

**Unaudited Condensed Interim Financial Statements
For the Second Quarter ended 31 March 2023**

Pursuant to Rule 705(2C) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Singapore Exchange Regulation requires the Company to continue to announce its quarterly financial statements with effect from 7 February 2020, in view of the disclaimer of opinion in the Company's Audit Report for the financial year ended 30 September 2021 ("**FY2021**") dated 14 October 2022.

The Company is in the midst of finalising the audit for the financial year ended 30 September 2022 ("**FY2022 Results**") and will publish the audited FY2022 Results in due course. Further, if there are any material variances in the results for the Second Quarter ended 31 March 2023 arising from the audit of FY2022 Results, the Company shall make the relevant announcement accordingly.

*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.*

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED 31 MARCH 2023

| | GROUP | | | | | |
|--|-------------------------------|---------------|------------------------|-------------------------|------------------|------------------------|
| | Second Quarter ended 31 March | | Increase (Decrease) | 6 months ended 31 March | | Increase (Decrease) |
| | 2023 | 2022 | | 2023 | 2022 | |
| | (unaudited) | (unaudited) | | (unaudited) | (unaudited) | |
| \$ | \$ | % | \$ | \$ | % | |
| Revenue | 701,014 | 1,520,851 | (53.9) | 1,626,763 | 3,546,082 | (54.1) |
| Other income | 63,848 | 1,789,303 | (96.4) | 255,726 | 2,319,002 | (89.0) |
| Raw materials and consumables used | (186,023) | (393,170) | (52.7) | (337,049) | (949,411) | (64.5) |
| Changes in inventories | 30,128 | (77,174) | N.M. | (25,054) | (121,251) | (79.3) |
| Employee benefits expense | (494,304) | (1,043,321) | (52.6) | (984,374) | (2,691,962) | (63.4) |
| Rental income | - | - | N.M. | - | 106,538 | N.M. |
| Rental expense | (14,692) | (243,269) | (94.0) | (30,593) | (371,697) | (91.8) |
| Depreciation and amortisation expense | (152,919) | (288,977) | (47.1) | (306,255) | (721,986) | (57.6) |
| Impairment of plant and equipment | - | (273,824) | N.M. | - | (273,824) | N.M. |
| Other operating expenses | (329,970) | (846,566) | (61.0) | (874,542) | (1,619,482) | (46.0) |
| Finance costs | (26,118) | (53,623) | (51.3) | (54,716) | (120,800) | (54.7) |
| Profit / (Loss) before income tax | (409,036) | 90,230 | N.M. | (730,094) | (898,791) | (18.8) |
| Income tax | - | - | N.M. | - | - | N.M. |
| Profit / (Loss) for the period | (409,036) | 90,230 | N.M. | (730,094) | (898,791) | (18.8) |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Exchange differences on translation of foreign operations | (8,949) | (4,865) | 83.9 | 36,165 | (11,517) | N.M. |
| Total comprehensive income (loss) for the period | (417,985) | 85,265 | N.M. | (693,929) | (910,308) | (23.8) |
| Profit / (Loss) attributable to: | | | | | | |
| Owners of the Company | (409,036) | 90,230 | N.M. | (730,094) | (898,791) | (18.8) |
| Non-controlling interests | - | - | N.M. | - | - | N.M. |
| | (409,036) | 90,230 | N.M. | (730,094) | (898,791) | (18.8) |
| Total comprehensive income (loss) attributable to: | | | | | | |
| Owners of the Company | (417,985) | 85,365 | N.M. | (693,929) | (910,308) | (23.8) |
| Non-controlling interests | - | - | N.M. | - | - | N.M. |
| | (417,985) | 85,365 | N.M. | (693,929) | (910,308) | (23.8) |
| N.M.: Not meaningful | | | | | | |

The accompanying accounting policies and explanatory notes form an integral part of the condensed financial statements.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

| | Note | Group | | Company | |
|---------------------------------------|------|------------------|------------------|------------------|----------------|
| | | 31/03/2023 | 30/09/2022 | 31/03/2023 | 30/09/2022 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | \$ | \$ | \$ | \$ |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and bank balances | | 4,221,571 | 284,963 | 4,130,077 | 110,503 |
| Trade and other receivables | 6 | 196,586 | 103,227 | 149,765 | 66,051 |
| Amount due from subsidiaries | 7 | - | - | - | - |
| Inventories | | 101,212 | 107,590 | - | - |
| Total current assets | | 4,519,369 | 495,780 | 4,279,842 | 176,554 |
| Non-current assets | | | | | |
| Other receivables | 6 | 137,312 | 163,480 | - | - |
| Intangible asset | 8 | - | - | - | - |
| Plant and equipment | 9 | 142,673 | 185,719 | - | - |
| Right-of-use assets | | 337,713 | 597,819 | - | - |
| Amount due from subsidiaries | 7 | - | - | 374,259 | 371,935 |
| Investment in subsidiaries | | - | - | 103 | 105 |
| Total non-current assets | | 617,698 | 947,018 | 374,362 | 372,040 |
| Total assets | | 5,137,067 | 1,442,798 | 4,654,204 | 548,594 |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | 3,775,863 | 3,483,437 | 2,752,000 | 2,263,318 |
| Lease liabilities | | 950,812 | 939,743 | 1,051 | 15,304 |
| Amount due to holding company | | 120,893 | 103,943 | 120,893 | 103,943 |
| Loan and borrowings – current portion | 10 | 7,125,000 | 2,575,000 | 7,125,000 | 2,575,000 |
| Provisions | | 28,146 | 28,146 | 22,731 | 22,731 |
| Income tax payable | | - | - | - | - |
| Total current liabilities | | 12,000,714 | 7,130,269 | 10,021,675 | 4,980,295 |
| Non-current liabilities | | | | | |
| Provisions | | 98,915 | 98,915 | - | - |
| Lease liabilities | | 569,126 | 1,051,373 | - | - |
| Loan and borrowings | 10 | - | - | - | - |
| Total non-current liabilities | | 668,041 | 1,150,288 | - | - |
| Equity | | | | | |
| Share capital | 11 | 25,181,005 | 25,181,005 | 25,181,005 | 25,181,005 |
| Capital reserve | | (695,938) | (695,938) | 2,063,751 | 2,063,751 |
| Accumulated losses | | (32,005,756) | (31,275,662) | (32,612,227) | (31,676,458) |
| Translation reserve | | (10,999) | (47,164) | - | - |
| Total equity | | (7,531,688) | (6,837,759) | (5,367,471) | (4,431,702) |
| Total liabilities and equity | | 5,137,067 | 1,442,798 | 4,654,204 | 548,594 |

