

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 2022**

In compliance with Rule 704(5) of the Singapore Exchange Securities Trading Limited Listing Manual – Section B: Rules of Catalist, the Board of Directors (the "**Board**" or the "**Directors**") of No Signboard Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform that the independent auditor of the Company, PKF-CAP LLP (the "**Auditor**"), has rendered an unmodified audit opinion with an emphasis of matters on going concern uncertainty and the Executive Chairman was charged for price rigging offences in its audit report (the "**Independent Auditors' Report**") on the audited financial statements of the Company and the Group for the financial year ended 30 September 2022 (the "**FY2022 Audited Financial Statements**").

In the opinion of the Directors, the Group will be able to continue as a going concern, having regard to the factors described in Note 2 to the FY2022 Audited Financial Statements. The Executive Chairman has been charged for price rigging offences under the Securities and Futures Act, which does not have any significant impact on the accompanying financial statements. For further details, please refer to the extracts of the Independent Auditors' Report and Notes 2 to the FY2022 Audited Financial Statements, as annexed to this announcement.

Shareholders of the Company are advised to read the Audited Financial Statements in full, as set out in its annual report 2022 (the "**FY2022 AR**"). The electronic copy of the FY2022 AR will be made available on the Company's Corporate Website, the AGM Website (which will be disclosed) and SGXNET on 19 January 2024.

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 Chairman and Interim Chief Executive Officer
19 January 2024

*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.*

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

Extracted from the Independent Auditors' Report to the Audited Financial Statements of No Signboard Holdings Limited for the financial year ended 30 September 2022

INDEPENDENT AUDITORS' REPORT

For the financial year ended 30 September 2022

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 2022, 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 as set out on pages 9 to 87.

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 1967 (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 2022 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 Matters

We draw attention to Note 2.1 in the financial statements, which indicates that the Group incurred a net loss of \$4,719,880 during the year ended 30 September 2022 and, as of that date, the Group and Company had net liabilities of \$7,055,732 and \$4,803,637 respectively. Additionally, the Group had a net cash outflow from operating activities of approximately \$982,000 for the year then ended. As stated in Note 2.1, these conditions, along with other matters as set forth in Note 34, indicate the existence of a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as going concerns.

We also draw attention to Note 32 to the financial statements which indicates that the Executive Chairman of the Company was charged for price rigging offences under the Securities and Futures Act ("SFA"). The charges arose from a joint investigation by the Commercial Affairs Department ("CAD") of the Singapore Police Force and the Monetary Authority of Singapore.

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

Extracted from the Independent Auditors' Report to the Audited Financial Statements of No Signboard Holdings Limited for the financial year ended 30 September 2022

**INDEPENDENT
AUDITORS' REPORT**

For the financial year ended 30 September 2022

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment of right-of-use assets and plant and equipment

At 30 September 2022, the carrying value of the Group's right-of-use assets and plant and equipment were \$136,388 and \$438,177 which represents 11.1% and 35.5% respectively of the Group's total assets. The Group has business segments in the management and operation of seafood restaurants and other restaurants. All the restaurant outlet operations incurred losses in the current financial year. Accordingly, management identified that the related right-of-use assets and plant and equipment of these outlets have indicators of impairment and performed impairment tests to determine their recoverable amounts. Based on the outcome of the impairment tests, the Group has recognised an impairment charge of \$1,414,464 and \$807,564 on the right-of-use assets and plant and equipment, respectively, of the seafood restaurants and other restaurant business.

As disclosed in Note 11 and Note 8, management determined the recoverable amounts of these outlets' right-of-use assets and plant and equipment based on value in use calculations, which require management to apply significant judgements and make assumptions on estimates supporting underlying projected cashflows.

Given the heightened level of estimation uncertainty associated with current market condition and the significant management judgement involved in determining the recoverable amounts for the above mentioned assets which are significant to the Group, we consider this to be a key audit matter.

As part of our audit, we obtained an understanding of management's impairment assessment process, including the method and the reasonableness of the key assumptions used to determine the recoverable amounts, in particular focusing on key assumptions such as sales growth rates and discount rates. In our assessment and sensitivity analyses, we considered past, current and anticipated changes in the business and economic environment. We assessed the sales recovery assumptions and growth rates by comparing them to recent performance of the outlets and available external industry data based on conditions prevailing at the reporting date. We engaged our internal valuation specialists to assess reasonableness of the discount rates. We also performed sensitivity analyses on management's sales recovery assumptions, growth and discount rates in terms of the timing of the Group's plans on return of operations to normalcy using different possible scenarios.

We reviewed the adequacy of the disclosures made on the impairment of right-of-use assets and plant and equipment in Note 11 and Note 8 to the financial statements.

Other Matter

The financial statements for the financial year ended 30 September 2021 were audited by another auditor whose report dated 14 October 2022 expressed a disclaimer opinion on those financial statements.

INDEPENDENT AUDITORS' REPORT

For the financial year ended 30 September 2022

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

For the financial year ended 30 September 2022

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Eng Kian.

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore
11 January 2024

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

1. Corporate information

No Signboard Holdings Ltd. (the "Company") was incorporated on 1 June 2017 in the Republic of Singapore with its principal place of business and registered office at 10 Ubi Crescent, #03-02 Ubi Techpark Lobby A, Singapore 408564.

The Company was admitted to the Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 November 2017.

The principal activities of the Company are the management and operation of food & beverage outlets and investment holding.

The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company (collectively known as "financial statements") have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "\$").

