

**Condensed Interim Financial Statements
For the third Quarter and Nine Months Ended
30 June 2021**

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.

No Signboard Holdings Ltd. (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 30 November 2017. The initial public offering (the “**IPO**”) of the Company was sponsored by RHT Capital Pte. Ltd. (the “**Sponsor**”).

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assume 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 Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

TABLE OF CONTENTS

	Page
Condensed Interim Financial Statements	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Consolidated Statement of Cash Flows	5
Notes to the Condensed Interim Financial Statements	6
Other Information Required by Appendix 7C of the Catalist Rules	
• Review	16
• Review of Group Performance	16
• Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results	18
• 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	18
• Use of IPO Proceeds	19
• Dividend	19
• Interested Person Transactions	20
• Confirmation of Undertakings from Directors and Executive Officers	20
Confirmation by the Board	21

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 JUNE 2021

GROUP							
	Note	Third Quarter ended 30 June		Increase (Decrease)	9 months ended 30 June		Increase (Decrease)
		2021	2020	%	2021	2020	%
		\$	\$	%	\$	\$	%
Revenue		1,773,876	1,145,603	54.8	6,434,843	11,278,885	(42.9)
Other income		752,894	706,809	6.5	1,803,127	929,818	93.9
Raw materials and consumables used		(684,165)	(479,473)	42.7	(2,237,927)	(4,005,820)	(44.1)
Changes in inventories		93,247	(42,843)	(317.6)	5,561	70,471	(92.1)
Employee benefits expense		(1,512,141)	(1,958,729)	(22.8)	(5,000,858)	(6,947,758)	(28.0)
Rental income		279,629	628,804	(55.5)	580,943	842,456	(31.0)
Rental expense		(144,889)	(677,180)	(78.6)	(423,902)	(1,049,494)	(59.6)
Depreciation and amortisation expense		(941,820)	(399,798)	135.6	(3,014,954)	(3,185,155)	(5.3)
Impairment of plant and equipment		(455,828)	-	N.M.	(455,828)	-	N.M.
Impairment of other assets		(22,354)	-	N.M.	(22,354)	(130,420)	(82.9)
Other operating expenses		(714,351)	(835,713)	(14.5)	(2,179,750)	(3,128,117)	(30.3)
Finance costs		(75,795)	(85,896)	(11.8)	(247,917)	(270,161)	(8.2)
Loss before income tax	5	(1,651,697)	(1,998,416)	(17.3)	(4,759,016)	(5,595,295)	(14.9)
Income tax		-	-	N.M.	-	(21,154)	(100.0)
Loss for the period, representing loss attributable to the owners of the Company		(1,651,697)	(1,998,416)	(17.3)	(4,759,016)	(5,616,449)	(15.3)
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations		(24,842)	(7,142)	N.M.	(45,549)	(896)	4,983.6
Total comprehensive loss for the period, representing total comprehensive loss attributable to the owners of the Company		(1,676,539)	(2,005,558)	(16.4)	(4,804,565)	(5,617,345)	(14.5)

N.M.: Not meaningful

STATEMENT OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		30/06/2021	30/09/2020	30/06/2021	30/09/2020
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and bank balances		8,004,527	12,921,780	7,615,711	11,658,583
Trade and other receivables	6	1,089,579	1,153,213	585,264	718,325
Amount due from subsidiaries	7	-	-	2,580,396	2,778,865
Inventories		505,851	479,518	64,541	60,617
Grant receivables		112,020	380,086	79,280	283,218
Other assets	8	-	136,642	-	-
Total current assets		9,711,977	15,071,239	10,925,192	15,499,608
Non-current assets					
Other receivables	6	256,290	193,857	-	-
Intangible asset	9	513,610	564,971	-	-
Plant and equipment	10	2,132,917	3,063,455	1,043,222	1,188,392
Right-of-use assets	10	3,214,969	4,756,005	555,637	1,425,503
Investment in subsidiaries		-	-	100,105	100,105
Total non-current assets		6,117,786	8,578,288	1,698,964	2,714,000
Total assets		15,829,763	23,649,527	12,624,156	18,213,608
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	11	3,720,295	5,216,427	1,761,444	2,527,257
Lease liabilities		1,781,690	3,264,757	498,378	1,523,439
Contract liabilities	11	238,843	271,153	-	-
Amount due to holding company		143,023	10,047	32,653	5,264
Loan and borrowings – current portion	12	3,245,886	1,465,528	3,245,886	1,465,528
Deferred grant income		254,463	556,181	179,939	388,628
Provisions		283,713	265,341	203,405	223,897
Income tax payable		17,093	17,093	-	-
Total current liabilities		9,685,006	11,066,527	5,921,705	6,134,013
Non-current liabilities					
Provisions		110,500	150,808	-	38,808
Lease liabilities		1,781,075	2,811,945	51,409	302,156
Loan and borrowings	12	2,250,000	2,812,500	2,250,000	2,812,500
Total non-current liabilities		4,141,575	5,775,253	2,301,409	3,153,464
Equity					
Share capital	13	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		(22,420,596)	(17,661,580)	(22,843,714)	(18,318,625)
Translation reserve		(61,289)	(15,740)	-	-
Total equity		2,003,182	6,807,747	4,401,042	8,926,131
Total liabilities and equity		15,829,763	23,649,527	12,624,156	18,213,608

