

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

- A. THE PROPOSED DISPOSAL OF CERTAIN INTELLECTUAL PROPERTY ASSOCIATED WITH THE “NO SIGNBOARD” TRADEMARK**
- B. THE PROPOSED ENTRY INTO AN INDEPENDENT CONTRACTOR AGREEMENT**
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1. INTRODUCTION

The Board of Directors (the “**Board**”) of No Signboard Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refer to the Company’s circular dated 8 November 2022 (the “**Circular**”) in relation to, amongst others, the Proposed Investment.

Unless otherwise defined in this announcement, all capitalised terms used herein shall bear the meanings given in the Announcements.

As disclosed in the Circular, one of the conditions to the Proposed Investment is Mr. Lim Yong Sim and GuGong Pte. Ltd. (“**GuGong**”), who collectively hold 254,437,880 Shares, representing 55.03% of the total issued and paid-up share capital of the Company, providing an undertaking to vote in favour of the resolutions at the EGM to be convened in respect of the Proposed Transactions (the “**Voting Undertakings**”) by no later than one (1) month prior to the date of the EGM.

Mr. Lim Yong Sim and GuGong had provided the Voting Undertakings, subject to the Company complying with the relevant Catalist Rules on the following:

- (a) the Company selling to GuGong within three (3) months from Completion, all trademarks, trade names and brand insignia that have been associated with the enterprise and operations of the seafood and restaurant business of “No Signboard” and which are owned by the Company as at the date of the Voting Undertakings for a sum not exceeding S\$10,000; and
- (b) the appointment of GuGong as a business consultant to the Company for a period of no less than three (3) years commencing from the Completion Date for an annual fee to be mutually agreed by GuGong and the Company.

2. THE PROPOSED DISPOSAL OF INTELLECTUAL PROPERTY ASSOCIATED WITH THE ENTERPRISE AND OPERATIONS OF THE “NO SIGNBOARD” SEAFOOD AND RESTAURANT BUSINESS

2.1. The Proposed IP Disposal

The Company had, on 9 December 2022, entered into a sale and purchase agreement (the “**IP SPA**”) with GuGong pursuant to which the Company agreed to transfer and assign to GuGong of all its rights, title and interest in the trademarks and brand insignia associated with the enterprise and operations of the seafood and restaurant business of “No Signboard” and which are owned by the Company as at the date of the IP SPA (the “**Intellectual Property**”) on the terms and conditions of the IP SPA (the “**Proposed IP Disposal**”), subject to the Conditions (as defined below) being satisfied, in particular the compliance requirements referred to in paragraph 2.3(b) below.

2.2. Consideration

The consideration for the Proposed IP Disposal shall be an amount not exceeding S\$10,000 (the “**Purchase Price**”). The Company shall use its best efforts to procure the aforesaid transfer and assignment of the Intellectual Property in favour of the GuGong at the Purchase

Price subject to the Company not being in a breach of the regulations set out in paragraph 2.3(b) below. The Company will be commissioning an independent valuer to assess and determine the market value of the Intellectual Property in due course. It is intended that the final Purchase Price will take into account the valuation of the Intellectual Property. The finalised valuation report in respect of the Intellectual Property will be included in the circular to be despatched to Shareholders in due course.

2.3. Conditions to the Proposed IP Disposal

The completion of the Proposed IP Disposal is conditional on:

- (a) GuGong having complied with the terms of the Voting Undertaking; and
- (b) the Company not being in breach of Chapter 9 (if applicable) and Chapter 10 of Section B: Rules of Catalist of the Listing Manual (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"),

(collectively, the "**Conditions**").

Subject to the Conditions being satisfied, the IP SPA shall be completed no later than three (3) months from the date on which the Implementation Agreement is completed or such other date as may be agreed between the Parties. On or immediately after the date of Completion, GuGong shall procure Mr. Lim Yong Sim, Executive Chairman and Chief Executive Officer of the Company to resign from the Board of Directors of the Company.

2.4. Undertakings by GuGong

Under the IP SPA, GuGong is subjected to the non-compete and non-solicitation restrictions imposed by the Company as long as it remains as a consultant to the Company under the Independent Contractor Agreement (as defined below).

2.5. Financial Information relating to the Intellectual Property

The Intellectual Property is not capitalised as an intangible asset and has no net book value as it is internally generated by the Group and not an acquired asset. No open market value is available for the Intellectual Property as these are not publicly traded assets¹.

2.6. Rationale for the Proposed IP Disposal

The Company is currently operating 2 outlets, Little Sheep Hotpot at Orchard Gateway and nosignboard Sheng Jian at Northpoint City under the Company's subsidiaries, NSB Hotpot Pte Ltd and NSB Restaurants Pte Ltd respectively. The Company intends to carry out a rebranding exercise which will include the rebranding of its casual and quick-serve restaurant outlet operating under the "No Signboard" name ("**Rebranding Exercise**"). The Rebranding Exercise will provide the Company with an opportunity to refresh itself and stay current. The COVID-19 pandemic has brought on significant changes in the competitive environment and the Company's customers and the re-branding exercise speaks to how the brand addresses stakeholders and customers' needs amidst the changing competitive landscape.

