

NO SIGNBOARD HOLDINGS LTD.

(Company Registration No. 201715253N)

(Incorporated in Singapore)

RESPONSE TO SGX-ST QUERIES

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 9 December 2021 in relation to the Company's announcement dated 8 December 2021 (the "**Announcement**"). *Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as in the Company's Announcement.*

The SGX-ST refer to No Signboard's announcement on 8 Dec 2021 on its announcement of litigation between its subsidiary DBPL and Sprawl Transport & Logistic Pte Ltd ("**Sprawl**").

Noted from the announcement that Sprawl is claiming sum of \$962,434.075 for the shortfall of 7 containers of beer delivered by DBPL to Sprawl in October 2014 to June 2017 and sum of \$589,569.75 as shortfall for the reimbursement that Sprawl is allegedly entitled to, or alternatively shortfall in reimbursement of kegs of beer in 2017 to 2020. The Claims total up to approximately S\$1.5m.

Also noted that counterclaims by DBPL is for the unpaid trade receivables of S\$406,524.75 from Sprawl, and the Company has since made full allowance for these receivables.

The announcement stated that the Board is of the view that the Claims will not have any material impact on the financial position of the Group and ability for the Group to continue its existing business operations.

Noted from NSB's latest announcement FY2021 FS (FYE 30 Sep 2021) released on 29 Nov 2021 that its FY2021 net loss is approx. S\$6.4m, and the Group has cash balances of S\$2.7m and net current liabilities of S\$2.28m and net assets of only S\$0.38m.

Query 1, 2 and 3:

1. Please confirm if NSB's latest FS for FY2021 as announced on 29 Nov 2021 has provided for contingent liabilities arising from the Claims?
2. Please provide the Board's justifications for its view that the Claims will not have any material impact on the financial position of the Group, in view of its latest announced FY2021 results?
3. Please provide basis for the Board's view that the Claims will not have any material impact on the ability of the Group to continue its existing business operations.

Company's response:

The Company has not made any provision for the liabilities arising from the Claims for financial year ended 30 September 2021 due to the following:

- 1) based on the current information available, the Board, after discussion with the Legal Counsel, agrees with the latter's view that the Claims are unmeritorious and is unlikely to succeed;
- 2) In any event, DBPL has made full allowance for the trade receivables of \$406,524.75 due from Sprawl as of financial year ended 30 September 2021; and

- 3) DBPL has filed their defence and counterclaim against Sprawl for the unpaid trade receivables of S\$406,524.75, for the refusal and/or neglect to take delivery of 498 kegs of beer, for which DBPL has suffered loss and damages, interests and other related costs;

Based on the above, the Board is of the view that the Claims will not have any material impact on the financial position of the Group and ability for the Group to continue its existing business operations.

The Board and the Company will closely monitor the development of the legal proceedings and will make the necessary provision for the contingent liabilities as and when required. Further announcements will be made, when appropriate.

Query 4:

4. When was the Group first aware of the Claims and the Writ of Summons? What did the board consider in not releasing the announcements on the Claims and / or the Writ of Summons when they were first received?

Company's response:

The Group was first aware of the Claims on 7 October 2020 and 9 November 2020. The Board did not release the announcements on the Claims as both (a) parties were hopeful, at the outset, that a settlement agreement could be reached and (b) the Board concurs with the views of the Legal Counsel that the Claims are unmeritorious and is unlikely to succeed.

Furthermore, on 19 May 2021, DBPL has obtained Judgement pursuant to the Order of Court for the Statement of Claim relating to the shortfall for reimbursement to be struck out with no further order ("**Judgement**"). Subsequently on 14 July 2021, Sprawl has applied to set aside the Judgement. On 1 September 2021, the High Court ordered that the case file for both Writs of Summons be consolidated. Following an unsuccessful mediation, the High Court has since directed that parties go for trial which is to be held from 28 March 2022 to 31 March 2022. As of the date of the announcement, DBPL is in the process of preparing for the pre-trial conference scheduled on 8 February 2022.

BY ORDER OF THE BOARD

Lim Yong Sim (Lin Rongsen)
Executive Chairman and Chief Executive Officer
10 December 2021

*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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