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

STATEMENT OF CHANGES IN EQUITY

	GROUP				
	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 October 2019	25,181,005	(695,938)	(15,426)	(7,549,435)	16,920,206
Effects of adopting SFRS (I) 16	-	-	-	(272,627)	(272,627)
Balance at 1 October 2019 (restated)	25,181,005	(695,938)	(15,426)	(7,822,062)	16,647,579
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,209,768)	(1,209,768)
Other comprehensive income	-	-	(4,065)	-	(4,065)
Total	-	-	(4,065)	(1,209,768)	(1,213,833)
Balance at 31 December 2019	25,181,005	(695,938)	(19,491)	(9,031,830)	15,433,746
Total comprehensive loss for the period					
Loss for the period	-	-	-	(2,408,265)	(2,408,265)
Other comprehensive loss	-	-	10,311	-	10,311
Total	-	-	10,311	(2,408,265)	(2,397,953)
Balance at 31 March 2020	25,181,005	(695,938)	(9,180)	(11,440,095)	13,035,792
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,998,416)	(1,998,416)
Other comprehensive loss	-	-	(7,142)	-	(7,142)
Total	-	-	(7,142)	(1,998,416)	(2,005,558)
Balance at 30 June 2020	25,181,005	(695,938)	(16,322)	(13,438,511)	11,030,234
<hr/>					
Balance at 1 October 2020	25,181,005	(695,938)	(15,740)	(17,661,580)	6,807,747
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,676,526)	(1,676,526)
Other comprehensive loss	-	-	(10,685)	-	(10,685)
Total	-	-	(10,685)	(1,676,526)	(1,687,211)
Balance at 31 December 2020	25,181,005	(695,938)	(26,425)	(19,338,106)	5,120,536
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,430,793)	(1,430,793)
Other comprehensive loss	-	-	(10,022)	-	(10,022)
Total	-	-	(10,022)	(1,430,793)	(1,440,815)
Balance at 31 March 2021	25,181,005	(695,938)	(36,447)	(20,768,899)	3,679,721
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,651,697)	(1,651,697)
Other comprehensive loss	-	-	(24,842)	-	(24,842)
Total	-	-	(24,842)	(1,651,697)	(1,676,539)
Balance at 30 June 2021	25,181,005	(695,938)	(61,289)	(22,420,596)	2,003,182

STATEMENT OF CHANGES IN EQUITY (cont'd)

	COMPANY			
	Share capital	Capital reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance as at 1 October 2019	25,181,005	2,063,751	(9,853,919)	17,390,837
Effects of adopting SFRS(I) 16	-	-	(145,091)	(145,091)
Balance as at 1 October 2019 (restated)	25,181,005	2,063,751	(9,999,010)	17,245,746
Loss for the period, representing total comprehensive loss for the period	-	-	(1,089,572)	(1,089,572)
Balance at 31 December 2019	25,181,005	2,063,751	(11,088,582)	16,156,174
Loss for the period, representing total comprehensive loss for the period	-	-	(690,069)	(690,069)
Balance at 31 March 2020	25,181,005	2,063,751	(11,778,651)	15,466,105
Loss for the period, representing total comprehensive loss for the period	-	-	(1,266,088)	(1,266,088)
Balance as at 30 June 2020	25,181,005	2,063,751	(13,044,739)	14,200,017
Balance at 1 October 2020	25,181,005	2,063,751	(18,318,625)	8,926,131
Loss for the period, representing total comprehensive loss for the period	-	-	(1,410,887)	(1,410,887)
Balance at 31 December 2020	25,181,005	2,063,751	(19,729,512)	7,515,244
Loss for the period, representing total comprehensive loss for the period	-	-	(939,361)	(939,361)
Balance at 31 March 2021	25,181,005	2,063,751	(20,668,873)	6,575,883
Loss for the period, representing total comprehensive loss for the period	-	-	(2,174,841)	(2,174,841)
Balance as at 30 June 2021	25,181,005	2,063,751	(22,843,714)	4,401,042