The unaudited results for year ended 30 September 2022 have been adjusted for the following adjustments, which will be reflected in the full year audited financial statements:

- (1) Write off of expired inventory
- (2) Impairment of plant and equipment for NSB Hotpot of \$163,555 and NSB Restaurants of \$245,143
- (3) Impairment of right-of-use assets for NSB Hotpot of \$529,305 and NSB Restaurants of \$725,517
- (4) Mainly due to additional accrual of audit fees of \$31,050 and late payment interest of \$11,664
- (5) Mainly due to additional accrual of legal costs of \$27,949

The accompanying accounting policies and explanatory notes form an integral part of the condensed financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

| | Group | | | | |
|---|---------------|-----------------|---------------------|--------------------|-------------|
| | Share capital | Capital reserve | Translation reserve | Accumulated losses | Total |
| | \$ | \$ | \$ | \$ | \$ |
| Balance as at 1 October 2021 (audited) | 25,181,005 | (695,938) | (86,555) | (26,773,755) | (2,375,243) |
| Total comprehensive loss for the period | | | | | |
| Loss for the period | - | - | - | (898,791) | (898,791) |
| Other comprehensive loss | - | - | (11,517) | - | (11,517) |
| Total | - | - | (11,517) | (898,791) | (910,308) |
| Balance as at 31 March 2022 (unaudited) | 25,181,005 | (695,938) | (98,072) | (27,672,546) | (3,285,551) |
| <hr/> | | | | | |
| Balance as at 1 October 2022 (unaudited) | 25,181,005 | (695,938) | (47,164) | (31,275,662) | (6,837,759) |
| Total comprehensive loss for the period | | | | | |
| Loss for the period | - | - | - | (730,094) | (730,094) |
| Other comprehensive loss | - | - | 36,165 | - | 36,165 |
| Total | - | - | 36,165 | (730,094) | (693,929) |
| Balance as at 31 March 2023 (unaudited) | 25,181,005 | (695,938) | (10,999) | (32,005,756) | (7,531,688) |

| | Company | | | |
|---|---------------|-----------------|--------------------|-------------|
| | Share capital | Capital reserve | Accumulated losses | Total |
| | \$ | \$ | \$ | \$ |
| Balance as at 1 October 2021 (audited) | 25,181,005 | 2,063,751 | (28,496,457) | (1,251,701) |
| Loss for the period, representing total comprehensive loss for the period | - | - | (1,808,052) | (1,808,052) |
| Balance as at 31 March 2022 (unaudited) | 25,181,005 | 2,063,751 | (30,304,509) | (3,059,753) |
| <hr/> | | | | |
| Balance as at 1 October 2022 (unaudited) | 25,181,005 | 2,063,751 | (31,676,458) | (4,431,702) |
| Loss for the period, representing total comprehensive loss for the period | - | - | (935,770) | (935,770) |
| Balance as at 31 March 2023 (unaudited) | 25,181,005 | 2,063,751 | (32,612,227) | (5,367,471) |

The accompanying accounting policies and explanatory notes form an integral part of the condensed financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED 31 MARCH 2023

| | Group | | | |
|--|-------------------------------|-------------|--------------------------|-------------|
| | Second Quarter ended 31 March | | Half year ended 31 March | |
| | 2023 | 2022 | 2023 | 2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Note | \$ | \$ | \$ | \$ |
| Operating activities | | | | |
| (Loss) / Gain before income tax | (409,036) | 90,230 | (730,094) | (898,791) |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 152,919 | 288,977 | 306,255 | 721,986 |
| Allowance for expected credit loss | - | - | - | (460) |
| Gain on disposal of plant and equipment | - | (5,121) | - | (8,921) |
| Write-off plant and equipment | - | 59,182 | - | 59,182 |
| Write-off of inventories | - | 19,864 | - | 19,890 |
| Impairment loss on plant and equipment | - | 273,823 | - | 273,823 |
| Gain on lease modification | - | (13,031) | - | (13,031) |
| Foreign exchange | (8,949) | (4,865) | 36,163 | (11,515) |
| Interest income | (36) | (19) | (36) | (123) |
| Gain on liquidation of subsidiaries | - | (1,596,796) | (130,622) | (1,596,796) |
| Interest expense | 26,118 | 53,623 | 54,716 | 120,800 |
| Operating cash flows before movements in working capital | (238,984) | (834,133) | (463,618) | (1,333,956) |
| Changes in working capital | | | | |
| Trade and other receivables | (81,763) | 122,422 | (67,794) | 249,744 |
| Inventories | (29,787) | 104,599 | 6,378 | 170,409 |
| Other assets | - | - | - | - |
| Trade and other payables | 188,615 | (404,114) | 427,090 | (132,600) |
| Contract liabilities | - | - | - | - |
| Amount due to holding company | 4,180 | 11,848 | 16,950 | 24,040 |
| Provisions | - | (101,804) | - | (155,770) |
| Cash used in operations | (157,740) | (1,101,182) | (80,994) | (1,178,133) |
| Income tax paid | - | - | - | - |
| Net cash (used) in operating activities | (157,740) | (1,101,182) | (80,994) | (1,178,133) |
| Investing activities | | | | |
| Purchase of plant and equipment | A (1,249) | (19,999) | (4,049) | (44,666) |
| Deposit for purchase of plant and equipment | - | - | - | - |
| Proceeds from disposal of plant and equipment | - | 105,425 | - | 109,225 |
| Interest received | 36 | 19 | 36 | 123 |
| Liquidation of subsidiaries, net cash outflow | - | (182,819) | (2,493) | (182,819) |
| Net cash (used) in investing activities | (1,213) | (97,374) | (6,506) | (118,137) |

