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

EMPHASIS OF MATTER ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

In compliance with Rule 704(4) of the Singapore Exchange Securities Trading Limited Listing Manual – Section B: Rules of Catalist ("**Catalist Rules**"), the Board of Directors ("**Board**") of No Signboard Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform that the independent auditor of the Company, Deloitte & Touche LLP ("**Auditor**"), have rendered an unmodified audit opinion with an emphasis of matter ("**Independent Auditors' Report**") on the audited financial statements of the Company and the Group for the financial year ended 30 September 2019 ("**FY2019 Audited Financial Statements**").

For further details, please refer to the extracts of the Independent Auditors' Report and the relevant Notes 4(c)(iv), 34, 35 and 36 to the FY2019 Audited Financial Statements, as annexed to this announcement.

Shareholders of the Company are advised to read the FY2019 Audited Financial Statements in full, as set out in its annual report 2019 ("**FY2019 AR**"). The electronic copy of the FY2019 AR will be made available on the Company's Corporate Website, the Annual General Meeting Website (which will be disclosed) and SGXNet on 14 May 2020.

The opinion of the Auditor remains unqualified.

By Order of the Board

Lim Yong Sim (Lin Rongsen)
Executive Chairman and Chief Executive Officer
13 May 2020

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.

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 6966.

Independent Auditor's Report

To the Members of No Signboard Holdings Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of No Signboard Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 110.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following:

(i) Note 34 to the financial statements which discloses that the Company, in response to SGX Regulations ("SGX RegCo")'s directive, has appointed an Independent Reviewer to, inter alia, review the appropriateness of adopting the Actual Group Accounting Principles in respect of the unaudited Group Financial Statements for the first quarter period ended 31 December 2017 ("1Q2018"), second quarter period ended 31 March 2018 ("2Q2018") and third quarter period ended 30 June 2018 ("3Q2018"), and whether they were prepared in accordance with the Singapore Financial Reporting Standards. As at the date of this report, the review has been concluded. The Board of Directors and management have reviewed the findings in the Independent Reviewer's report and determined that no adjustments to the accompanying financial statements were necessary.

On 29 April 2020, SGX RegCo announced that it will be reviewing the Independent Reviewer's report for possible breaches of the listing rules, Rule 415 for Catalist issuer on reporting of financial statements. The Board of Directors and management have assessed that this is not expected to have significant impact on the accompanying financial statements.

(ii) Note 35 to the financial statements which discloses that the Commercial Affairs Department of the Singapore Police Force ("CAD") has commenced an investigation concerning the abortive share buyback executed by the Company's Executive Chairman and Chief Executive Officer, who has been put on arrest and on bail on reasonable suspicion that sections 197 and 218 of the Securities and Futures Act Chapter 289 may have been breached. As at the date of this report, the CAD's investigation is still ongoing. The Board of Directors and management have assessed that this is not expected to have significant impact on the accompanying financial statements.

(iii) Notes 4(c)(iv) and 36 to the financial statements disclose that the COVID-19 outbreak subsequent to the reporting period has affected the business and revenue of the Group. Notwithstanding this, management has assessed that the Group and the Company, with the financing facilities made available by its Bankers, will have sufficient financial resources to enable the Group and the Company to continue as a going concern for at least the next twelve months from end of the reporting period. As at the date of this report, the Group has remaining available uncommitted credit facilities of $3,000,000.

Our opinion is not modified in respect of the above matters.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Cont'd)

(c) *Financial risk management policies and objectives (Cont'd)*

(iii) Credit risk management (before 1 October 2018) (Cont'd)

The table below details the credit quality of the Group's and the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
The Group						
2019						
Trade receivables	8	(i)	Lifetime ECL (Simplified approach)	670,793	(17,157)	653,636
Other receivables	8	Performing	12-month ECL	1,148,184	–	1,148,184
				1,818,977	(17,157)	1,801,820
The Company						
2019						
Trade receivables	8	(i)	Lifetime ECL (Simplified approach)	235,967	–	235,967
Other receivables	8	Performing	12-month ECL	607,866	–	607,866
Amount due from subsidiaries	5	In default	Lifetime ECL	10,428,039	(8,387,947)	2,040,092
Amount due from subsidiaries	5	Performing	12–month ECL	1,872,061	–	1,872,061
				13,143,933	(8,387,947)	4,755,986

(i) For trade receivables, the Group and the Company has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group and the Company determines the expected credit losses on these items estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 8 includes further details on loss allowance for these trade receivables.