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 JUNE 2021**

	Note	GROUP			
		Third Quarter ended 30 June		9 months ended 30 June	
		2021	2020	2021	2020
		\$	\$	\$	\$
Operating activities					
Loss before income tax		(1,651,697)	(1,998,416)	(4,759,016)	(5,595,295)
Adjustments for:					
Depreciation and amortisation expense		941,820	399,798	3,014,954	3,185,155
Allowance for expected credit loss		35,740	-	35,740	-
Impairment of other assets		22,354	-	22,354	130,420
Gain/(loss) on disposal of plant and equipment		-	13,687	(2,300)	5,815
Write-off of inventories		2,046	-	46,435	-
Write-off of plant and equipment		12,791	-	12,791	-
Impairment loss on plant and equipment		455,828	-	455,828	-
Gain on lease termination		(341,033)	-	(533,430)	-
Foreign exchange		(25,860)	(15,494)	(46,526)	(1,383)
Interest income		(849)	(6,861)	(3,331)	(57,125)
Interest expense		75,795	85,896	247,917	270,161
Operating cash flows before movements in working capital		(473,065)	(1,521,390)	(1,508,584)	(2,062,252)
Trade receivables and other receivables		417,938	(453,312)	243,985	(263,128)
Inventories		(70,352)	65,358	(72,768)	21,914
Other assets		35,487	59,639	114,288	170,274
Trade payables and other payables		(1,156,087)	713,384	(2,207,537)	(28,608)
Contract liabilities		(27,131)	(298,221)	(32,310)	(222,981)
Amount due to holding company		53,018	23,354	132,976	23,354
Provisions		(27,605)	-	(21,936)	26,524
Cash used in from operations		(1,247,797)	(1,411,188)	(3,351,886)	(2,334,903)
Income tax paid		(4,410)	-	(10,459)	(21,154)
Net cash used in operating activities		(1,252,207)	(1,411,188)	(3,362,345)	(2,356,057)
Investing activities					
Purchase of plant and equipment	A	(133,092)	(18,026)	(226,661)	(1,694,417)
Deposits for purchase of plant and equipment		43,099	(12,780)	-	(12,780)
Proceeds from disposal of plant and equipment		30,867	(12,065)	33,167	(8,438)
Interest received		849	6,861	3,331	57,125
Net cash used in investing activities		(58,277)	(36,010)	(190,163)	(1,658,510)
Financing activities					
Proceeds from short-term loans		-	3,000,000	2,000,000	4,320,830
Repayment of short-term loans		(72,747)	-	(782,142)	-
Repayment of lease liabilities		(644,073)	14,822	(2,334,686)	(2,009,230)
Interest portion of lease liabilities		(42,217)	(77,901)	(152,401)	(256,790)
Interest paid on bank borrowings		(33,578)	(7,995)	(95,516)	(13,372)
Net cash (used in) from financing activities		(792,615)	2,928,926	(1,364,745)	2,041,438
Net decrease in cash and cash equivalents		(2,103,099)	1,481,728	(4,917,253)	(1,973,129)
Cash and cash equivalents at beginning of period		10,107,626	12,337,214	12,921,780	15,792,071
Cash and cash equivalents at end of period		8,004,527	13,818,942	8,004,527	13,818,942
Note A					
Purchase of plant and equipment (Note 10)		(263,215)	(86,870)	(503,987)	(2,647,161)
Less non-cash movement:					
Provision for reinstatement costs		(94,020)	-	(21,936)	27,368
Payable to suppliers of plant and equipment		224,143	68,844	299,262	925,376
		133,092	18,026	226,661	1,694,417

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

NOTES TO THE CONDENSED INTERIM 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 interim financial statements as at and for the nine months ended 30 June 2021 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 interim financial statements for the nine months ended 30 June 2021 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 interim 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 2020.

