

**Condensed Financial Statements
For the Fourth Quarter and Full Year Ended 30 September 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.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FULL YEAR ENDED 30 SEPTEMBER 2021

GROUP							
	4 th Quarter ended 30 September		Increase (Decrease)	12 months ended 30 September		Increase (Decrease)	
	2021	2020		2021	2020		
Note	\$	\$	%	\$	\$	%	
Revenue	1,468,965	2,349,028	(37.5)	7,903,808	13,627,913	(42.0)	
Other income	815,690	975,389	(16.4)	2,618,817	1,905,207	37.5	
Raw materials and consumables used	(549,018)	(793,512)	(30.8)	(2,786,945)	(4,799,332)	(41.9)	
Changes in inventories	(32,339)	12,387	N.M.	(26,779)	82,858	(132.3)	
Employee benefits expense	(1,303,128)	(1,567,351)	(16.9)	(6,303,986)	(8,515,109)	(26.0)	
Rental income	400,771	679,021	(41.0)	981,714	1,521,477	(35.5)	
Rental expense	(51,725)	297,482	(117.4)	(475,628)	(752,012)	(26.8)	
Depreciation and amortisation expense	(1,304,872)	(2,437,823)	(46.5)	(4,319,826)	(5,622,978)	(23.2)	
Impairment of plant and equipment	81,285	(586,452)	(113.9)	(374,541)	(586,452)	(36.1)	
Impairment of right-of-use assets	(346,813)	(1,286,352)	(73.0)	(346,813)	(1,286,352)	(73.0)	
Impairment of other assets	-	35,963	(100.0)	(22,354)	(94,457)	(76.3)	
Other operating expenses	(704,184)	(1,785,037)	(60.6)	(2,883,934)	(4,913,154)	(41.3)	
Finance costs	(87,361)	(115,812)	(24.6)	(335,278)	(385,973)	(13.1)	
Loss before income tax	5	(1,612,729)	(4,223,069)	(61.8)	(6,371,745)	(9,818,364)	(35.1)
Income tax	17,093	-	N.M.	17,093	(21,154)	N.M.	
Loss for the year, representing loss attributable to the owners of the Company	(1,595,636)	(4,223,069)	(62.2)	(6,354,652)	(9,839,518)	(35.4)	
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations	(25,266)	582	N.M.	(70,815)	(314)	N.M.	
Total comprehensive loss for the year, representing total comprehensive loss attributable to the owners of the Company	(1,620,902)	(4,222,487)	(61.6)	(6,425,467)	(9,839,832)	(34.7)	

N.M.: Not meaningful

STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		30/09/2021	30/09/2020	30/09/2021	30/09/2020
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and bank balances	12	2,727,025	12,921,780	2,048,549	11,658,583
Deposit	12	3,000,000	-	3,000,000	-
Trade and other receivables	6	1,059,061	1,153,213	616,476	718,325
Amount due from subsidiaries	7	-	-	2,775,041	2,778,865
Inventories		441,452	479,518	45,494	60,617
Grant receivables		142,513	380,086	98,196	283,218
Other assets	8	-	136,642	-	-
Total current assets		<u>7,370,051</u>	<u>15,071,239</u>	<u>8,583,756</u>	<u>15,499,608</u>
Non-current assets					
Other receivables	6	372,985	193,857	-	-
Intangible asset	9	496,489	564,971	-	-
Plant and equipment	10	2,392,253	3,063,455	975,653	1,188,392
Right-of-use assets		5,649,246	4,756,005	2,367,262	1,425,503
Investment in subsidiaries		-	-	105	100,105
Total non-current assets		<u>8,910,973</u>	<u>8,578,288</u>	<u>3,343,020</u>	<u>2,714,000</u>
Total assets		<u>16,281,024</u>	<u>23,649,527</u>	<u>11,926,776</u>	<u>18,213,608</u>
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	11	3,569,768	5,216,427	1,652,052	2,527,257
Lease liabilities		2,356,324	3,264,757	859,726	1,523,439
Contract liabilities	11	241,985	271,153	-	-
Amount due to holding company		99,581	10,047	44,851	5,264
Loan and borrowings – current portion	12	3,172,712	1,465,528	3,172,712	1,465,528
Deferred grant income		-	556,181	-	388,628
Provisions		209,986	265,341	152,814	223,897
Income tax payable		-	17,093	-	-
Total current liabilities		<u>9,650,356</u>	<u>11,066,527</u>	<u>5,882,155</u>	<u>6,134,013</u>
Non-current liabilities					
Provisions		246,122	150,808	76,706	38,808
Lease liabilities		3,939,766	2,811,945	1,691,453	302,156
Loan and borrowings	12	<u>2,062,500</u>	<u>2,812,500</u>	<u>2,062,500</u>	<u>2,812,500</u>
Total non-current liabilities		<u>6,248,388</u>	<u>5,775,253</u>	<u>3,830,659</u>	<u>3,153,464</u>
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		(24,016,232)	(17,661,580)	(25,030,794)	(18,318,625)
Translation reserve		<u>(86,555)</u>	<u>(15,740)</u>	<u>-</u>	<u>-</u>
Total equity		<u>382,280</u>	<u>6,807,747</u>	<u>2,213,962</u>	<u>8,926,131</u>
Total liabilities and equity		<u>16,281,024</u>	<u>23,649,527</u>	<u>11,926,776</u>	<u>18,213,608</u>