In 2019, The Group and the Company has cash balances placed with reputable banks. The Group has concentration of credit risk as 77% of its trade receivables are due from 3 major customers with each customer exceeding 5% of the total trade receivables.

(iv) Liquidity risk management

Liquidity risk refers to the risk that the Group and the Company may not be able to meet its obligation.

At the end of the reporting period, the Group's and the Company's current assets exceeded its current liabilities by $12,913,490 (2018 : $19,536,164) and $16,421,725 (2018 : $24,469,524) respectively. As at the date of this report, the Group has drawn down committed credit facilities of $1,300,000 and is in the process of drawing down additional committed credit facilities of $3,000,000. The Group has remaining available uncommitted credit facilities of $3,000,000. Based on management's cash flow forecast for the next twelve months, the Group and the Company will maintain sufficient cash and cash equivalents via internally generated cash flows and available credit facilities to finance their activities and pay their debts as and when they fall due notwithstanding the impact of COVID-19 as disclosed in Note 36. Accordingly, management has assessed that the Group and the Company, with the financing facilities made available by its Bankers, will have sufficient financial resources to enable the Group and the Company to continue as a going concern for at least the next twelve months from end of the reporting period. Please refer to further details in Note 36.

32 ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (Cont'd)

(c) Previously, promotional support is provided under FRS 37 in provisions in statement of financial position and correspondingly expensed to profit or loss in other operating expenses. The adoption of SFRS(I) 15 has changed the accounting for these payments to customers. The promotional support are now accumulated over the contract period as a contract liability and are considered as a reduction of revenue over the contract period. Payments that relate to the purchase of a distinct service continue to be recorded as other operating expenses. A reclassification of other operating expenses to revenue has therefore been made to reflect the change in accounting.

(D) Impact on the Statement of Cash Flows for the year ended September 30, 2018 (last financial year reported under FRS)

The transition to SFRS(I) and the initial application of SFRS(I) 9 and SFRS(I) 15 have not had a material impact on the statement of cash flows.

33 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I) pronouncement was issued but not effective.

SFRS(I) *16 Leases*

Effective for annual periods beginning on or after 1 January 2019

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

SFRS(I) 1-17 does not require the recognition of any right-of-use asset or liability for future payments for the operating leases the Group enters into. Under SFRS(I) 16, the Group is required to recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of SFRS(I) 16. Additional disclosures may also be made with respect to leases, including any significant judgement and estimation made in distinguishing between leases and service contracts, on the basis of whether an identified asset controlled by the customer exists. Management has performed a detailed analysis of the requirements of the initial application of SFRS(I) 16.

As at 30 September 2019, the Group and the Company have non-cancellable operating lease commitments as disclosed in Note 28. A preliminary assessment indicates that these arrangements will meet the definition of a lease under SFRS(I) 16, and the Group will be applying cumulative catch-up approach, and hence the Group and the Company will recognise a right-of-use asset of $7,872,091 and $3,968,065 respectively and a corresponding liability of $8,144,718 and $4,113,156 respectively and net impact on retained earnings of $272,627 and $145,090 respectively on initial adoption on 1 October 2019 in respect of all these leases unless they qualify for low value or short-term leases upon application of SFRS(I) 16.

34 SGX REGULATIONS'S ("SGX REGCO")'S DIRECTIVE

On 6 March 2019, the Company announced that SGX RegCo required the Company to (a) explain the appropriateness of adopting Actual Group Accounting Principles in the preparation of the unaudited Group Financial Statements for First Quarter Period Ended 31 December 2017 ("1Q2018"), and whether it was prepared in accordance with Singapore Financial Reporting Standards; and (b) seek the opinion of Independent Reviewer on the matters set out in (a).

34 SGX REGULATIONS'S ("SGX REGCO")'S DIRECTIVE (Cont'd)

In addition, the Company was required to engage an Independent Reviewer to audit the financial position and results for 1Q2018, to assess whether the 1Q2018 Results Announcement as announced by the Company on 14 February 2018 represents a true and fair view of the financial position and performance of the Group for 1Q2018, including whether it is acceptable to account for 6 months of financial performance of the restaurant business in the 1Q2018 results. In arriving at this decision, SGX RegCo took into account the Company's view that no restatement was necessary for 2Q2018 and 3Q2018, given that the Restructuring Exercise had been completed on 31 October 2017. Out of prudence, the Company decided to expand the audit to cover the financial periods from 1 January 2018 to 31 March 2018 ("2Q2018") and from 1 April 2018 to 30 June 2018 ("3Q2018").