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

Other than the adoption of the amended standards as set out in Note 2.5, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements as at 30 September 2020, which were in accordance with SFRS(I)s.

2.2 Basis of measurement

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

The condensed interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group's ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

2.3 Uses of estimates and judgements

The preparation of the condensed interim 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 2020.

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

2.3 Uses of estimates and judgements (cont'd)

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.

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 11 - Classification and recognition of upfront sponsorship, volume rebates and promotional support
- Note 10 - Depreciation of plant and equipment
- Note 9, 10 - 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 standards and amendments adopted by the Group

During the current financial period, the Group and the Company have adopted the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2020:

- *Amendments to SFRS(I) 3: Definition of business*
- *Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material*
- *Amendments to SFRS(I) 16: COVID-19 related rent concessions*

The adoption of the above amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the year ended 30 June 2021. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

3 Segment information

Group	Revenue		Net loss	
	9 months ended 30 June			
	2021	2020	2021	2020
	\$	\$	\$	\$
Seafood Restaurant business	2,210,665	6,555,037	(406,697)	(286,743)
Other Restaurant business	3,856,730	3,302,464	(652,659)	(1,072,125)
Beer business	367,448	1,421,384	(353,809)	(719,682)
	6,434,843	11,278,885	(1,413,165)	(2,078,550)
Impairment of other assets			(22,354)	–
Impairment of plant and equipment			(455,828)	–
Other operating expenses			(353,266)	(852,460)
Corporate office expenses			(2,269,817)	(2,394,124)
Interest income			3,331	57,125
Finance costs			(247,917)	(327,286)
Loss before tax			(4,759,016)	(5,595,295)
Income tax expense			–	(21,154)
Loss after tax			(4,759,016)	(5,616,449)

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

3 Segment information (cont'd)

	Group	
	30/06/2021 \$	30/09/2020 \$
<u>Segment assets</u>		
Seafood Restaurant business	10,637,974	15,712,200
Other Restaurant business	5,087,650	7,235,114
Beer business	104,139	702,213
	15,829,763	23,649,527
<u>Segment liabilities</u>		
Seafood Restaurant business	8,345,649	10,725,944
Other Restaurant business	4,663,291	5,328,508
Beer business	800,547	770,235
	13,809,487	16,824,687
Unallocated liabilities	17,094	17,093
	13,826,581	16,841,780

Group	Depreciation and amortisation expense		Capital expenditure	
	9 months ended 30 June		30/06/2021 \$	30/09/2020 \$
	2021 \$	2020 \$		
Seafood Restaurant business	1,288,566	1,714,008	213,062	1,516,128
Other Restaurant business	1,634,125	1,362,760	285,147	1,144,353
Beer business	92,263	108,387	5,778	13,680
	3,014,954	3,185,155	503,987	2,674,161

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.

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

3 Segment information (cont'd)

Geographical information

The Group operates in Singapore and the People's Republic of China.

The following table provides an analysis of the Group's revenue from external customers based on the geographical location where revenue is generated:

	Group	
	Sales revenue by geographical market	
	9 months ended 30 June	
	2021	2020
	\$	\$
Singapore	5,925,356	10,536,704
People's Republic of China	509,487	742,181
	6,434,843	11,278,885
	6,434,843	11,278,885

The following is an analysis of the carrying amount of non-current assets analysed by the geographical location in which the assets are located:

	Group	
	Non-current assets	
	30/06/2021	30/09/2020
	\$	\$
Singapore	6,117,786	8,451,045
People's Republic of China	–	127,243
	6,117,786	8,578,288
	6,117,786	8,578,288

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 30 June 2021 and 30 September 2020:

	Group		Company	
	30/06/2021	30/09/2020	30/06/2021	30/09/2020
	\$	\$	\$	\$
Financial assets				
At amortised cost:				
Trade and other receivables	1,055,736	1,149,741	516,958	638,781
Cash and bank balances	8,004,527	12,921,780	7,615,711	11,658,583
Amount due from subsidiaries	–	–	2,580,396	2,778,865
Total	9,060,263	14,071,521	10,713,065	15,076,229
Financial liabilities				
At amortised cost:				
Loans and borrowings	5,495,886	4,278,028	5,495,886	4,278,028
Trade and other payables	3,717,898	5,146,653	1,761,494	2,527,057
Amount due to holding company	143,023	10,047	32,653	5,264
Lease liabilities	3,562,765	6,076,702	549,787	1,825,595
Total	12,919,572	15,511,430	7,839,820	8,635,944

