

NO SIGNBOARD HOLDINGS LTD.

(Company Registration No. 201715253N)

(Incorporated in Singapore)

ENTRY INTO CONDITIONAL LOAN AGREEMENT WITH MR. BRYAN LIM SOON FANG

1. INTRODUCTION

The Board of Directors (the “**Board**”) of No Signboard Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement on 11 March 2022 (the “**Share Sale Announcement**”) in relation to the proposed sale by GuGong Pte. Ltd. (“**GuGong**”) of 101,726,344 shares representing approximately 22% of the share capital of the Company to Mr. Bryan Lim Soon Fang (the “**Proposed Share Transfer**”). Unless otherwise defined, capitalised terms in this announcement shall have the meanings given in the Share Sale Announcement.

In connection with the Proposed Share Transfer, the Company has entered into a conditional loan agreement (the “**CLA**”) with Mr. Bryan Lim Soon Fang (the “**Lender**”) on 18 March 2022, pursuant to which the Lender has agreed to extend to the Company an interest-free and unsecured loan of an aggregate principal amount of S\$1.9 million (the “**Conditional Loan**”), on the terms and subject to the conditions set out in the CLA.

2. TERMS OF THE CLA

The principal terms of the CLA are set out below:

2.1 Amount and Interest

The aggregate principal amount of the Conditional Loan shall be S\$1.9 million. The Conditional Loan shall be interest-free.

2.2 Security

The Conditional Loan shall be unsecured and shall rank *pari passu* with all other unsecured indebtedness of the Company.

2.3 Loan Availability

Within 30 business days of the date of the CLA or such other date as may be mutually agreed in writing between the Company and the Lender, the Lender shall make the Conditional Loan available by depositing the amount in an escrow account held by a third party escrow agent. Thereafter, the Conditional Loan may be disbursed from the escrow account to the Company in one or more tranches upon the delivery by the Company to the Lender of a drawdown request, subject to the satisfaction or waiver of the conditions set out in paragraph 2.6 below.

2.4 Maturity Date

The Conditional Loan shall be repayable in one (1) lump sum on the written demand of the Lender at any time after the date falling two (2) years after the Conditional Loan (or any part thereof) is first disbursed to the Company.

2.5 Use of Proceeds

The Conditional Loan shall be used to discharge the current liabilities of the Group and to assist in meeting the Group’s working capital requirements.

2.6 Conditions to Drawdown

The first drawdown of the Conditional Loan shall be subject to the satisfaction or waiver of, *inter alia*, the following conditions:

- (a) completion of the Proposed Share Transfer;
- (b) submission by the Company no later than four (4) weeks from the date of the CLA or such other period as may be mutually agreed in writing between the Company and the Lender, of an application to the SGX-ST for the resumption of the trading of the Shares on Catalist;
- (c) the Company having prepared and provided a 12-month consolidated cash flow forecast satisfactory to the Lender with a view to support the issuance of the audited financial statements of the Company for the financial year ending 30 September 2021 ("**FY2021 Financial Statements**") on a going concern basis and to ensure the adequacy of the funds required to meet its obligations, working capital and capital commitment needs;
- (d) as at the drawdown date,
 - (i) the Company not having breached any of the representations or warranties under the CLA;
 - (ii) all of the Company's representations and warranties under the CLA having been complied with and is not proven to be untrue or incorrect in any material respect;
 - (iii) the Group not having more than S\$4.5 million in total net liabilities, excluding any costs and expenses incurred in connection with the Proposed Share Transfer, the CLA and the restructuring exercise undertaken by the Group; and
 - (iv) there not having occurred any matter, fact or circumstance which would result in the Company's auditors issuing a disclaimer of opinion or qualified opinion with respect to the FY2021 Financial Statements.

Any subsequent drawdown of the Conditional Loan shall be subject to the satisfaction or waiver of the conditions set out under paragraph 2.6(d).

3. **RATIONALE FOR THE CONDITIONAL LOAN**

As previously disclosed by the Company, the business environment for the food and beverage ("**F&B**") industry in the Group's principal market of Singapore has been challenging since the onset of the COVID-19 pandemic (the "**Pandemic**") in early 2020. The closure of borders to tourism in Singapore has significantly impacted the Group's operations in Singapore, which relies on tourists as a major source of revenue. Limitations on restaurant capacity and dine-in patrons due to the protracted safe-distancing and default work-from-home measures have also exacerbated the challenges faced by the Group and the wider F&B industry in Singapore.

