of shares of the Company at an issue price to be agreed.

The Deferred Consideration is payable to the Vendor in accordance with the achievement of the audited profit before tax for the financial year ending 31 August 2023 or annualised profit[1] is not less than S$750,000 ("**Earn-out Amount**"). In the event the Profit Before Tax of the Target for the financial year ending 31 August 2023 or annualised profit is less than the Earn-out Amount, the shortfall will be directly reduced against the Deferred Consideration[2].

The Consideration was determined based on arm's length negotiations and arrived at on a willing buyer and willing-seller basis. The key factor considered by the Vendor and the Company in arriving at the Consideration is the potential earnings and growth prospects of the Target having regard to its on-going and future plans and the existing customers on hand (as disclosed in paragraph 8.2 below).

Under the SPA, the Consideration shall be funded from the implementation agreement entered into between the Company and the Investor ("**Implementation Agreement**") pursuant to which, the Investor has deposited funds in advance to the Purchaser to support its activities. If the Implementation Agreement is terminated for any reason, all rights, benefits and liabilities due to the Company under the SPA shall automatically transfer without further action to the Investor. Upon the automatic transfer, the Investor shall have the right to enforce such rights and benefits as if it were a party to the SPA, and the Vendor shall cooperate in facilitating such transfer and enforcement as necessary.

[1] Annualized profit is an estimate of the profits that the Eat What business will generate over a 12 months' period, calculated based on the actual profit for the previous months as at the Completion Date.
[2] Any shortfall more than the payment per paragraph 4.1 will be offset against future dividends.

4.2 **Conditions Precedent**

The SPA is, among other conditions, subject to the following key conditions precedent:

(a) the results of the legal, financial, tax and commercial due diligence investigations and financial audits, including an independent valuation, if required, on the Target conducted by the Company and its advisors, being satisfactory to the Company;

(b) all necessary corporate and/or regulatory approvals as are necessary to carry out the transactions in the SPA;

(c) the Vendor having performed or complied in all material aspects with all of the terms, covenants and conditions of the SPA to be performed or complied with by the Seller on or prior to Completion;

(d) the Company having performed in all material respects all of its obligations under the SPA to be performed or complied with by the Company on or prior to Completion;

(e) no material adverse change on the prospect, operations or financial condition of the Target on or prior to Completion;

(f) delivery to the Company of evidence, in a form satisfactory to the Company, demonstrating that the Eat What Business Transfer has been completed;

(g) demonstrating that the employees employed by the Vendor have entered into new employment agreements with the Target in such form and substance satisfactory to the Company;

(h) no competent government authority has enacted, issued or promulgated any applicable laws that are in effect and has the effect of making the Completion contemplated under the SPA illegal or which has the effect of prohibiting or otherwise preventing the Completion under the SPA;

(i) (a) if required, approval of the shareholders of the Company being obtained in an extraordinary general meeting; (b) all necessary corporate and governmental approvals being obtained for execution of the SPA which the Company is a party to and the transactions contemplated in the SPA; and (c) there is no event, change or effect that individually or in the aggregate is or is reasonably expected to be materially adverse to the ability of the Company (as the case may be) to perform its obligations under the SPA; and

(j) the warranties and representations given by the Vendor in the SPA being true, accurate and correct and not misleading in any respect up to and including at Completion.

The Company may in its absolute discretion waive in whole or in part any conditions by notice in writing to the Vendor. Except where waived, the parties to the SPA will each use reasonable endeavours to procure that the relevant conditions applicable to them as set out above and in the SPA are satisfied by a date which is 4 weeks from the date of the agreement. If the conditions set out above and in the SPA are not satisfied or waived on or prior to the date falling 4 weeks from the date hereof (or such later date as the parties may agree in writing), any party to the SPA may by written notice to the other terminate the SPA.

4.3 **Completion**

The completion of the Proposed Acquisition ("**Completion"**) will take place at the office of the Vendor's solicitors at a time to be agreed within fourteen (14) days from the date the last of the conditions precedent are satisfied (except in the case where any of the conditions are waived in accordance with the SPA).