5 Loss before income tax

Significant items

	Group			
	Third Quarter ended 30 June		Nine months ended 30 June	
	2021	2020	2021	2020
	\$	\$	\$	\$
Franchise fee income	36,000	36,000	108,000	108,000
JSS grant	180,582	456,231	795,485	456,231
Gain on lease termination	341,033	–	533,430	–
Write-off of plant and equipment	(12,791)	–	(12,791)	–
Depreciation and amortisation expenses:				
Amortisation of intangible assets (Note 9)	(17,120)	(17,120)	(51,361)	(51,361)
Depreciation of plant and equipment (Note 10)	(325,722)	(406,802)	(934,855)	(1,124,564)
Depreciation of right-of-use assets	(598,978)	(1,080,353)	(2,028,738)	(2,009,230)

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

6 Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	30/06/2021	30/09/2020	30/06/2021	30/09/2020
	\$	\$	\$	\$
Trade receivables:				
Third parties	523,506	534,549	10,129	8,134
Related parties	93	15,478	93	6,900
	<hr/>	<hr/>	<hr/>	<hr/>
	523,599	550,027	10,222	15,034
Less: Loss allowances	(398,331)	(394,591)	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	125,268	155,436	10,222	15,034
GST recoverable	–	–	30,369	49,333
	<hr/>	<hr/>	<hr/>	<hr/>
	125,268	155,436	40,591	64,367
Other receivables:				
Third parties	88,017	47,147	35,350	37,121
Refundable security deposits	874,451	947,158	471,386	586,626
Prepayments	290,133	197,329	37,937	30,211
	<hr/>	<hr/>	<hr/>	<hr/>
	1,252,601	1,191,634	544,673	653,958
Less: Loss allowances	(32,000)	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	1,220,601	1,191,634	544,673	653,958
Less: Non- current portion refundable security deposits	(256,290)	(193,857)	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	(256,290)	(193,857)	–	–
Current portion	1,089,579	1,153,213	585,264	718,325

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 the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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 recovery.

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

7 Amount due from subsidiaries

	Company	
	2021	2020
	\$	\$
Amount due from subsidiaries (non-trade)	15,490,117	14,661,777
Loss: Loss allowance	(12,909,721)	(11,882,912)
	<u>2,580,396</u>	<u>2,778,865</u>

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

	Company	
	Lifetime ECL	
	(Credit-impaired)	
	2021	2020
	\$	\$
Balance as at 1 October	11,882,912	8,387,947
Charge for the period/year	1,026,809	3,494,965
Balance as at 30 June 2021 / 30 September 2020	<u>12,909,721</u>	<u>11,882,912</u>

8 Other assets

Other assets pertain to the upfront sponsorship provided by the Group to their customers based on the agreed contractual terms. The amount is amortised to profit or loss as a reduction against revenue based on the period as stipulated in the contract which ranges between 2 to 3 years.

As at the reporting date, management reviews the carrying amounts of other assets to determine whether there is any indication that those assets have suffered an impairment loss. During the nine months ended 30 June 2021, the Group recognized an impairment loss of \$22,354 (9M2020: \$130,420).

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

9 Intangible assets

Group	Trademark \$	Franchise licenses \$	Total \$
Cost:			
At 1 October 2019, 30 September 2020 and 30 June 2021	620,000	986,373	1,606,373
Accumulated amortisation:			
At 1 October 2019	–	88,523	88,523
Additions	–	68,480	68,480
At 30 September 2020	–	157,003	157,003
Additions	–	51,361	51,361
At 30 June 2021	–	208,364	208,364
Accumulated impairment:			
At 1 October 2019, 30 September 2020 and 30 June 2021	620,000	264,399	884,399
Carrying amount:			
At 30 June 2021	–	513,610	513,610
At 30 September 2020	–	564,971	564,971

The intangible asset - franchise license are amortised over its useful lives of 5 to 10 years (2020: 5 to 10 years). The amortisation expense has been included in the line item “depreciation and amortisation expense” in profit or loss.

During the nine months ended 30 June 2021, management identified an impairment indicator for the other restaurants business which is not profitable. The Group carried out a review of the recoverable amount on the intangible asset – franchise licenses and an impairment loss of \$nil (2020: \$nil) was recognised as at 30 June 2021.