2.7. Use of Proceeds

The Company intends to use the Purchase Price for the Rebranding Exercise.

¹ The Group previously received a royalty fee of S\$12,000 on a monthly basis from No Signboard Seafood At Mattar Road, during the period from 1 November 2017 to 31 October 2022 pursuant to a licensing agreement (subject to further renewal).

2.8. Chapters 9 and 10 of the Catalist Rules

The Proposed IP Disposal constitutes:

- (a) a non-discloseable transaction as defined under Chapter 10 of the Catalist Rules; and
- (b) an “interested person transaction” as defined under Chapter 9 of the Catalist Rules.

Please refer to paragraph 2.9 below for further details on the relative figures in respect of the Proposed IP Disposal computed on the bases set out in Catalist Rule 1006, and paragraph 4.4 below for further details on the figures in respect of the Proposed IP Disposal as an interested person transaction.

2.9. Relative Figures under Rule 1006

Based on the latest announced unaudited condensed interim financial statements for the fourth quarter and full year ended 30 September 2022 (“FY2022”), the relative figures of the Proposed IP Disposal as computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006 Bases of calculation	Relative figure %
(a) The net asset value of the assets to be disposed of, as compared with the Group’s net asset value. This basis is not applicable to an acquisition of assets.	Not meaningful ⁽¹⁾
(b) The net profit attributable to the assets acquired or disposed of, compared with the Group’s net loss	Not applicable ⁽²⁾
(c) The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	0.07% ⁽³⁾
(d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable ⁽⁴⁾

Notes:

- (1) There is no net asset value recorded in the books of the Company relating to the Intellectual Property as it is internally generated.
- (2) There is no profit attributable to the Intellectual Property as the Intellectual Property itself does not generate any revenue.
- (3) Based on the last transacted price of the Shares of S\$0.031 on 17 January 2022 prior to the Trading Suspension, the market capitalisation of the Company is S\$14.3 million.
- (4) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

3. THE PROPOSED ENTRY INTO AN INDEPENDENT CONTRACTOR AGREEMENT

3.1. The Independent Contractor Agreement

The Company had, on 9 December 2022, entered into an independent contractor agreement (the “**Independent Contractor Agreement**”) with GuGong pursuant to which the Company agreed to engage GuGong to provide the following services (the “**Services**”) on the terms and conditions of the Independent Contractor Agreement (the “**Independent Contractor Arrangement**”):

- (a) setting up of new outlet(s) in Singapore and Asia;
- (b) supporting the Company to identify potential new opportunities in line with its strategic plan and gather related supporting information;
- (c) develop operations and procedures;
- (d) assisting in the transition of daily operations to the new management; and
- (e) assist with any other matters as and when required by the Company.

3.2. Contractor Fee

In consideration for the Services to be provided by GuGong, the Company shall pay the Contractor a sum of S\$19,450 on a monthly basis (the “**Contractor Fee**”) which was arrived at on arm's length basis after taking into account the Contractor's seniority, experience, track record and credentials in the industry in which the Group is engaged.

3.3. Duration of Independent Contractor Agreement

Subject to Company not being in breach of Chapter 9 and Chapter 10 of the Catalist Rules, the term of the Independent Contractor Agreement shall be 36 months from the date on which the Shares of the Company resume trading on the SGX-ST, unless terminated earlier in accordance with the terms of the Independent Contractor Agreement. The Company may terminate the Independent Contractor Agreement without cause by giving two (2) weeks' notice in writing to the Contractor.

3.4. Undertakings by GuGong

Under the Independent Contractor SPA, GuGong is subjected to the non-compete and non-solicitation restrictions imposed on GuGong for as long as it remains as a consultant to the Company under the Independent Contractor Agreement.

3.5. Rationale for the Independent Contractor Agreement

Mr. Lim Yong Sim has indicated to the Board of Directors that he wishes to step down as Executive Chairman and Chief Executive Officer of the Company after the completion of the Implementation Agreement. However, the Contractor, which is substantially owned by Mr. Lim Yong Sim who is also one of the directors of the Contractor, has agreed to provide consultancy services to the Group as an independent contractor after the completion of the Proposed Investment in order to facilitate the transition to the new management team and to support the ongoing F&B operations of the Group. In engaging the Contractor as an independent consultant of the Group, the Board had taken into account several salient considerations, including the Mr. Lim Yong Sim's substantial and extensive market knowledge and experience in the F&B industry, his contributions to, and familiarity with, the Group during his tenure as a Director, his shareholding in the Company and alignment of interests with other stakeholders to ensure the profitability and success of the Group and the advantages

and benefits which may accrue from the Group in being able to leverage off the Contractor's market experience, knowledge and industry connections.