4.4 **Post Completion Matters**

Post completion of the Proposed Acquisition, it is agreed as follows:-

(a) The Board of the Target shall consist of majority representation from the Company and shall not exceed a total of 5 members.

(b) Within 3 months from the date of Completion, the Vendor shall provide the Company with a suitable business plan and financial forecast for the Target, which will form the basis of the Target's key performance indicators ("**KPI**");

(c) The Vendor will retain full operational and management control of the Target provided that the Target's KPIs have been achieved;

(d) The Vendor will seek the prior written consent of the Company for any business operations that requires significant financial outlay (subject to Group policy) and such approval shall not be unreasonably withheld; and

(e) The Company will provide the Target with the following support services, namely, accounting and finance, corporate governance and human resources.

4.5 **Warranties and Indemnities**

The Vendor warrants that it is the sole unencumbered legal and beneficial owner of the shares in the Target. The Vendor further warrants that the transfer of the Target's business and business assets (including the Eat What Business Transfer) to the Company are free and clear from all and any encumbrances together with all rights and benefits attaching thereto; and there has not been given or created or agreement to give or create and no claim has been made by any person entitled to, any present or future encumbrances affecting the Target's business and/or business assets (including the Eat What Business Transfer).

The Vendor will indemnify and hold harmless the Company from and against any and all losses to the extent resulting from:

(a) any breach of warranties made by the Vendor under the SPA; and

(b) any breach of any undertaking, covenant or agreement of the Vendor contained in the SPA requirement performance by the Vendor after Completion.

5. SALIENT TERMS IN THE SHAREHOLDERS' AGREEMENT

5.1 **Non-Compete Obligation**

During the term of the SPA and for a period of 2 years after the departure of the shareholder from the Target, the shareholder will not engage in any business or activity that competes directly with the Company's core business, in any territory which the Company is operating in.

5.2 **Management fees**

In consideration of the Company providing management services to the Target, the Company shall be entitled to receive management fees for such services of 8% of revenue (based on outlets).

5.3 **Right of first refusal ("ROFR")**

If a Shareholder (the "**Selling Shareholder**") intends to sell or transfer any of their shares in the Company (the "**Offered Shares**") to a third party (the "**Proposed Buyer**"), the Selling

Shareholder shall first offer the Offered Shares to the existing Shareholder(s) (the "**ROFR Parties**") on the following terms and conditions:

i) The Selling Shareholder shall provide written notice (the "**ROFR Notice**") to the ROFR Parties, specifying the number of Offered Shares, the proposed sale price, and any other material terms and conditions of the proposed sale. The ROFR Notice shall remain open for acceptance by the ROFR Parties for a period of [30] days from the date of receipt.

ii) Each ROFR Party may, within the specified period, deliver a written notice of their intent to sell all or a portion of the Offered Shares on the same terms and conditions as set forth in the ROFR Notice which shall contain the following information:
(a) a binding offer to purchase from a third-party containing,
(b) a clearly defined completion date,
(c) a clearly defined price,
(d) any conditions to the sale which are otherwise contained in the offer to purchase as in (a) above.

iii) If none of the ROFR Parties accepts the offer or if they do not respond within the specified period, the Selling Shareholder may proceed with the sale of the Offered Shares to the Proposed Buyer on the terms and conditions specified in the ROFR Notice, provided that the sale must be completed within 60 days of the expiry of the ROFR Notice period.

iv) This ROFR clause shall not apply to transfers or sales of shares:
- To an existing Shareholder in accordance with the terms of this Agreement.
- To a family member of the Selling Shareholder.
- In the event of the transfer of shares to a financial institution as collateral for a bona-fide loan

6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

6.1 The Company will re-assess its Rules 1006 calculations to determine if there is a material change, and if need be, will seek the required shareholders' approval, in line with the condition precedent set out in 4.2(i)(a) above, following its release of its audited results for the financial year ended 30 September 2022 ("**FY2022**") and its subsequent material variance announcements (if any).

