

Response to SGX-ST Queries

The Board of Directors (the “**Board**”) of No Signboard Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 7 March 2022 (the “**7 March Announcement**”) in relation to the proposed sale of 134,093,818 Shares by GuGong to Dr. Ng Chin Siau (“**Dr Ng**” or the “**Purchaser**”) for a consideration of S\$1.00 (the “**Proposed Share Transfer**”), which is conditional upon, *inter alia*, the Purchaser and the Company entering into a conditional loan agreement on terms to be agreed between the Purchaser and the Company (the “**Loan Agreement**”), pursuant to which the Purchaser shall extend to the Company an interest-free unsecured loan of an aggregate principal amount of S\$2.6 million (the “**Loan**”).

Unless otherwise defined, all capitalised terms used herein shall bear the meanings given in the 7 March Announcement.

The Company has received the following queries from Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to transactions disclosed in the 7 March Announcement, and has set out its responses below:

SGX-ST QUERY 1

How was the consideration of S\$1 for 29% interest in NSB arrived at? Please obtain confirmations from GuGong, Mr Lim Yong Sim and Ms Lim Lay Hoon that there are no other agreements / arrangements, directly or indirectly, in relation to the Proposed Share Transfer and / or the Loan.

Company’s Response

The Company understands that the consideration agreed between GuGong and the Purchaser was on a willing-buyer and willing-seller basis, taking into consideration the following factors:

- (a) The Group has suffered losses of approximately S\$6.4 million (unaudited) and S\$9.8 million (audited) in the financial years ended 30 September 2021 (“**FY2021**”) and 30 September 2020 (“**FY2020**”) respectively arising primarily due to the continuing challenges in the operating environment of the local food and beverage industry caused by COVID-19. The Group has also recorded net cash outflow of approximately S\$10.2 million (unaudited) and S\$2.9 million (audited) in FY2021 and FY2020 respectively.
- (b) On 24 January 2022, the Company announced that it was unable to demonstrate that it is able to continue as a going concern and accordingly the Company voluntarily suspended trading of the shares of the Company.
- (c) The Loan Agreement that is to be entered into between the Purchaser and the Company as a condition to the completion of the Proposed Share Transfer, will provide the Group with a substantial infusion of interest-free and unsecured funding which will assist the Group with its working capital needs.

The Company understands that GuGong has agreed to enter into the Proposed Share Transfer in order to obtain funding for the Group from the Purchaser on an interest-free and unsecured basis, which would otherwise have been very challenging for the Company to secure given its current financial condition.

Gugong, Mr Lim Yong Sim and Ms Lim Lay Hoon have confirmed to the Company that there are no other agreements / arrangements, directly or indirectly, in relation to the Proposed Share Transfer and/or the Loan.

SGX-ST QUERY 2

Dr Ng will become the largest controlling shareholder in the Company after the Proposed Share Transfer. He is also the founder, controlling shareholder and CEO of Q & M Dental Group (S) Limited, a company listed on the Mainboard of the SGX-ST.

- Will Dr Ng or his nominees be appointed to the Board and or key management of NSB?
- What are his plans for NSB?

Company's response

As at the date of this announcement, there is no agreement for Dr. Ng or his nominees to be appointed to the Board and/or as key management of NSB. The Company will make an update announcement should there be any change to the current position.

As previously announced, the local food and beverage industry in which the Group operates has been materially and adversely impacted by the COVID-19 pandemic. The Company has, with assistance of its professional advisers, been taking steps to manage costs, including reviewing and implementing various cost-cutting and cost control measures, with a view to restructuring the Group's operations to enable the Group to continue as a going concern. The Company and GuGong have also been actively exploring additional fundraising activities, including securing additional financing from other potential investors in order to meet the working capital needs of the Group.

The Company is committed to focusing on its existing businesses, and expects the demand for the Group's businesses to improve with the gradual easing of COVID-19 related restrictions (such as travel and dining restrictions). As the COVID-19 situation improves in the future, the Company will continue to monitor the situation and may explore new areas of opportunities should the opportunity arise to increase the revenue streams of the Group. At this stage, the Company has not identified and is not in negotiations on any such opportunities.

The Company understands from Dr. Ng that the above plan is consistent with his plans for the Group. His main motivation for entering into the Proposed Share Transfer is to revive an iconic Singapore brand. As previously announced, Dr. Ng will, as a condition to the completion of the Proposed Share Transfer, intends to enter into a conditional loan agreement with the Company to extend the interest-free and unsecured Loan of an aggregate principal amount of S\$2.6 million to assist the Group with meeting its working capital needs. Dr. Ng also understands that the Loan alone will not be sufficient for the Group's working capital purposes, and that the Company and GuGong are in discussions to obtain further funding. The Company will make the necessary announcements as and when any such transactions materialises.