Going concern uncertainty

During the financial year ended 30 September 2022, the Group incurred net loss of \$4,719,880 (2021: \$9,112,175) and a net cash outflow from operating activities of approximately \$982,000. As of that date, the current liabilities and total liabilities of the Group exceeded its current assets and total assets by \$6,643,489 (2021: \$2,021,126) and \$7,055,732 (2021: \$2,375,243) respectively. The net current liabilities of the Group included bank borrowings of \$2,125,000 that were reclassified from 'non-current' to 'current' as a result of defaulting on monthly repayments due to insufficient funds as disclosed in Note 13(i) to the financial statements. Additionally, the Company had net liabilities of \$4,803,637 at reporting date.

These factors indicate the existence of a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as going concerns. Notwithstanding, these financial statements have been prepared on a going concern basis as the Board is of the view that the assumptions made on the restructuring exercise and proposed Investment as disclosed below, the Group and Company will be able to generate cashflows from operations to meet the Group's and Company's working capital requirements and to operate as going concerns.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

2. Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Going concern uncertainty (cont'd)

The Company announced on 30 April 2022 that the Company and Gazelle Ventures Pte. Ltd. ("**Investor**") have entered into a memorandum of understanding dated 30 April 2022 ("**MOU**") pursuant to which the Investor has agreed to invest a sum of up to S\$5,000,000 (the "**Full Investment Amount**") into the Company, subject to certain conditions. The Full Investment Amount would comprise (i) an initial amount of S\$500,000 by way of a subscription of new ordinary Shares representing 75% of the enlarged issued and paid-up share capital of the Company upon completion of the Subscription, and (ii) the remaining S\$4,500,000 by way of a convertible instrument. The key conditions precedent are as follow:

- (1) The Company's successful application for super priority status for the provision of Emergency Funding
- (2) The approval of the scheme of arrangement for the restructuring of existing liabilities of the Company and its relevant subsidiaries
- (3) Approval for the resumption of trading on SGX-ST
- (4) Approval in-principle for the listing and quotation of the Subscription Shares on the Catalist of the SGX

Due to the Company's emergency funding requirements, the Company and the Investor has also agreed that out of the Subscription Amount, a sum of S\$450,000 has been extended by the Investor as emergency rescue financing to the Company in accordance with the terms and conditions of the Super Priority Financing Agreement which was entered on 25 May 2022. Following from this, the Company and the Investor agreed that the Emergency Funding would form part of the Subscription Amount to be paid by the Investor in return for the allotment and issue of such number of Shares representing 75% of the enlarged issued and paid-up share capital of the Company upon completion of the Subscription.

The Singapore High Court (the "**Court**") granted a moratorium under Section 64 of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore ("**IRDA**") filed by the Company and its subsidiaries, NSB Hotpot Pte. Ltd. and NSB Restaurants Pte. Ltd. (the "**Scheme Companies**") on 29 April 2022 and at the hearing on 26 May 2022, ordered that the moratorium sought in relation to the Company and the Scheme Companies be granted until 29 October 2022 or until further order of the Court, subject to certain disclosure requirements; and

The Company has filed an application on 5 May 2022 for the grant of super priority status over all preferential debts specified in Section 203(1)(a) to (i) and all other unsecured debts under Section 67(1)(b) of the IRDA for the debt arising from the Emergency Funding provided by the Investor, the Court, at the hearing on 26 May 2022, had granted the super priority status over the debt arising from the Emergency Funding,

As disclosed in Note 33, the group has placed certain subsidiaries under creditors' voluntary liquidation and closed certain outlets. Furthermore, the Company is currently in the process of a court-supervised restructuring exercise which will include the Scheme, to reorganise the Scheme Companies' liabilities and deleverage the balance sheet of the Group ("**Restructuring Exercise**") and has appointed DHC Capital Pte. Ltd. as an independent financial advisor and scheme manager for the Restructuring Exercise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

2. Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Going concern uncertainty (cont'd)

On 18 July 2022, the Scheme Companies applied to the Court for leave to be granted, pursuant to Section 210(1) of the Companies Act, to the Scheme Companies to convene the Scheme Meetings of the Scheme Creditors for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme (the "**Leave Applications**"). On 16 August 2022, the Court granted the Leave Applications and ancillary applications for leave to hold the Scheme Meetings. The Scheme Meetings were held on 11 October 2022, during which the creditors approved the Scheme.

The Company has submitted its further revised application for the trading resumption of the Shares to the SGX-ST on 27 September 2023. In support of the Company's application for trading resumption ("TRP"), the Investor has entered into a deed of undertaking in favour of the Company on 9 September 2023. Under the terms of the deed, the Investor will be obligated to indemnify the Company for certain relevant losses incurred by the Company subject to certain conditions, including the obtaining of trade resumption.

The Company has obtained undertakings from both the Investor and the Investor's shareholders that they will support the Company's working capital requirements up to additional \$5 million and to ensure that the Company continues to operate as a going concern after the trading resumption, among others. Post-resumption of trading, it is envisaged that the Company will raise additional funds for growth and acquisition.

Investigation by the Commercial Affairs Department of the Singapore Police Force

Note 32 to the financial statements discloses an ongoing Commercial Affairs Department of the Singapore Police Force ("CAD") investigation on the Company's Executive Chairman concerning the abortive share buyback executed by the Company's CEO in 2019. The Executive Chairman was put on arrest and released on bail on reasonable suspicion that there is a breach of sections 197 and 218 of the Securities and Futures Act Chapter 289. The CAD's investigation is still ongoing as at the date of the financial statements. The Board of Directors and management have assessed the matter and concluded that this will not have a significant impact on the accompanying financial statements.