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED 31 MARCH 2023**

| | Group | | | |
|--|-------------------------------|-------------|--------------------------|-------------|
| | Second Quarter ended 31 March | | Half year ended 31 March | |
| | 2023 | 2022 | 2023 | 2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | \$ | \$ | \$ | \$ |
| Financing activities | | | | |
| Proceeds from short-term loans | - | - | 4,550,000 | - |
| Repayment of short-term loans | - | (2,498,983) | - | (2,797,712) |
| Pledged deposit | - | 3,000,000 | - | 3,000,000 |
| Repayment of lease liabilities | (231,204) | (301,534) | (471,176) | (1,073,842) |
| Interest portion of lease liabilities | (15,638) | (27,321) | (33,524) | (62,977) |
| Interest paid on bank borrowings | (10,480) | (26,302) | (21,192) | (57,823) |
| Net cash generated from / (used in) financing activities | (257,322) | 145,860 | 4,024,108 | (992,354) |
| Net increase / (decrease) in cash and cash equivalents | (416,275) | (1,052,696) | 3,936,608 | (2,288,624) |
| Cash and cash equivalents at beginning of period | 4,637,846 | 1,491,097 | 284,963 | 2,727,025 |
| Cash and cash equivalents at end of period | 4,221,571 | 438,401 | 4,221,571 | 438,401 |
| Note A | | | | |
| Purchase of plant and equipment (Note 10) | (1,249) | 31,811 | (4,049) | 261,771 |
| Less non-cash movement: | | | | |
| Provision for reinstatement costs | - | 92,886 | - | 146,852 |
| Payable to suppliers of plant and equipment | - | (104,698) | - | (363,957) |
| | (1,249) | 19,999 | (4,049) | 44,666 |

The accompanying accounting policies and explanatory notes form an integral part of the condensed financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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, Singapore 408564.

The condensed financial statements as at and for the second quarter and six months ended 31 March 2023 comprise of the Company and its subsidiaries (collectively, the “**Group**”).

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

2. Basis of preparation

2.1 Statement of compliance

The condensed financial statements for the period ended 31 March 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the performance of the Group since the last annual financial statements for the year ended 30 September 2021.

The condensed financial statements are presented in Singapore dollar which is the Company’s functional currency.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 3.1.

2.2 Basis of measurement

The condensed financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The condensed financial statements have been prepared on a going concern basis as the Board is of the view that based on the considerations disclosed below, and that the Group will be able to generate cashflows from operations to meet the Group’s working capital requirements and to operate as a going concern.

In the assessment of the appropriateness of going concern assumption used in the preparation of the financial statements, the Board have considered the following (further details can be found in Note 15 – Subsequent events):

- (i) the full emergency funding amount of S\$450,000 has been received from Gazelle Ventures Pte. Ltd. (the “**Investor**”);
- (ii) the advance deposit amount of S\$4,550,000 from the Investor, constituting the Full Investment Amount, has been received into the Company’s bank account and the undertakings from the Investor and its shareholders, so as to demonstrate the support and commitment of the Investor in respect of the Company’s application for the trading resumption of the Shares;
- (iii) the Company has on 27 September 2023, submitted an application to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on the lifting of suspension of trading of the ordinary shares of the Company on the SGX-ST in accordance with Chapter 13 of the Listing Manual Section B: Rules of Catalist of the SGX-ST;
- (iv) the Scheme has been approved by Scheme Creditors (as defined in the Implementation Agreement) at the Scheme Meeting (as defined in the Implementation Agreement) and sanctioned by the Court; and
- (v) the Company and OCBC have reached an agreement on the terms of repayment of the outstanding bank loan comprising of principal amount of \$2.125 million and any contractual interests incurred in relation to the outstanding loan, of which the first repayment will commence after trading resumes.

On the successful completion of all of the above, the Company is cautiously optimistic that these will be sufficient to assist in meeting the Group’s working capital requirements, to settle its liabilities upon the successful completion of the Restructuring Exercise and allow the Company to continue operating as a going concern following the Trading Resumption.

2.3 Uses of estimates and judgements

The preparation of the condensed financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next reporting period are included in the following notes:

- Note 6 – Provision for expected credit losses of trade and other receivables
- Note 7 - Impairment of investments and recoverability of amounts due from subsidiaries; key assumptions underlying recoverable amounts
- Note 9 - Depreciation of plant and equipment
- Note 8, 9 - Impairment of right-of-use assets, plant and equipment and intangible assets of seafood restaurants and other restaurants business: key assumptions underlying recoverable amounts

2.4 Changes in accounting policies

New and amended standards not yet adopted by the Group

At the date of authorisation of these financial statements, the Group has not adopted the following new and revised standards applicable to the Group that have been issued but are not yet effective:

| <u>Description</u> | <u>Effective for annual periods beginning on or after</u> |
|--|---|
| Amendments to SFRS(I) 1-1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to SFRS(I) 1-1, Presentation of Financial Statements: Noncurrent Liabilities with Covenants | 1 January 2024 |
| Amendments to SFRS(I) 16, Leases – Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to SFRS(I) 10 and SFRS(I) 1-28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture | To be determined |
| Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements | 1 January 2024 |
| Amendments to SFRS(I) 1-21: Lack of Exchangeability | 1 January 2025 |

The Group is currently assessing the impact of the new SFRS(I)s, interpretations and amendments to SFRS(I)s and plans to adopt the new standards on the recognised effective date.