6.2 The bases set out in Rules 1006 (a) to (e) of the Catalist Rules are computed based on the latest announced consolidated financial statements of the Group for financial year ended 30 September 2023 ("**FY2023**") and the relative figures for the Proposed Acquisition (based on Eat What Business). The figures for the Target are not available as it is newly incorporated. However, in lieu that the nature of the business following the Acquisition would've been based on Eat What Business' existing contracts, the Company has taken a prudent approach and applied the requirements of Chapter 10 of the Catalist Rules to the Eat What Business for the purposes of his Acquisition

6.3 The computation on the bases set out in Rules 1006 (a) to (e) of the Catalist Rules are as follow:

Rule 1006	Bases of calculation	Relative figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets	Not applicable (1)

(b)	The net profit attributable to the assets acquired, compared with the Group's net loss (2)	-33.27% (3)
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	8.39% (4)
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable (5)
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable (6)

Notes

(1) This basis is not applicable to the Proposed Acquisition.

(2) Pursuant to Rule 1002(3)(b) of the Catalist Rules, "net profits" is defined as profits/(loss) before income tax, minority interest and extraordinary items.

(3) Based on the last announced unaudited loss of the Group for FY2023 of ($1,735,401). The unaudited net profit before tax attributable of the assets (being Eat What Business only) to be acquired is assumed to be $577,434 (excluding minority interests), based on the unaudited profit before tax for the financial year ended 31 August 2022.

(4) Based on the last transacted price of the Shares of $0.031 on 17 January 2022 prior to the Trading Suspension, the market capitalisation of the Company is $14.3 million. The purchase consideration for the acquisition is $1.2 million.

(5) Due to (i) the Company's shares being currently suspended; and (ii) the Company having sufficient bank balance to facilitate the Deferred Consideration amount, the Company and the Board does not intend to, nor foresee that the Company will be issuing any consideration shares for the Proposed Acquisition.

(6) This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company. The Company is not a mineral, oil and gas company.

6.4 As the Proposed Acquisition constitutes an acquisition of a profitable asset by a loss-making issuer where the absolute relative figure computed on the bases of each of Rule 1006(c) and Rule 1006(d) does not exceed 75%, and the net profit attributable to the assets acquired exceeds 5% of the consolidated net loss of the issuer (taking into account only the absolute value as guided by note 4.4(b) of Practice note 10A of the Catalist Rules).

6.5 Based on the computation set out above, the Proposed Acquisition would be a disclosable transaction under note 4.4(b) of Practice note 10A of the Catalist Rules.

7 FINANCIAL EFFECTS

7.1 For illustrative purposes, assuming that the Proposed Acquisition had been completed on 30 September 2023, based on the Company's latest announced consolidated accounts, the *pro forma* financial effects of the Proposed Acquisition on the NTA of the Group are as follows:

	Before the Proposed Acquisition based on announced unaudited	**After Proposed Acquisition based on announced unaudited consolidated**

	consolidated financial statements for FY2023 (prior to completion of the Scheme and the Investment)	financial statements for FY2023 (prior to completion of the Scheme and the Investment)
Consolidated NTL (S$'000s)	8,506	8,506[3]
Number of shares in issue (excl. treasury shares)	462,392,475	462,392,475
Consolidated NTL per share (cents)	1.84	1.84

7.2 For illustrative purposes, assuming that the Proposed Acquisition had been completed on 1 October 2022, the *pro forma* financial effects of the Proposed Acquisition on the loss per share of the Group are as follows.:

	Before the Proposed Acquisition based on announced unaudited consolidated financial statements for FY2023 (prior to completion of the Scheme and the Investment)	After Proposed Acquisition based on announced unaudited consolidated financial statements for FY2023 (prior to completion of the Scheme and the Investment)
(Loss)/Profit after tax (S$'000s) (1)	(1,735)	(773)[4]
Non-controlling interest (S$'000s) (2)	-	385
Net (Loss)/profit attributable to shareholders of the Company ((S$'000s)	(1,735)	(1,158)
Weighted average number of shares	462,392,475	462,392,475
LPS (Cents)	(0.38)	(0.25)

Notes:

(1) Assuming Group tax relief applies to the Target Business.