3.6. Chapter 9 of the Catalist Rules

Subject to the Company complying with the relevant Catalist Rules and as at the date of the Agreement, the payment of the Contractor Fee to GuGong under the Independent Contractor Agreement is an "interested person transaction" as defined under Chapter 9 of the Catalist Rules.

4. THE PROPOSED IP DISPOSAL AND THE PROPOSED PAYMENT OF THE CONTRACTOR FEE AS INTERESTED PERSON TRANSACTIONS

4.1. Interested Person Transactions

Rule 905(1) provides that an issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets. Rule 905(2) provides that if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Rule 906(1) provides that an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than (a) 5% of the group's latest audited net tangible assets; or (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

However, based on the Group's audited consolidated financial statements for FY2021, the net tangible assets is negative and accordingly, pursuant to Rule 906(3), the Company should consult the SGX-ST on the appropriate benchmark to calculate the relevant threshold in Rule 906(1), which may be based on its market capitalisation.

Rules 905(1) and 905(2) and 906(1) do not apply to any transaction below \$100,000. However, while transactions below \$100,000 are not normally aggregated under Rule 905(3), the Exchange may aggregate any such transactions entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902.

4.2. Details of the Interested Person

Lim Yong Sim holds 93.64% shares in GuGong. Lim Yong Sim and GuGong, collectively hold 254,437,880 Shares, representing 55.03% of the total issued and paid-up share capital of the Company, and are controlling shareholders of the Company as at the date of this announcement. Additionally, Lim Yong Sim is the Executive Chairman and Chief Executive Officer of the Company. As a controlling shareholder of the Company and an associate of Lim Yong Sim, a Director of the Company, GuGong is therefore an interested person within the meaning of Chapter 9 of the Catalist Rules.

4.3. Details of the Interested Person Transactions

Details of the Proposed IP Disposal and the Independent Contractor Arrangement (the "**New 2023 IPTs**") are set out in paragraphs 2 and 3 of this announcement. The rationale for the Proposed IP Disposal and the Independent Contractor Arrangement is set out in paragraphs 2.6 and 3.5 respectively. The financial information relating to the Proposed IP Disposal and the Independent Contractor Arrangement is set out in paragraphs 2.5, 2.9 and 4.4 respectively.

4.4. Value of the Interested Person Transactions

Assuming that the agreed Purchase Price is S\$10,000, the Purchase Price and the total Service Fee payable to Gugong for the term of the Independent Contractor Agreement of S\$700,200 amount to an aggregate value of S\$710,200.

As the Group's latest audited net tangible assets for FY2021 is negative, the Company is should consult the SGX-ST on the appropriate benchmark to calculate the relevant thresholds in Rule 905(1), 905(2) or 906(1), as the case may be, which may be based on its market capitalisation.

In addition, for financial year from 1 October 2022 to 30 September 2023 (FY2023), aside from the New 2023 IPTs, assuming the Company renews the rental agreement with GuGong, the rental would amount to S\$45,600 in aggregate ("**Existing 2023 IPTs**"). The Existing 2023 IPTs relate to rental expenses payable by the Company to GuGong for the lease by the Company of its corporate office from GuGong. Accordingly, the aggregate value of the Existing 2023 IPTs and the New 2023 IPTs (collectively, "**All 2023 IPTs**") is S\$755,800 which exceeds 5% of the market capitalization of the Company. As at the date of this announcement, the Company has not decided if it will continue the rental of the existing corporate office from GuGong post completion of the Proposed Transactions. Be that as it may, in the interest of good corporate governance, the Company will be seeking shareholder's approval for All 2023 IPTs and will be convening a general meeting in due course.

4.5. Audit Committee Statement

The audit committee of the Company will ensure compliance with the relevant applicable Catalist Rules, including the appointment of an independent financial advisor ("**IFA**") for All 2023 IPTs before forming its view as to whether All 2023 IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its shareholders. The opinion from the IFA and the view of the audit committee will be included in the circular to be circulated to shareholders of the Company for the purposes of the general meeting to be held in due course.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement in respect of Lim Yong Sim and GuGong, none of the Directors or controlling Shareholders of the Company and their respective associates has any interest, direct or indirect, in All 2023 IPTs (other than through their respective directorships and/or shareholdings in the Company, if any).

The Company will be seeking shareholder's approval and will be convening a general meeting in due course.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the IP SPA and Independent Contractor Agreement are available for inspection by Shareholders of the Company during normal business hours at the registered office of the Company at 10 Ubi Crescent #03-02 Ubi Techpark, Singapore 408564 for a period of three (3) months from the date of this announcement.

Please contact the Company at +65 6749 9959 prior to making any visits to arrange for a suitable time slot for the inspection

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Catalist Rules, to update shareholders as and when there are material developments in relation to the Existing 2023 IPTs, where relevant and in particular, the New 2023 IPTs.

8. TRADING CAUTION

The Board would like to emphasize that there is no certainty or assurance that the New 2023 IPTs will be consummated or completed.

Notwithstanding that the shares in the Company have been suspended from trading 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
9 December 2022

*This announcement has 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**") and 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.