The accompanying accounting policies and explanatory notes form an integral part of the condensed 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 year					
Loss for the year	-	-	-	(9,839,518)	(9,839,518)
Other comprehensive loss	-	-	(314)	-	(314)
Total	-	-	(314)	(9,839,518)	(9,839,832)
Balance at 30 September 2020	25,181,005	(695,938)	(15,740)	(17,661,580)	6,807,747
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Balance at 1 October 2020	25,181,005	(695,938)	(15,740)	(17,661,580)	6,807,747
Total comprehensive loss for the year					
Loss for the year	-	-	-	(6,354,652)	(6,354,652)
Other comprehensive loss	-	-	(70,815)	-	(70,815)
Total	-	-	(70,815)	(6,354,652)	(6,425,467)
Balance at 30 September 2021	25,181,005	(695,938)	(86,555)	(24,016,232)	382,280

	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 year, representing total comprehensive loss for the year	-	-	(8,319,615)	(8,319,615)
Balance as at 30 September 2020	25,181,005	2,063,751	(18,318,625)	8,926,131
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Balance at 1 October 2020	25,181,005	2,063,751	(18,318,625)	8,926,131
Loss for the year, representing total comprehensive loss for the year	-	-	(6,712,169)	(6,712,169)
Balance as at 30 September 2021	25,181,005	2,063,751	(25,030,794)	2,213,962

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Group	
Note	2021	2020
	\$	\$
Operating activities		
Loss before income tax	(6,371,745)	(9,818,364)
Adjustments for:		
Depreciation and amortisation expense	4,319,826	5,622,978
Allowance for expected credit loss	35,740	377,434
Impairment of other assets	22,354	94,457
Gain on disposal of plant and equipment	(2,300)	(24,196)
Write-off of inventories	90,544	39,124
Write-off of plant and equipment	51,201	13,105
Impairment loss on plant and equipment	374,541	586,452
Impairment loss on right-of-use assets	346,812	1,286,352
(Gain)/loss on lease termination	(557,519)	27,852
Foreign exchange	(70,427)	3,865
Interest income	(3,638)	(61,283)
Interest expense	335,278	385,973
Operating cash flows before movements in working capital	(1,429,333)	(1,466,251)
Changes in working capital		
Trade and other receivables	195,731	544,650
Inventories	(52,478)	(2,002)
Other assets	114,288	295,100
Trade and other payables	(2,197,335)	392,203
Contract liabilities	(29,168)	(355,580)
Deferred grant income	(556,181)	-
Amount due to holding company	89,534	(33,974)
Provisions	39,959	(25,477)
Cash used in operations	(3,824,983)	(651,331)
Income tax paid	(10,459)	(21,154)
Net cash used in operating activities	(3,835,442)	(672,485)
Investing activities		
Purchase of plant and equipment	A (483,163)	(2,279,919)
Deposits for purchase of plant and equipment	-	-
Proceeds from disposal of plant and equipment	2,300	25,162
Interest received	3,638	61,283
Net cash used in investing activities	(477,225)	(2,193,474)
Financing activities		
Proceeds from short-term loans	2,000,000	4,320,830
Repayment of short-term loans	(1,042,816)	(42,802)
Increase in earmarked deposit	(3,000,000)	-
Repayment of lease liabilities	(3,503,994)	(3,896,387)
Interest portion of lease liabilities	(206,872)	(341,838)
Interest paid on bank borrowings	(128,406)	(44,135)
Net cash used in financing activities	(5,882,088)	(4,332)
Net decrease in cash and cash equivalents	(10,194,755)	(2,870,291)
Cash and cash equivalents at beginning of year	12,921,780	15,792,071
Cash and cash equivalents at end of year	2,727,025	12,921,780
Note A		
Purchase of plant and equipment (Note 10)	(965,424)	(2,647,161)
Less non-cash movement:		
Provision for reinstatement costs	23,702	27,368
Payable to suppliers of plant and equipment	458,559	339,874
	(483,163)	(2,279,919)