3 Segment information

| Group | Revenue | | Net loss | |
|--|--|---------------------------|--|---------------------------|
| | Group | | | |
| | 6 months ended 31 March 2023 (unaudited) \$ | 2022 (unaudited) \$ | 6 months ended 31 March 2023 (unaudited) \$ | 2022 (unaudited) \$ |
| Seafood Restaurant business | - | 694,239 | 5,154 | (94,247) |
| Other Restaurant business | 1,626,763 | 2,712,831 | 98,214 | (292,273) |
| Beer business | - | 139,012 | (1,359) | (154,142) |
| | <u>1,626,763</u> | <u>3,546,082</u> | <u>102,010</u> | <u>(540,662)</u> |
| Gain on liquidation of subsidiaries | | | 130,622 | 1,596,795 |
| Impairment loss on plant and equipment | | | - | (273,823) |
| Other operating expenses | | | (507,407) | (393,127) |
| Corporate office expenses | | | (400,640) | (1,162,297) |
| Interest income | | | 36 | 123 |
| Finance costs | | | (54,716) | (120,800) |
| Loss before tax | | | (730,094) | (898,791) |
| Income tax credit / (expense) | | | - | - |
| Loss after tax | | | <u>(730,094)</u> | <u>(898,791)</u> |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

3 Segment information (cont'd)

| | Group | |
|-----------------------------|--|--|
| | 31/03/2023 (unaudited) \$ | 30/09/2022 (unaudited) \$ |
| <u>Segment assets</u> | | |
| Seafood Restaurant business | 4,260,815 | 178,284 |
| Other Restaurant business | 876,252 | 1,262,858 |
| Beer business | - | 1,656 |
| | 5,137,067 | 1,442,798 |
| <u>Segment liabilities</u> | | |
| Seafood Restaurant business | 10,054,197 | 5,045,100 |
| Other Restaurant business | 2,614,558 | 3,219,981 |
| Beer business | - | 15,476 |
| | 12,668,755 | 8,280,557 |

| Group | Depreciation and amortisation expense | | Capital expenditure | |
|-----------------------------|--|------------------------------------|--|--|
| | 6 months ended 31 March | | | |
| | 2023 (unaudited) \$ | 2022 (unaudited) \$ | 31/03/2023 (unaudited) \$ | 30/09/2022 (unaudited) \$ |
| Seafood Restaurant business | - | 48,604 | 1,248 | 50,055 |
| Other Restaurant business | 306,144 | 663,554 | 2,800 | 337,529 |
| Beer business | 111 | 9,828 | - | - |
| | 306,255 | 721,986 | 4,048 | 387,584 |

Reportable segment

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is specifically focused on the restaurant business and beer business which forms the basis of identifying the operating segments of the Group under SFRS(I) 8 *Operating Segments*.

The accounting policies of the reportable segment are the same as the Group's accounting policies. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise income tax.

Geographical information

During the period ended 31 March 2023, the Group only operates in Singapore.

Non-current assets information presented above consist of non-current other receivables, plant and equipment, right-of-use assets and intangible assets as presented in the consolidated statement of financial position.

Information about major customers

There is no single major customer that contributed more than 5% of the Group's total revenue. The revenue is spread over a broad base of customers.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

4 Financial assets and liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2023 and 30 September 2022:

| | Group | | Company | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 31/03/2023 (unaudited) \$ | 30/09/2022 (unaudited) \$ | 31/03/2023 (unaudited) \$ | 30/09/2022 (unaudited) \$ |
| Financial assets | | | | |
| At amortised cost: | | | | |
| Trade and other receivables | 304,823 | 223,374 | 121,856 | 25,976 |
| Cash and bank balances | 4,221,571 | 284,963 | 4,130,077 | 110,503 |
| Amount due from subsidiaries | - | - | 374,259 | 371,932 |
| Total undiscounted financial assets | 4,526,394 | 508,337 | 4,626,192 | 508,411 |
| Financial liabilities | | | | |
| At amortised cost: | | | | |
| Loans and borrowings | 7,125,000 | 2,575,000 | 7,125,000 | 2,575,000 |
| Trade and other payables | 3,762,549 | 3,481,831 | 2,752,000 | 2,263,317 |
| Amount due to holding company | 120,893 | 103,943 | 120,893 | 103,943 |
| Lease liabilities | 1,567,049 | 2,071,084 | 388 | 15,304 |
| Total undiscounted financial liabilities | 12,575,490 | 8,231,858 | 9,998,281 | 4,957,564 |

5 Loss before income tax

Includes the following:

| | Group | | | |
|--|---|---------------------------|------------------------------|---------------------------|
| | 2 nd Quarter ended 31 March | | Six months ended 31 March | |
| | 2023 (unaudited) \$ | 2022 (unaudited) \$ | 2023 (unaudited) \$ | 2022 (unaudited) \$ |
| Franchise fee income | 36,000 | 36,000 | 72,000 | 72,000 |
| Job support scheme grant ("JSS") | - | (23,117) | - | 93,002 |
| Write-off of inventories | - | (19,864) | - | (19,890) |
| Depreciation and amortisation expenses: | | | | |
| Amortisation of intangible assets (Note 8) | - | (5,707) | - | (22,827) |
| Depreciation of plant and equipment (Note 9) | (22,866) | (58,582) | (46,149) | (249,783) |
| Depreciation of right-of-use assets | (130,053) | (224,688) | (260,106) | (449,376) |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

6 Trade and other receivables

| | Group | | Company | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 31/03/2023 (unaudited) | 30/09/2022 (unaudited) | 31/12/2022 (unaudited) | 30/09/2022 (unaudited) |
| | \$ | \$ | \$ | \$ |
| Trade receivables: | | | | |
| Third parties | 60,441 | 24,213 | 38,326 | 325 |
| Related parties | 64,560 | – | 64,560 | – |
| Less: Loss allowances | – | (3,740) | – | – |
| | 125,001 | 20,473 | 102,886 | 325 |
| GST recoverable | – | – | 20,330 | 21,908 |
| | 125,001 | 20,473 | 123,216 | 22,233 |
| Other receivables: | | | | |
| Third parties | 14,300 | 20,200 | 14,300 | 20,200 |
| Refundable security deposits | 165,522 | 182,700 | 4,670 | 5,450 |
| Prepayments | 29,075 | 43,334 | 7,579 | 18,168 |
| | 208,897 | 246,234 | 26,549 | 41,818 |
| Less: Loss allowances | – | – | – | – |
| | 208,897 | 246,234 | 26,549 | 41,817 |
| Less: Non-current portion refundable security deposits | (137,312) | (163,480) | – | – |
| | (137,312) | (163,480) | – | – |
| Current portion | 196,586 | 103,227 | 149,765 | 66,051 |

Expected credit loss (“ECL”) assessment

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which debtors operate as at 31 March 2023.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period as of 31 March 2023.