10 Plant and equipment

During the nine months ended 30 June 2021, the Group acquired plant and equipment with an aggregate cost of \$503,987 (9M2020: \$2,647,161). Cash payments of \$226,661 (9M2020: \$1,694,417) 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 period. 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 nine month ended 30 June 2021 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 the reporting date, management recognized an impairment loss on the Group’s plant and equipment of an impairment loss of \$455,828 (30/06/2020: \$nil).

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

11 Trade, other payables and contract liabilities

Included in other payable are accruals relating to contracts entered into by the Group with customers in the beer business segment with upfront sponsorship, volume rebates and promotional support expenses. As of 30 June 2021, accruals for volume rebates and upfront sponsorship and contract liabilities on promotional support expenses amount to \$414,464 (30/06/2020: \$509,996).

12 Bank borrowings

	Group	
	30/06/2021	30/09/2020
	\$	\$
Bank loans	5,495,886	4,278,028
Current portion	3,245,886	1,465,528
Non-current portion	2,250,000	2,812,500
	5,495,886	4,278,028

The Group is required to maintain a tangible net worth of more than \$10,000,000 as at the end of the reporting period. As at 30 June 2021, the Group breached the covenant as its tangible net worth amounted to \$2,003,182. The principal amount of \$2,495,886 was presented as a current liability as at 30 June 2021.

During the financial period ended 30 June 2021, a portion of the Group's cash and cash equivalents of the Group amounting to \$3.0 million has been earmarked by a bank in respect of loan facilities drawn down.

Details of any collaterals

Excluded from the borrowings above are lease liabilities of \$3.56 million under SFRS(I) 16 arising from lease contracts for restaurant premises and office equipment used in its operations.

13 Share capital

	Group and Company			
	30/06/2021		30/09/2020	
	Number of ordinary shares	\$	Number of ordinary Shares	\$
Issued and paid-up:				
At beginning and end of the financial year	462,392,475	25,181,005	462,392,475	25,181,005

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

As at 30 June 2021 and 30 September 2020, 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 30 June 2021 and 30 September 2020.

There are no treasury shares held by the Company.

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

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

14 Loss per share

	GROUP			
	Third Quarter ended 30 June		9 months ended 30 June	
	2021	2020	2021	2020
Earnings (loss) per ordinary share (cents):-				
(a) Based on the weighted average number of ordinary shares in issue; and	(0.36)	(0.43)	(1.03)	(1.21)
(b) On a fully diluted basis	(0.36)	(0.43)	(1.03)	(1.21)

15 Net asset value per share

	GROUP		COMPANY	
	30/06/2021	30/09/2020	30/06/2021	30/09/2020
Net asset value per ordinary share based on existing issued share capital (cents)	0.43	1.47	0.95	1.93
No. of shares	462,392,475	462,392,475	462,392,475	462,392,475

OTHER INFORMATION**Review**

The condensed consolidated statements of financial position of No Signboard Holdings Ltd. (the "Company", together with its subsidiaries, the "Group") as at 30 June 2021 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 for the nine months period then ended and the selected explanatory notes (the "Condensed Interim 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:

- (a) **Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) **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.

Not applicable.

Review of Group Performance**Consolidated Statement of Profit or Loss****Revenue**

The Group's revenue of \$1.8 million for the period ended 30 June 2021 ("3Q2021") was higher by 55% as compared to \$1.1 million in the previous corresponding period ("3Q2020"). The seafood restaurants sales accounted for 34% of total revenue for 3Q2021 as compared to 58% in 3Q2020. Hotpot sales contributed to 34% of total revenue for 3Q2021 as compared to 17% in 3Q2020. Quick-serve restaurants contributed 25% of total revenue in for 3Q2021 as compared to 12% in 3Q2020. Beer business was significantly impacted in 3Q2021 as most of the outlets where its beer is distributed have been closed during the circuit breaker period and remained closed as of 30 June 2021.

For the nine months ended 30 June 2021 ("9M2021"), overall revenue of \$6.4 million was 42% lower as compared to \$11.3 million in the previous comparative period ("9M2020"). Since February 2020 in 2Q2020, the topline has been impacted by the decline in number of customers when Singapore implemented travel entry restrictions on short term visitors into Singapore. Till the end of 9M2021, the Group's revenue continues to be impacted by the travel restrictions, safe distancing regulations implemented due to the COVID-19 pandemic and the new Covid-19 measures announced on 14th May 2021, which took effect from 16th May to 13th June 2021 whereby dine-in activities were suspended have further impacted our revenue as the outlets are not able to operate on the same level as prior to the onset of COVID-19 and the ongoing travel restrictions have significantly reduced the tourist footfall at our seafood outlets.