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

NOTES TO THE CONDENSED 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 full year ended 30 September 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 financial statements for the full year ended 30 September 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 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 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 2.4, 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 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 directors believe that the use of the going concern assumption remains appropriate after taking into account various factors, including the following:

1. The Company will continue to prudently monitor its cashflows;
2. Continuing support from the Company's principal banks;
3. The expected completion of the private placement announced on 30th September 2021; and
4. The additional fund-raising activities which the Company is continuing to explore.

It will make further announcements to update the shareholders of the Company (the "Shareholders") on material developments concerning the aforesaid fund-raising activities as they arise.

This validity of the going concern basis on which the condensed financial statements are prepared depends on the Directors' assessment of the Group's ability to operate as a going concern as set forth above. The assumptions are premised on future events, the outcome of which may be uncertain and beyond the control of the Directors.

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 2020.

NOTES TO THE CONDENSED 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 and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

3 Segment information

Group	Revenue		Net loss	
	2021	2020	2021	2020
	\$	\$	\$	\$
			Group	
Seafood Restaurant business	2,491,337	7,132,109	(636,020)	(938,028)
Other Restaurant business	4,954,787	4,700,880	(892,110)	(1,196,652)
Beer business	457,684	1,794,924	(440,281)	(1,044,552)
	7,903,808	13,627,913	(1,968,411)	(3,179,232)
Impairment of other assets			(22,354)	(94,457)
Impairment of plant and equipment			(374,541)	(586,452)
Impairment of right-of-use assets			(346,813)	(1,286,352)
Other operating expenses			(414,102)	(1,274,353)
Corporate office expenses			(2,913,884)	(3,072,598)
Interest income			3,638	61,283
Finance costs			(335,278)	(385,973)
Loss before tax			(6,371,745)	(9,818,364)
Income tax credit / (expense)			17,093	(21,154)
Loss after tax			(6,354,652)	(9,839,518)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (cont'd)

3 Segment information (cont'd)

	Group	
	30/09/2021	30/09/2020
	\$	\$
<u>Segment assets</u>		
Seafood Restaurant business	9,121,108	15,712,200
Other Restaurant business	6,606,825	7,235,114
Beer business	484,675	702,213
	16,212,608	23,649,527
<u>Segment liabilities</u>		
Seafood Restaurant business	9,690,808	10,725,944
Other Restaurant business	5,400,591	5,328,508
Beer business	738,929	770,235
	15,830,328	16,824,687
Unallocated liabilities	-	17,093
	15,830,328	16,841,780

Group	Depreciation and amortisation expense		Capital expenditure	
	2021	2020	30/09/2021	30/09/2020
	\$	\$	\$	\$
Seafood Restaurant business	2,115,733	3,158,108	238,757	1,516,128
Other Restaurant business	2,080,839	2,324,718	718,889	1,144,353
Beer business	123,254	140,152	7,778	13,680
	4,319,826	5,622,978	965,424	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 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	
	2021	2020
	\$	\$
Singapore	7,394,320	12,639,075
People's Republic of China	509,488	988,838
	7,903,808	13,627,913
	7,903,808	13,627,913

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	
	30/09/2021	30/09/2020
	\$	\$
Singapore	8,910,973	8,451,045
People's Republic of China	–	127,243
	8,910,973	8,578,288
	8,910,973	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 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 September 2021 and 30 September 2020:

	Group		Company	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	\$	\$	\$	\$
Financial assets				
At amortised cost:				
Trade and other receivables	1,131,571	1,149,741	518,946	638,781
Cash and bank balances	5,727,025	12,921,780	5,048,549	11,658,583
Amount due from subsidiaries	–	–	2,775,041	2,778,865
Total	6,858,596	14,071,521	8,342,536	15,076,229
Financial liabilities				
At amortised cost:				
Loans and borrowings	5,235,212	4,278,028	5,235,212	4,278,028
Trade and other payables	3,569,768	5,146,653	1,652,052	2,527,057
Amount due to holding company	99,581	10,047	44,851	5,264
Lease liabilities	6,296,301	6,076,702	2,551,389	1,825,595
Total	15,200,862	15,511,430	9,483,504	8,635,944