A trade or other receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

7 Amount due from subsidiaries

| | Company | |
|--|---------------------------|---------------------------|
| | 31/03/2023 (unaudited) | 30/09/2022 (unaudited) |
| | \$ | \$ |
| Amount due from subsidiaries (non-trade) | 16,450,983 | 16,448,659 |
| Loss: Loss allowance | (16,076,724) | (16,076,724) |
| | 374,259 | 371,935 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

The table below shows the movement in lifetime ECL that has been recognised for amount due from subsidiaries in accordance with SFRS(l) 9:

| | Company | |
|----------------------------|--------------------------|--------------------|
| | Lifetime ECL | |
| | (Credit-impaired) | |
| | 31/03/2023 | 30/09/2022 |
| | (unaudited) | (unaudited) |
| | \$ | \$ |
| Balance as at 1 October | 16,076,724 | 16,061,243 |
| Charge for the period/year | – | 15,480 |
| Balance as at 31 March | 16,076,724 | 16,076,724 |

8 Intangible assets

| Group | Trademark | Franchise licenses | Total |
|--|------------------|---------------------------|--------------|
| | \$ | \$ | \$ |
| Cost: | | | |
| At 1 October 2021, 30 September 2022 and 31 March 2023 | 620,000 | 986,373 | 1,606,373 |
| Accumulated amortisation: | | | |
| At 1 October 2021 | – | 225,485 | 225,485 |
| Additions | – | 22,827 | 22,827 |
| At 30 September 2022 | – | 248,312 | 248,312 |
| Additions | – | – | – |
| At 31 March 2023 | – | 248,312 | 248,312 |
| Accumulated impairment: | | | |
| At 1 October 2021, 30 September 2022 and 31 March 2023 | 620,000 | 738,061 | 1,358,061 |
| Carrying amount: | | | |
| At 31 March 2023 (unaudited) | – | – | – |
| At 30 September 2022 (unaudited) | – | – | – |

The intangible asset - franchise license is amortised over its useful lives of 5 to 10 years (2022: 5 to 10 years). The amortisation expense has been included in the line item "depreciation and amortisation expense" in profit or loss.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

9 Plant and equipment

During the period ended 31 March 2023, the Group acquired plant and equipment with an aggregate cost of \$4,049 (2Q2022: \$261,771). Cash payments of \$4,049 (2Q2022: \$44,666) were made to purchase property, plant and equipment.

The cost of plant and equipment is depreciated on straight-line basis over their estimated useful lives. The Group reviews the estimated useful lives of the plant and equipment at the end of each reporting year. Management has assessed and determined the useful lives of plant and equipment to be 3 to 5 years.

Impairment of plant and equipment of seafood restaurants and other restaurants business

The assessment for impairment of plant and equipment is based on cash generating units ("CGU") comprising the seafood restaurants, other restaurants and beer business. The impairment of plant and equipment during period ended 31 March 2023 represents the write-down of the carrying values of certain plant and equipment in the seafood restaurants, other restaurants and beer business to their recoverable amounts. In light of the COVID-19 pandemic, the deterioration of its earnings and closure of outlets led to indicators of impairment on the plant and equipment relating to seafood restaurants and other restaurants. As at 31 March 2023, no impairment loss on the Group's plant and equipment was recognised by the management (2Q2022: \$273,824).

10 Loan and borrowings

| | Group and Company | |
|------------------------------------|--------------------------|--------------------|
| | 31/03/2023 | 30/09/2022 |
| | (unaudited) | (unaudited) |
| | \$ | \$ |
| Bank loans | 2,125,000 | 2,125,000 |
| Advance deposits | 4,550,000 | - |
| Loan from super priority financing | 450,000 | 450,000 |
| Total borrowings | <u>7,125,000</u> | <u>2,575,000</u> |
| Current portion | 7,125,000 | 2,575,000 |
| Non-current portion | - | - |
| | <u>7,125,000</u> | <u>2,575,000</u> |

The advance deposits were transferred by the Investor to the Company so as to demonstrate the support and commitment of the Investor in respect of the Company's application for the trading resumption of the Company's shares. The use of the advance deposits shall be subject to the prior written approval of the Investor.

Details of any collaterals

Excluded from the borrowings above are Group's lease liabilities of \$1.5 million (Company: \$1K) under SFRS(I) 16 arising from lease contracts for restaurant premises and office equipment used in its operations.

11 Share capital

| | Group and Company | | | |
|--|----------------------------------|--------------------|----------------------------------|--------------------|
| | 31/03/2023 | | 30/09/2022 | |
| | Number of ordinary shares | \$ | Number of ordinary shares | \$ |
| | | (unaudited) | | (unaudited) |
| Issued and paid-up: | | | | |
| At beginning and end of the financial year | 462,392,475 | 25,181,005 | 462,392,475 | 25,181,005 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

There is no change in the Company's share capital since the end of the previous period reported on.

As at 31 March 2023 and 30 September 2022, the Company's issued and paid-up capital was \$25,181,005.

There are no outstanding convertibles, shares held as treasury shares and subsidiary holdings as at 31 March 2023 and 30 September 2022.

There are no treasury shares held by the Company.