(2) Non-controlling interest pertains to the 40% minority interest that the Vendor will have in the Target upon completion of the Proposed Acquisition.

8 RATIONALE FOR THE PROPOSED ACQUISITION

8.1 The Company currently operates two (2) outlets, Little Sheep Hotpot at Orchard Gateway and nosignboard Sheng Jian at Northpoint City under the Company's subsidiaries, NSB Hotpot Pte Ltd and NSB Restaurants Pte Ltd respectively. As part of the Company's strategy to improve its stream of revenue and income and improve shareholders' value and return, the Proposed Acquisition is the first step undertaken by the Company to expand its F&B business into

[3] For illustrative purpose, as the assets of the acquired Eat What Business is immaterial, the NTA of Eat What Business is assumed to be $0, as the liabilities and cash balance would not be transferred to the Group following the completion of the acquisition.
[4] The annualised profit is assumed to be $962,390, based on the unaudited profit before tax for the financial year ended 31 August 2022.

institutional catering. The Company also intends to drive long-term growth through pursuing strategic investments and acquisitions in F&B related companies.

8.2 The Eat What Business' list of customers as of the date of this announcement are as follows:

i) YHS (Singapore) Pte. Ltd.
ii) Sanmina-SCI Systems Singapore Pte. Ltd.
iii) GoodRich Aerostructures Service Centre-Asia Pte. Ltd.
iv) UPS SCS (Singapore) Pte. Ltd
v) UPS Asia Group Pte. Ltd.
vi) United Parcel Service Singapore Pte. Ltd
vii) Schenker Singapore Pte. Ltd
viii) The Health Sciences Authority
ix) ST Engineering Aerospace Services Company
x) Lumileds Singapore Pte. Ltd
xi) STMicroelectronics Pte. Ltd

9 RISK PROFILE ASSESSMENT OF THE PROPOSED ACQUISITION

9.1 The Proposed Acquisition would not result in a change in the risk profile of the Group as:

(i) the Eat What Business is cash flow positive and does not materially rely on bank borrowings for its day-to-day operations. As such, the Proposed Acquisition will not have any impact on the Company's gearing;

(ii) the Target Business is located in Singapore and the Company will not be exposed to any significant new jurisdictional risk arising from the Proposed Acquisition as the revenue and expenses are primarily denominated in Singapore dollars;

(iii) the Target Business is in the food and beverage industry and its business is comparable to the operation of a restaurant business. The supply chain and business operations risks are similar. It's end-customers are employees with the same consumption preferences and behaviours and is highly likely to be the same pool of customers as the retail customers of a restaurant business. The cost structure is also similar to that of operating a restaurant business as pressures such as employment regulations and quotas (same industry classification by Ministry of Manpower). Further, the Target Business operations is subject to the same regulatory requirements, and challenges such as supply chain disruption of food ingredients impacting business operations, and inflation leading to increasing food costs and labour costs apply.

10 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Proposed Acquisition and/or the Consideration Share Issue, other than in their capacity as Director or Shareholder.

11 SERVICE CONTRACT

No director will be appointed to the Board and no service contracts in relation thereto is proposed to be entered into by the Company in connection with the Proposed Acquisition.

12 DOCUMENTS AVAILABLE FOR INSPECTION

12.1 Copies of the SPA and Shareholders' Agreement are available for inspection by Shareholders of the Company during normal business hours at the registered office of the Company at 10 Ubi Crescent #03-02 Ubi Techpark, Singapore 408564 for a period of three (3) months from the date of this announcement.

12.2 Please contact the Company at +65 6749 9959 prior to making any visits to arrange for a suitable time slot for the inspection.

13 TRADING CAUTION

Notwithstanding that the shares in the Company have been suspended from trading on the Singapore Exchange Securities Trading Limited since 24 January 2022. 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 Teck-Ean
Executive Director and Interim Chief Executive Officer
10 January 2024

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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