

NO SIGNBOARD HOLDINGS LTD.

(Company Registration No. 201715253N)

(Incorporated in Singapore)

ENTRY INTO LOAN AGREEMENT WITH DR. NG CHIN SIAU

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 dated 7 March 2022 (the “**Share Sale Announcement**”) in relation to the proposed sale by GuGong Pte. Ltd, (“**GuGong**”) of 134,093,818 shares representing approximately 29% of the share capital of the Company to Dr. Ng Chin Siau (the “**Proposed Share Transfer**”). Unless otherwise defined, capitalised terms in this announcement shall have the meanings given in the Share Sale Announcement.

The Board is pleased to announce that, in connection with the Proposed Share Transfer, the Company has entered into a loan agreement dated 16 March 2022 (the “**Loan Agreement**”) with Dr. Ng Chin Siau (the “**Lender**”), 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\$2.6 million (the “**Loan**”), on the terms and subject to the conditions set out in the Loan Agreement.

2. TERMS OF THE LOAN AGREEMENT

The principal terms of the Loan Agreement are set out below:

(a) Amount, Interest and Use of Proceeds

The aggregate principal amount of the Loan shall be S\$2.6 million and shall be interest-free. The Loan shall be utilised by the Company for its working capital requirements and to discharge the current liabilities of the Group.

(b) Security and Ranking

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

(c) Conditions to Drawdown

The Loan may be drawn down in one (1) lump sum by the Company, subject to the satisfaction or waiver of, *inter alia*, the conditions set out below:

- (i) submission by the Company, no later than four (4) weeks from the date of the Loan Agreement, of an application to the SGX-ST seeking approval or confirmation from the SGX-ST that it has no objections pursuant to Catalist Rule 729, to the Proposed Share Transfer, and such application being approved no later than two (2) months from the date of such application;
- (ii) completion of the Proposed Share Transfer;
- (iii) in-principle approval or no objection letter for the resumption of trading of the Shares being received from the SGX-ST by the Company;
- (iv) the total net liabilities of the Group, excluding costs and expenses incurred in connection with the restructuring exercise undertaken by the Group, does not exceed S\$4.5 million as at the date the Loan is disbursed;

- (v) the Company and the Lender having agreed on a mutually acceptable business plan to improve the sustainability of the Company's business and operations;
 - (vi) 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 Borrower 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 obligation, working capital and capital commitment needs;
 - (vii) 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;
 - (viii) in the event that the Company is in breach of the terms of its outstanding loans provided by its principal bankers, such principal bankers having provided written waivers or confirmations that the outstanding loans will not be payable on demand (in such form and substance acceptable to the Lender); or
 - (ix) no specified event of default having occurred or would result from the making of the Loan.
- (d) Repayment
- The Loan shall be repayable in one (1) lump sum on the written demand of the Lender at any time on or after the date falling two (2) years after the Loan is disbursed to Company.
- (e) Prepayment
- The Company may prepay all or any part of the Loan at any time by giving the Lender one (1) month's prior notice without any prepayment fee, penalty or break costs.
- (f) Event of Default
- All amounts outstanding under the Loan Agreement may be declared immediately due and repayable upon the occurrence of the following events of default:
- (i) failure by the Company to repay any amount due under the Loan Agreement in accordance with its terms;
 - (ii) any breach of the terms of the Loan Agreement by the Company which is not remedied to the satisfaction of the Lender within 10 business days;
 - (iii) at any time following the disbursement of the Loan, the Company suffers an insolvency event;
 - (iv) it becomes unlawful or impossible for the Company to perform and observe its obligations under the Loan Agreement; or
 - (v) without the prior written consent of the Lender, the Company (A) ceases or threatens to cease to carry on all or a substantial part of its business or change the nature of its business, or (B) sells all or substantially all of its business and/or assets.

3. RATIONALE FOR THE 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 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. 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 Loan (*e.g.*, interest-free, unsecured, with a tenure of at least two (2) years). The terms and conditions of the 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 LOAN AS AN INTERESTED PERSON TRANSACTION

As the disbursement of the Loan is subject to the completion of the Proposed Share Transfer (the "**Completion**"), the Lender would be a controlling shareholder of the Company upon the successful Completion and the disbursement of the Loan. 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 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 Loan pursuant to Rules 905 and 906 of the Catalist Rules.

However, in the interest of transparency the Company is disclosing the 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 Loan Agreement; 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 Office), will remain in their current positions after the Proposed Share Transfer and the Loan Agreement.

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 Loan, other than through their respective shareholdings in the Company.

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 upon the execution of the relevant agreements with the Lender and Bryan Lim Soon Fang.

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
16 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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