As at the end of the current financial year reported on, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

12 Loss per share

| | Group | | | |
|---|-----------------------------------|--------------------|--------------------------------|--------------------|
| | 2nd Quarter ended 31 March | | 6 months ended 31 March | |
| | 2023 | 2022 | 2023 | 2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Earnings (loss) per ordinary share (cents):- | | | | |
| (a) Based on the weighted average number of ordinary shares in issue; and | (0.09) | 0.02 | (0.16) | (0.19) |
| (b) On a fully diluted basis | (0.09) | 0.02 | (0.16) | (0.19) |

13 Net asset value per share

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31/03/2023 | 30/09/2022 | 31/03/2023 | 30/09/2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Net asset value per ordinary share based on existing issued share capital (cents) | (1.63) | (1.48) | (1.16) | (0.96) |
| No. of shares | 462,392,475 | 462,392,475 | 462,392,475 | 462,392,475 |

14 Significant related parties transactions

In addition to those related party information disclosed in Other Information – Note 6 under Interested Parties Transactions, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

| | Group | | | |
|---|-----------------------------------|--------------------|--------------------------------|--------------------|
| | 2nd Quarter ended 31 March | | 6 months ended 31 March | |
| | 2023 | 2022 | 2023 | 2022 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Franchise fee income from related party A | 36,000 | 36,000 | 72,000 | 72,000 |
| Rental expense to related party A | - | (36,000) | (12,000) | (72,000) |
| Sale of beer to related party A | - | - | - | 1,500 |

Related party A: Mattar Road No Signboard Seafood Restaurant [Company owned by relatives of director - Lim Yong Sim (Lin Rongsen)].

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

15 Subsequent events

(a) Implementation agreement with the Investor

The Company and the Investor had entered into a side letter on 27 July 2023, confirming their mutual intention to extend the deadline for completion of the conditions in the Implementation Agreement from 30 December 2022 to 31 December 2023.

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 the trading resumption.

In addition, the Company has obtained undertakings from both the Investor and the Investor's shareholders that they will support the Company's working capital requirements 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.

The Investor acknowledges the representations made by the Company relating to the Company's future proposals and plan and has agreed in writing, subject to the Company obtaining the trading resumption, to continue to provide and procure support for the Company (financial or otherwise) as may be required by the Group for the purposes of implementing the proposals and plans.

(b) Loan settlement with Oversea-Chinese Banking Corporation Limited

Subsequent to various discussions and exchanges of proposals in relation to reaching a mutually agreeable settlement on the terms of repayment of the outstanding bank loan on 24 November 2022, the Company and OCBC have reached an agreement on the terms of repayment of the outstanding bank loan comprising of principal amount of \$2.125 million and any contractual interests incurred in relation to the outstanding loan, of which the first repayment will commence after trading resumes.

(c) Voluntary liquidation of subsidiaries

To strategically reduce its liabilities, the Group's loss-making and non-core subsidiaries, Hawker QSR Pte. Ltd. and Danish Breweries Pte. Ltd. were placed under creditors' voluntary liquidation with effect from 23 February 2022 and 12 April 2022 respectively; and Draff Beer Pte Ltd, Tao Brewery Pte Ltd, Food Terminal Trading Pte Ltd, NSB-Crab Factory Pte Ltd, NSB-Crab Factory (China) Pte Ltd and NSB-Mom's Touch Pte Ltd have been placed under creditors' voluntary liquidation with effect from 20 December 2022, and has ceased all the related operations effective from these dates. At the date of authorisation of these financial statements:

- (i) The liquidator for Danish Breweries Pte. Ltd has completed the distribution of preferential dividends and is currently adjudicating the unsecured claims.
- (ii) Following the final meeting held on 7 September 2023 to conclude the liquidation. Hawker QSR Pte. Ltd.'s liquidation has been successfully completed. The liquidator has lodged the necessary forms with ACRA and the entity will be dissolved on 13 December 2023.
- (iii) The liquidator for Draff Beer Pte. Ltd., Food Terminal Trading Pte. Ltd., NSB-Crab Factory (China) Pte. Ltd., Tao Brewery Pte. Ltd., NSB-Crab Factory Pte. Ltd. and NSB-Mom's Touch Pte. Ltd. is in the process of obtaining tax clearance which may take 3-6 months and is expected to be completed latest by November 2023.

(d) Notice of requisition for extraordinary general meeting ("EGM") and application by the Investor for an adjournment against convening the EGM

The Company had, on 16 June 2023, received a letter and notice of requisition for EGM from GuGong Pte. Ltd. ("**GuGong**"). The Notice of Requisition requests the Company to convene an EGM to be held as soon as practicable but, in any event, not later than two months after the receipt by the Company of the requisition, to pass the following resolutions:

- 1.1 to remove Lim Teck-Ean, Tan Keng Tiong, Alvin, Lo Kim Seng, Francis Ding Yin Kiat, Benjamin Cho Kuo Kwang and any Director of the Company who may be appointed between 16 June 2023 and the date of the EGM with effect from the date of the EGM;

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (cont'd)

- 1.2 to appoint Lim Lay Hoon, Choo Cheng San, Cheo Tian Feng, Cheo Bee Hwa and Lim Yi (the "**New Board**") with effect from the date of the EGM; and
- 1.3 to annul the earlier resolutions that were passed in the Company's extraordinary general meeting held on 30 November 2022, namely:
 - (a) The Proposed Share Consolidation;
 - (b) The Proposed Subscription Shares Allotment;
 - (c) The Proposed CRPS Allotment and The Proposed Conversion Shares Allotment;
 - (d) The Proposed Transfer of Controlling Interest;
 - (e) The Proposed Whitewash Resolution; and
 - (f) The Proposed Amendments to the Constitution.

On 3 August 2023, the Investor informed the Company that it had on 1 August 2023 commenced an originating application in the High Court for an injunction to be granted against Mr Sam Lim, GuGong and the Company from directly or indirectly taking any steps for the passing of the resolutions within the Notice of Requisition.

As disclosed by the Company on 14 September 2023, GuGong had, on 12 September 2023, filed an application to the High Court for an extension of time of eight (8) weeks from 16 September 2023 to hold the EGM (the "**Extension Application**"), and on 14 September 2023, the High Court granted the extension of time requested in the Extension Application.

On 1 August 2023, the Investor commenced the Injunction proceedings ("**Originating Application**") to prevent Mr Sam Lim, GuGong and the Company from directly or indirectly taking any steps for the passing of the resolutions within the Notice of Requisition. The Investor Injunction hearing was held on 23 October 2023 and the High Court has issued its judgment on 20 November 2023 to dismiss the Originating Application.