SGX-ST QUERY 3

GuGong's shareholding will decrease from 54.91% to 25.91% after the Proposed Share Transfer.

- Will Mr Lim Yong Sim remain as the Executive Chairman and Group CEO after the Proposed Share Transfer?
- Will Ms Lim Lay Hoon remain as the Executive Director and COO of the Company after the Proposed Share Transfer?

Company's response

As at the date of this announcement, it is intended that Mr. Lim Yong Sim and Ms. Lim Lay Hoon will remain in their current positions after the Proposed Share Transfer.

SGX-ST QUERY 4

Trading in NSB's shares have been suspended under Catalist Rule 1303(3) since 24 Jan 2022 due to going concern issues. The Proposed Share Transfer is conditional, *inter alia*, upon NSB's shares remaining listed on Catalist and no delisting being served by SGX-ST.

Pursuant to Catalist Rule 1304(1), if an issuer is suspended under Rule 1303(3), it must submit a resumption proposal within 12 months of suspension, failing which it may be delisted. Pursuant to Catalist Rule 729, where the trading of an issuer is suspended, there must not be any transfers of securities, unless approved by the Exchange. Accordingly, in order for NSB to remain listed and for trading to resume, NSB will be required to submit a satisfactory resumption proposal with a view to resume trading. Consequentially, with the resumption of trading, the transfers of securities can be effected.

- In view of the Proposed Share Transfer being conditional upon, amongst others, NSB remaining listed and no delisting being served by SGX-ST, please explain how the Company intends to comply with requirements of the Catalist Rules, in particular Rules 1304(1) and 729, setting out in detail the Company's plans and milestones leading to the completion of the Proposed Share Transfer. We would like to emphasize that the Company must enter into agreements / contracts which would enable it to meet the requirements of the listing rules.

Company's response

The Company confirms that it is aware of the listing rules and will detail its plans and milestones in its trading resumption proposal which will be submitted to SGX RegCo in due course upon the execution of the relevant agreements with investors. As disclosed in the 7 March Announcement, the Company and GuGong are currently in advanced negotiation with investors to secure additional financing to meet the working capital needs of the Group. It is intended that the Company will then agree on the terms of the loan agreements with the respective investors, which will form part of a holistic trading resumption proposal to be submitted by the Company to SGX RegCo with a view to comply with Rules 1304(1) and 729.

The Company notes that it must enter into the relevant agreements which would enable it to meet the requirements of the listing rules.

SGX-ST QUERY 5

It is stated that the rationale for the Proposed Share Transfer is to secure the S\$2.6 million interest-free Loan from Dr Ng to assist the Group with its working capital needs. Terms for the loan has not been finalised and the Company has not entered into a loan agreement with Dr Ng yet. It is also announced that the Loan would not be sufficient to meet the working capital requirements of the Company for the next 12 months. The Company and GuGong are currently in negotiations with other investors to secure additional financing in order to meet the working capital needs of the Group

- Please clarify whether the Proposed Share Transfer is part of the Company's trading resumption proposal.
- Is the S\$2.6 million loan conditional upon the Company and GuGong being able to secure additional financing to resolve the Group's going concern issues?
- As NSB's shares are currently suspended from trading, the Proposed Share Transfer will not happen until the Company receives approval from SGX RegCo for its trading resumption proposal. In that case, please clarify at which point would the Company receive funds to meet its working capital requirements.
- Does the Company have any back-up plans to resolve its going concern issues, assuming it is unable to enter into any loan agreements with Dr Ng and / or other investors?

Company's response

The Company confirms that the Proposed Share Transfer, which includes the condition of the entry by the Purchaser and the Company into a loan agreement, is intended to form a key part of the Company's trading resumption proposal.

The disbursement of the S\$2.6 million loan will be conditional upon the Company and GuGong being able to secure additional financing to resolve the Group's going concern issues.

It is currently envisaged that the Company will receive the funds following the approval of its trading resumption proposal and completion of the Proposed Share Transfer. The Company will make further announcements on the detailed terms and conditions of the Loan, in compliance with the requirements of the Catalist Rules, upon the execution of the Loan Agreement.

GuGong and the Company are presently focused on finalising agreements with Dr. Ng and other investors to raise the financing the Group requires to address its going concern issues. In the event that the Company is unable to enter into the loan agreements with Dr. Ng and other investors to raise the necessary financing, the Company will discuss other alternatives with its financial advisor to address its going concern issues.

The Company will make further announcements to update shareholders on material developments, as and when necessary.

In the meantime, 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

10 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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