Other Income

Other income increased in 3Q2021 and 9M2021 due to the job support scheme ("JSS") grant funded by the Singapore Government amounting to \$181K in 3Q2021 and \$795K in 9M2021 and the recognition of a gain on lease termination of \$341K in 3Q2021 and \$533K in 9M2021 relating to termination of right-of-use assets.

Raw materials and consumables used and changes in inventories

Total raw materials and consumables used and changes in inventories increased by 13.1% in 3Q2021 and reduced by 43.3% in 9M2021 as compared to previous comparative periods due to a corresponding decrease in revenue.

Employee benefits expense, rental expense, and Other operating expenses

Employee benefits reduced by 22.8% in 3Q2021 and 28.0% in 9M2021, which is proportionately less than the reduction in revenue due to fixed staff costs.

Other operating expenses reduced by 14.5% in 3Q2021 and 30.3% in 9M2021, which is proportionately less than the reduction in revenue. The reduction of variable expenses was offset by an increase in expenses incurred for take-away foods packaging, purchase of cleaning and disinfectant materials, and purchase of protective equipment and an increase in commission paid to food delivery platforms.

For comparison purpose, without considering the effects of SFRS(I) 16, rental expense would have decreased to \$640K in 3Q2021 (3Q2020: \$337K) and \$2.27 million in 9M2021 (9M2020: \$2.32 million) due to additional one-off rental concessions given from the landlords as a result of the COVID-19 pandemic and impact of the termination/expiry of leases during the periods.

OTHER INFORMATION (cont'd)**Impairment of plant and equipment**

In 9M2021, the Group recognized an impairment on the plant and equipment amounting \$456K to (9M2020: \$nil) for restaurants and outlets affected by the COVID-19 pandemic.

Depreciation and amortisation expenses

Depreciation and amortisation expense increased to \$942K in 3Q2021 (3Q2020: \$400K) while for 9M2021, expenses decreased to \$3.0 million (9M2020: \$3.2 million). The decrease in 9M2021 was mainly due to termination/expiry of leases and plant and equipment and rights-of-use assets that have been fully written down/impaird as at the end of the previous financial year. This is offset by the additional capital expenditure spent on equipment and renovation on the new outlets.

Finance costs

Finance costs comprise of interest portion of lease liabilities which has decreased to \$76K in 3Q2021 (3Q2020: \$86K) and \$248K in 9M2021 (9M2020: \$270K). This was offset by an increase in interest on bank borrowing to \$34K in 3Q2021 (9M2020: \$8K) and \$96K in 9M2021 (9M2020: \$13K) due to bank borrowings drawn down during the period.

Loss before income tax and loss for the period

The Group has reported a loss before income tax of \$1.7 million in 3Q2021 (9M2021: \$4.8 million) due to the loss of revenue arising from the effects of the COVID-19 pandemic on the Group's various business segments.

Consolidated Statement of Financial Position**The Group****Current assets**

Current assets declined from \$15.1 million as at 30 September 2020 ("FY2020") to \$9.7 million as at 30 June 2021 ("FY2021"), mainly due to the decrease in cash and bank balances, which has been utilized to support the Group's operations.

Non-current assets

There is a decrease in non-current assets from \$8.6 million as at FY2020 to \$6.1 million as at FY2021. This was mainly due to a decrease in Right-of-use ("ROU") assets of \$1.5 million.

Current liabilities

Current liabilities decreased from \$11.1 million as at FY2020 to \$9.7 million as at FY2021 mainly due to decrease in current lease liabilities of \$1.5 million and trade and other payables of \$1.5 million which offset by increase in short-term bank borrowing of \$1.8 million.

Non-current liabilities

The decrease in non-current liabilities from \$5.8 million as at FY2020 to \$4.1 million as at FY2021 was mainly due to the decrease in non-current lease liabilities of \$1.0 million and bank borrowing of \$0.6 million.

The Company

There is a decrease in total assets from \$18.2 million as at FY2020 to \$12.6 million as at FY2021. This was mainly due to decrease in cash and bank balances of \$4.0 million and ROU assets of \$0.9 million.

Total liabilities decrease from \$9.3 million as at FY2020 to \$8.2 million as at FY2021 mainly due to decrease in trade and other payables of \$0.8 million, due to lower revenue.