As there is no certainty on the severity and the recovery of the global business climate from the unprecedented effects of the Pandemic, the Group has been conscientiously managing its operating costs and has taken measured steps to review and implement cost cutting and control measures to conserve cash to meet its working capital requirements. The Group has also intensified its social media and digital presence to attract a wider customer demographic, and plans to focus more on casual, quick-serve dining outlets in high traffic locations.

However, the impact of the Pandemic on the Group's revenue and cashflow has continued to erode the Group's cash reserves. As a result of these challenges, on 24 January 2022, the Company announced that it had requested a voluntary suspension on the trading of its shares as it was unable to demonstrate that it was able to continue as a going concern in accordance with Catalist Rule 1303(3).

As part of the terms of the Proposed Share Transfer, the Lender has agreed to provide the Conditional Loan to support the Group's working capital requirements as the Group tides through the challenges of the Pandemic, and places the Group in a position to ramp up the operations of its flagship No Signboard seafood restaurants once social distancing measures are lifted. Together with the S\$2.6 million interest-free unsecured loan expected to be granted by Dr. Ng Chin Siau¹ pursuant to the loan agreement dated 16 March 2022, if completed, the Company will obtain an aggregate amount of S\$4.5 million in interest-free and unsecured financing, which is expected to assist in meeting the Group's working capital requirements.

Given the current financial condition of the Group, the Company reasonably believes that no external bank financing would be available to the Group on terms comparable to the Conditional Loan (*e.g.*, interest-free, unsecured, with a tenure of at least two (2) years). The terms and conditions of the Conditional Loan were negotiated and agreed upon by the parties on an arm's length basis, taking into consideration the terms of the Proposed Share Transfer.

4. PROVISION OF THE CONDITIONAL LOAN AS AN INTERESTED PERSON TRANSACTION

As the disbursement of the Conditional Loan is subject to the completion of the Proposed Share Transfer (the "**Completion**"), the Lender would be a controlling shareholder of the Company upon successful Completion. Accordingly, he will be regarded as an "interested person" in relation to the Company within the meaning of Chapter 9 of the Catalist Rules.

Pursuant to Rule 909 of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. As the Conditional Loan will be interest-free, the value of the transaction is nil. Accordingly, the Company is not required to seek shareholders' approval or to announce the Conditional Loan pursuant to Rules 905 and 906 of the Catalist Rules.

However, in the interest of transparency the Company is disclosing the Conditional Loan pursuant to Rule 703 read with paragraph 9 of Appendix 7A of the Catalist Rules. Save as disclosed above, there are no other interested person transactions entered into by the Company with the Lender or his associates for the current financial year commencing 1 October 2021 up to the date of this announcement.

5. SERVICE CONTRACTS

As at the date of this announcement:

- (a) no person is proposed to be appointed as a director of the Company and no service contract is proposed to be entered into by the Company in connection with the Proposed Share Transfer or the CLA; and
- (b) it is intended that Mr. Lim Yong Sim (Executive Chairman and Chief Executive Officer) and Ms. Lim Lay Hoon (Executive Director and Chief Operating Officer) will remain in their current positions after the Proposed Share Transfer and the execution of the CLA.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for GuGong, and Mr Lim Yong Sim and Ms Lim Lay Hoon (in their capacity as controlling shareholders and directors of the GuGong), none of the other Directors or, as far as the Directors are aware, substantial shareholders of the Company have any interest, direct or indirect, in the Conditional Loan, other than through their respective shareholdings in the Company.

¹ Please refer to the Company's announcement dated 16 March 2022 for further information on the loan agreement dated 16 March 2022 entered into between the Company and Dr. Ng Chin Siau.

7. COMPLIANCE WITH CATALIST RULE 1304(1) AND RULE 729

The Company, in compliance with Rules 1304(1) and 729 of the Catalist Rules, will detail its plans and milestones in its trading resumption proposal which will be submitted to SGX RegCo in due course.

The Company will make further announcements, in compliance with the requirements of the Catalist Rules as and when there are material developments in respect of transactions disclosed in this Announcement.

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 Yong Sim (Lin Rongsen)
Executive Chairman and Chief Executive Officer
18 March 2022

*This announcement and its contents have 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**"). 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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