*(e) Dispute with GuGong relating to the Independent Contractor Agreement ("**ICA**") and Intellectual Property Sale and Purchase Agreement ("**IP SPA**")*

The Company has terminated the IP SPA and the ICA on 28 February 2023 and subsequently, received two notices of originating applications filed by lawyers of GuGong. The application dated 24 April 2023 filed by GuGong's lawyers states that GuGong has applied to General Division of the High Court of the Republic of Singapore for an interim injunction to restrain the Company from proceeding with any and/or all the Proposed Transactions and the Proposed Whitewash Resolution (as per defined in the Company's circular dated 8 November 2022, until the determination of the dispute in respect of the IP SPA by way of arbitration administered by the Singapore International Arbitration Centre or until further order. The application dated 23 May 2023 states that GuGong has applied to General Division of the High Court of the Republic of Singapore to declare the termination of the ICA as wrongful and an order for reinstatement of the ICA.

At a court hearing on 20 September 2023, the Company and GuGong consented to have the ICA reinstated. The High Court thus granted an order for the reinstatement of the ICA and at another hearing on 25 September 2023, GuGong was granted leave by the High Court to withdraw the 23 May 2023 IP SPA Injunction Application. Separately, the arbitration proceedings relating to the IP SPA has been officially concluded with the publication of the Consent Award on 8 November 2023. Under the terms of the Consent Award, the IP SPA dated 9 December 2022 will be reinstated.

OTHER INFORMATION

- The condensed consolidated statement of financial position of No Signboard Holdings Ltd. as at 31 March 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated cash flow statement and the selected explanatory notes (the "**Condensed Financial Statements**") have not been audited or reviewed by the Company's auditors.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- Updates on the efforts taken to resolve each outstanding audit issue.**
- Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

In relation to the FY2021 audit, as disclosed previously,

- The previous independent auditor of the Company, Messrs Ernst & Young LLP, have in their Independent Auditor's Report for FY2021, dated 14 October 2022 expressed a qualified opinion in respect of i) Impairment assessment of the Group's and Company's plant and equipment and, right-of-use assets, and the Company's amount due from subsidiaries and ii) use of going concern assumption.

The Group and Company have put through all the adjustments recommended by the auditors in its Independent Auditor's Report for FY2021.

Please refer to paragraph 2.2 above on the Board's assessment of the use of going concern assumption.

- There are no outstanding audit issues for FY2021 and the Board confirms that all the issues from the FY2021 audited financial statements have been adequately disclosed.

In relation to the FY2022 audit, the audit fieldwork has been substantially completed and the Company is currently working with the auditor to expedite the completion of the audit including furnishing the auditors with the supporting documents to substantiate and finalise the audit opinion (including updating the subsequent events).

2. Review of Group Performance

Consolidated Statement of Profit or Loss

Revenue

For the first half year ended 31 March 2023 ("**1H2023**"), overall revenue of \$1.6 million was 54.1% lower as compared to \$3.5 million in the prior corresponding period (2Q2023: 53.9% lower). The reduction is mainly attributable to:

- no sales contribution from the seafood restaurant in 1H2023 as compared to \$694K in prior corresponding period (2Q2023: nil vs 2Q2022: \$403K) due to the closure of the Vivocity outlet in November 2021 and closure of Esplanade outlet in March 2022;
- no sales from quick-serve restaurants in 1H2023 as compared to \$630K in prior corresponding period (2Q2023: nil vs 2Q2022: \$155K) due to closure of the Mom's Touch outlets, and the subsidiary Hawker QSR Pte Ltd, was put under the voluntary creditors' liquidation in February 2022; and
- no sales from the Beer business in 1H2023 as compared to \$139K in prior corresponding period (2Q2023: nil vs 2Q2022: \$33K) as the subsidiary, Danish Breweries Pte Ltd was put under the voluntary creditors' liquidation in March 2022.

As of 1H2023, the revenue is generated only from the remaining outlets, being Little Sheep Hotpot at Orchard Gateway and no**signboard** Shen Jian at Northpoint.

Other Income

Other income decreased in 1H2023 by 89.0% mainly due to a reduction in one-off gain on liquidation of subsidiaries recognized in 2Q2023 of \$130K as compared to 2Q2022 of \$1.6 million.

Impairment of plant and equipment

There was no impairment for plant and equipment made in 1H2023 as compared to an impairment of \$274K made in 1H2022.

OTHER INFORMATION (cont'd)

Raw materials and consumables used and changes in inventories

Total raw materials and consumables used and changes in inventories reduced by 66.2% in 1H2023 (2Q2023: 66.9%) as compared to previous period due to a corresponding decrease in revenue. As of 1Q2023, the remaining outlets are Little Sheep Hotpot at Orchard Gateway and no**signboard** Shen Jian at Northpoint and these concepts have lower raw materials and consumables used as compared to the seafood restaurants and Mom's Touch concepts.

Employee benefits expense, rental income and expense, and Other operating expenses

Employee benefits reduced by 63.4% in 1H2023 (2Q2023: 52.6%) as compared to prior corresponding period, which is aligned with the decrease in headcount and related staff costs as a result of outlets closure.

Other operating expenses decreased by only 46.0% in 1H2023 (2Q2023: 61.0%) as compared to prior corresponding period, due to decrease in operating expenses from outlets closure and liquidation of subsidiaries.

Rental income for 1H2023 is Nil as there are no rental rebates received from the landlords. Rental expenses decreased by 91.8% in 1H2023 (2Q2023: 94.0%) due to closure of Esplanade outlet in 1Q2022 whose lease was not capitalised as a right of use assets hence recognised as a rental expense until lease termination.

Depreciation and amortisation expenses

The decrease in depreciation and amortisation expense by 57.6% in 1H2023 (2Q2023: 47.1%) was mainly due to termination/expiry of leases and plant and equipment, right-of-use assets and intangible assets that have been fully written down/impaired as at the end of the previous financial year.