OTHER INFORMATION (cont'd)**Consolidated Statement of Cash Flows**

The Group's net cash used in operating activities in 9M2021 amounting to \$3.4 million is mainly attributable to working capital usage for restaurant and beer business.

The Group's net cash used in investing activities amounted to \$0.2 million in 9M2021, mainly due to purchase of plant and equipment.

The Group's net cash used in financing activities amounted to \$1.4 million in 9M2021, mainly due to the payment of short-term loans and lease liabilities which is offset by an increase in bank borrowings.

As at 30 June 2021, the Group's cash and cash equivalents stood at \$8.0 million.

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.

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

While Singapore commenced Phase 3 re-opening from 28 December 2020, there has been setbacks managing the COVID-19 situations across countries, including Singapore, due to the sudden emergence in variants of the virus across local communities. As such, international travel bubbles would be re-visited by respective governments, combined with the revision of tightened existing safe management measures to contain the spread of the virus.

The new Covid-19 measures announced on 14th May 2021, took effect from 16th May to 13th June 2021 whereby dine-in activities were suspended. Singapore gradually reopened to Phase 3 (Heightened Alert) from 14th June 2021 onwards. However, on 20th July 2021, measures for the return to heightened alert Phase 2 were announced, taking effect from 22nd July 2021 to 10th August 2021 whereby dine-in activities have been suspended. These measures are expected to further affect the Group's revenue adversely.

Given that the situation is fluid and rapidly evolving as government policies change in tandem, the Group expects the operating environment of the local food and beverage industry to remain challenging in the next 12 months, due to uncertain economic outlook aggravated by respective travel restrictions imposed globally that dampened consumers' demand and spending.

Since the onset of the COVID-19 pandemic, the Company has also intensified its social media and digital platform presence to attract different target customer types in accustoming to the local consumer dining choices and spending habits resulting

from the implications of COVID-19. Our business in the short term, would not be able to operate on the same level as prior to the onset of COVID-19 given such efforts may not reap immediate returns combined with the prolonged impact of the low tourist arrival numbers and the impact of tightened existing safe distancing measures in our outlets.

As there is no certainty on the severity and the duration relating to the recovery of the global business climate from the unprecedented effects of COVID-19, the Group has been conscientiously managing its costs and is taking measured steps on reviewing and implementing various cost-cutting and cost control measures. The Group's current priority is to preserve 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 Group will continue to monitor the situation in the markets it operates in, including any regulations issued to address the spread of the COVID-19, and has arrangements in place (such as business continuity plans) to adapt accordingly.

Despite the above challenges, the Group will continue to explore suitable opportunities to strengthen its competitive edge in its existing business and expand its F&B business both in Singapore and overseas. The Group will be opening a new outlet with a new concept under No Signboard brand at Northpoint in September 2021. The new concept is a casual dining Northern Chinese dim sum specialty shop, featuring a variety of affordable dishes. The quick service concept will help to reduce the manpower requirements at the outlet. This will represent the Group's first venture into the suburban malls, where there are ready catchment population and has proven to be more resilience during this Covid-19 pandemic.

OTHER INFORMATION (cont'd)

Use of IPO proceeds

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately S\$19.3 million (the "**Net Proceeds**"). Please refer to the Offer Document for further details. As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds	Net Proceeds utilised as at the date of this announcement	Balance of Net Proceeds as at the date of this announcement
	\$'000	\$'000	\$'000
Development for the Beer Business	2,267	(2,267)	-
Establishing new chains of restaurants	7,000	(7,000)	-
Development of Ready Meal Business	-	-	-
General working purposes	10,033	(3,174)	6,859
	<u>19,300</u>	<u>(12,441)</u>	<u>6,859</u>

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

(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 of directors ("Board" or "Directors") for the financial period ended 30 June 2021 as there are no distributable profits.

OTHER INFORMATION (cont'd)

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 the nine months ended 30 June 2021 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.	\$132,800 ⁽¹⁾	Not applicable

Note:

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

- (i) a payable of \$132,800 as rental expense to GuGong Pte. Ltd. (“GuGong”) for the lease of its corporate office and outlet.

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).

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statement for the third quarter and nine months ended 30 June 2021, to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Yong Sim (Lin Rongsen)
CEO and Executive Chairman

Lim Lay Hoon
COO and Executive Director

Singapore
13 August 2021