On 2 July 2019, the Company appointed Nexia TS Public Accounting Corporation as the independent reviewer ("Independent Reviewer") for this purpose. The scope of the independent review will include, inter alia, the review of the appropriateness of adopting the Actual Group Accounting Principles in respect of the unaudited Group Financial Statements for 1Q2018, 2Q2018 and 3Q2018, and whether it was prepared in accordance with the Singapore Financial Reporting Standards.

As at the reporting date of the financial statements for the year ended 30 September 2019, the review has been concluded and management has received the report of the Independent Reviewer on its findings in respect of the abovementioned SGX RegCo's Directive. The Independent Reviewer is of the opinion that the unaudited Group Financial Statements for 1Q2018, 2Q2018 and 3Q2018 should be prepared using Merger Accounting Principles in order to comply with the recognition and measurement principles of the relevant Singapore Financial Reporting Standards.

The Board of Directors and management have reviewed the findings in the Independent Reviewer's report, of which had no material impact on the financial statements, and determined that no adjustments to these financial statements were necessary.

On 29 April 2020, SGX RegCo announced that it will be reviewing the Independent Reviewer's report for possible breaches of the listing rules, Rule 415 for Catalist issuer on reporting of financial statements. The Board of Directors and management have assessed that this is not expected to have significant impact on the Group's and Company's financial statements for the year ended 30 September 2019.

35 INVESTIGATION BY THE COMMERCIAL AFFAIRS DEPARTMENT OF THE SINGAPORE POLICE FORCE

On 29 April and 2 May 2019, the Company announced that it was requested by the Commercial Affairs Department of the Singapore Police Force ("CAD") to assist in an investigation in relation to matters concerning the abortive share buy-back executed by the Company's Executive Chairman and Chief Executive Officer ("CEO") on 31 January 2019. The Company is fully cooperating with the CAD in its investigations. As part of the Company's co-operation, from 24 April 2019 to 26 April 2019, the CAD was provided access to and was given copies of documents in connection with the abortive share-buyback pursuant to Section 35 of the Criminal Procedure Code. No files or records or equipment belonging to the Group have been seized by CAD.

At a further interview with the CAD on 30 April 2019, the CEO was informed that he was put on arrest and on bail on reasonable suspicion that sections 197 and 218 of the Securities and Futures Act Chapter 289 may have been breached.

As at the reporting date of the financial statements, the CAD's investigation is still ongoing. The Board of Directors and management have obtained legal advice and assessed that the CAD investigation is not expected to have significant impact on the operations of the Group and the Company and on the Group's and Company's financial statements for the year ended 30 September 2019.

36 EVENT AFTER REPORTING PERIOD

The epidemic of Coronavirus Disease 2019 (the "COVID-19 outbreak") subsequent to the reporting period has affected the business and economic activities of the Group. The Group's business and revenue have been impacted by the decline in the number of customers starting from early February 2020 as Singapore imposed travel restrictions on new Chinese tourists and the stepping up of border controls since February and March 2020 respectively which substantially reduced the number of tourists coming to Singapore.

On 3 April 2020, the Prime Minister and the Ministry of Health have announced elevated safe distancing measures and the closure of workplace premises ("Circuit Breaker Measures"). Save for those providing essential services and in selected economic sectors which are critical for local and global supply chains, physical workplace premises are required to cease operations from 7 April 2020 until 4 May 2020. From 7 April 2020, all restaurants, hawker centres, coffee shops, food courts and other food and beverage outlets will remain open only for takeaway or delivery. On 21 April 2020, the Prime Minister has announced that the Circuit Breaker period will be extended by four weeks until 1 June 2020.

With the current challenges, the Group's restaurants and outlets are limited to takeaway and online delivery orders, without dine-in sales. Given that the situation is fluid and rapidly evolving as government policy changes, the Group's current key priority is to preserve cash to support working capital requirements until COVID-19 situation improves. At the same time, the Group has been conscientiously managing its costs and is taking measured steps on various cost-cutting and cost control measures. The related impact will be reflected in the Group's financial statements for the financial year ending 30 September 2020. Notwithstanding this and as disclosed in Note 4(c)(iv), management has assessed that the Group and the Company with the financing facilities made available by its Bankers, will have sufficient financial resources to enable the Group and the Company to continue as a going concern for at least the next twelve months from end of the reporting period.