Finance costs

Finance costs comprise of interest portion of lease liabilities which has decreased to \$33k in 1H2023 (2Q2023: \$16k) and interest on bank borrowing which has decreased to \$21k in 1H2023 (2Q2023: \$10K) due to a lower bank borrowings balance as of the period ended 31 March 2023.

Loss before income tax and loss for the period

The Group has reported a loss before income tax of \$730K in 1H2023 (2Q2023: \$409K) due to lower revenue due to outlets closure. This is offset by an overall reduction in raw material and consumable used and expenses.

Consolidated Statement of Financial Position

The Group

Current assets

Current assets increased from \$0.5 million as at 30 September 2022 ("**FY2022**") to \$4.5 million as at 31 March 2023 ("**FY2023**"), mainly due to the increase in trade and other receivables of \$94K due to receivables from Mattar Road of \$65K for franchisee fees, and increase in cash and bank balances due to the advance deposits received by the Company from the Investor as set out in the Company's announcement dated 8 December 2022.

Non-current assets

There is a decrease in non-current assets from \$0.9 million as at FY2022 to \$0.6 million as at FY2023. This was mainly due to a decrease in Right-of-use ("**ROU**") assets of \$260K due to depreciation on the ROU assets, decrease in plant and equipment of \$43K due to depreciation and a decrease in other receivables of \$26K due to reduction in security deposits.

Current liabilities

Current liabilities increased from \$7.1 million as at FY2022 to \$12.0 million as at FY2023 mainly due to an increase in short-term borrowings of \$4.55 million due to advance deposits received from the Investor which has been accounted for as current borrowings and increase in trade and other payables of \$0.3 million due to expenses incurred (as set out above in the review of the Consolidated Statement of Profit or Loss above), which remained unpaid in the 1H2023.

Non-current liabilities

The decrease in non-current liabilities from \$1.2 million as at FY2022 to \$0.7 million as at FY2023 was mainly due to the decrease in non-current lease liabilities of \$482K due to payment made during 1H2023.

OTHER INFORMATION (cont'd)

The Company

Total assets increased from \$0.55 million as at FY2022 to \$4.7 million as at FY2023. This was mainly due to an increase in cash and bank balances of \$4.1 million due to the advance deposits received by the Company from the Investor.

Total liabilities increased from \$5.0 million as at FY2022 to \$10.0 million as at FY2023 mainly due to an increase in short-term borrowings of \$4.55 million due to advance deposits received from the Investor which has been accounted for as current borrowings and increase in trade and other payables of \$0.5 million due to expenses incurred, which remained unpaid in the 1H2023.

Consolidated Statement of Cash Flows

The Group's net cash used in operating activities amounted to \$81K in 1H2023 (1H2022: \$1.2 million) mainly due to de-recognition of net liabilities due to liquidation of subsidiaries and increase in trade and other payables.

The Group's net cash used in investing activities amounted to \$6.5K in 1H2023 (1H2022: \$118K) mainly due to purchase of plant and equipment and the net cash outflow arising from the liquidation of subsidiaries.

The Group's net cash from financing activities amounted to \$4.0 million in 1H2023 (1H2022: net cash used of \$1.0 million) mainly due to advance deposits of \$4.55 million received from the Investor which was offset by the payment of lease liabilities of \$471K (1H2022: \$1.1 million).

As at 31 March 2023, the Group's cash and cash equivalents stood at \$4.2 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There was no forecast made.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group expects the operating environment of the local food and beverage industry to remain challenging in the next 12 months, due to higher operating and manpower costs that will impact profit margins. Despite the challenges, there are opportunities for businesses to succeed and thrive in this dynamic market.

The Group's urgent priorities are to complete the Restructuring Exercise, the Proposed Investment and to resume trading of its shares on the Singapore Exchange Securities Trading Limited as soon as possible.

The Company has submitted its revised resumption of trading of the Shares to SGX-ST on 14 April 2023 and a further revised resumption of trading of the Shares to SGX-ST on 27 September 2023.

Upon completion of the Proposed Investment by the Investor, the Company will be able to proceed with the completion of the schemes between the Company and its relevant subsidiaries, NSB Hotpot Pte. Ltd. and NSB Restaurants Pte. Ltd. and the Scheme Creditors (as set out in the Company's announcement dated 23 August 2022), which have been approved at the scheme meetings held on 11 October 2022 and sanctioned by the Courts.

In the meantime, the Group is preserving its cash to support working capital requirements, continue to keep operating costs low and to ensure that the Group has sufficient resources to tide through this period.

The Company will make necessary announcements as and when there are further material developments on the above matter.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

OTHER INFORMATION (cont'd)

(c) Date payable

N.A.

(d) Record date

N.A.

If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

The Company has reviewed its dividends payment and no dividend has been declared or recommended by the Board for the financial period ended 31 March 2023 as there are no distributable profits.

6. Interested person transactions

The Company has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs").

The aggregate value of interested person transactions entered into during period ended 31 March 2023 is as follows:

| Name of interested person | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|---------------------------|--|--|
| GuGong Pte. Ltd. | \$22,800 ⁽¹⁾ | Not applicable |

Note:

⁽¹⁾ During the period, the Company and Group has:

- (i) a payable of \$22,800 as rental expense to GuGong for the lease of its corporate office.

7. Disclosures on Incorporation of Entities, Acquisition and Realisation of Shares pursuant to Catalyst Rule 706A

There are no incorporation of entities, acquisition or realisation of shares during the second quarter period ended 31 March 2023.

8. Confirmation Pursuant to Rule 705(5) of SGX-ST Listing Manual Section B: Rule of Catalyst

We, Lim Teck-Ean and Tan Keng Tiong, being two Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 31 March 2023 to be false and misleading in any material aspect.

9. Confirmation of undertaking from directors and executive officers

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the required format set out in Appendix 7H under Rule 720(1).

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Teck-Ean
Executive Director and Interim Chief Executive Officer

BY ORDER OF THE BOARD OF DIRECTORS
23 November 2023