5 Loss before income tax

Includes the following:

	Group			
	4 th Quarter ended 30 September		12 months ended 30 September	
	2021	2020	2021	2020
	\$	\$	\$	\$
Franchise fee income	36,000	36,000	144,000	144,000
JSS grant	582,932	581,291	1,378,417	1,037,522
Gain/(loss) on lease termination	216,486	(27,852)	557,519	(27,852)
Write-off of inventories	(44,109)	(39,124)	(90,544)	(39,124)
Write-off of plant and equipment	(38,410)	(13,105)	(51,201)	(13,105)
Depreciation and amortisation expenses:				
Amortisation of intangible assets (Note 9)	(17,120)	(17,120)	(68,482)	(68,480)
Depreciation of plant and equipment (Note 10)	(275,640)	(391,115)	(1,210,493)	(1,515,679)
Depreciation of right-of-use assets	(1,012,112)	(2,209,589)	(3,040,851)	(4,038,819)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (cont'd)

6 Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	30/09/2021 \$	30/09/2020 \$	30/09/2021 \$	30/09/2020 \$
Trade receivables:				
Third parties	525,391	534,549	3,358	8,134
Related parties	-	15,478	-	6,900
	525,391	550,027	3,358	15,034
Less: Loss allowances	(400,658)	(394,591)	-	-
	124,733	155,436	3,358	15,034
GST recoverable	39,001	-	34,888	49,333
	163,734	155,436	38,246	64,367
Other receivables:				
Third parties	185,318	47,147	97,597	37,121
Refundable security deposits	853,522	947,158	417,991	586,626
Prepayments	261,472	197,329	62,642	30,211
	1,300,312	1,191,634	578,230	653,958
Less: Loss allowances	(32,000)	-	-	-
	1,268,312	1,191,634	578,230	653,958
Less: Non- current portion refundable security deposits	(372,985)	(193,857)	-	-
	(372,985)	(193,857)	-	-
Current portion	1,059,061	1,153,213	616,476	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 year.

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 FINANCIAL STATEMENTS (cont'd)

7 Amount due from subsidiaries

	Company	
	2021	2020
	\$	\$
Amount due from subsidiaries (non-trade)	16,617,483	14,661,777
Loss: Loss allowance	(13,842,442)	(11,882,912)
	<u>2,775,041</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 year	1,959,530	3,494,965
	<u>13,842,442</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 year ended 30 September 2021, the Group recognised an impairment loss of \$22,354 (2020: \$94,457).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (cont'd)

9 Intangible assets

Group	Trademark \$	Franchise licenses \$	Total \$
Cost:			
At 1 October 2019, 30 September 2020 and 30 September 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	–	68,482	68,482
At 30 September 2021	–	225,485	225,485
Accumulated impairment:			
At 1 October 2019, 30 September 2020 and 30 September 2021	620,000	264,399	884,399
Carrying amount:			
At 30 September 2021	–	496,489	496,489
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 year ended 30 September 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 September 2021.

10 Plant and equipment

During the year ended 30 September 2021, the Group acquired plant and equipment with an aggregate cost of \$965,424 (2020: \$2,647,161). Cash payments of \$483,163 (2020: \$2,279,919) 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 year ended 30 September 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 recognised an impairment loss on the Group’s plant and equipment of an impairment loss of \$374,541 (2020: \$586,452).

NOTES TO THE CONDENSED 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 September 2021, accruals for volume rebates and upfront sponsorship and contract liabilities on promotional support expenses amount to \$420,452 (30/09/2020: \$559,717).

**12 Cash and cash equivalent /
Bank borrowings**

During the financial year ended 30 September 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.

Bank borrowings

	Group	
	30/09/2021	30/09/2020
	\$	\$
Bank loans	5,235,212	4,278,028
	<hr/>	<hr/>
Current portion	3,172,712	1,465,528
Non-current portion	2,062,500	2,812,500
	<hr/>	<hr/>
	5,235,212	4,278,028
	<hr/>	<hr/>

The Group is required to maintain a tangible net worth of more than \$10,000,000 as at the end of the reporting year. As at 30 September 2021, the Group breached the covenant as its tangible net worth amounted to \$372,203. As a result, the non-current portion of the bank loan payable of \$1,707,660 has been classified as current as at 30 September 2021.

Details of any collaterals

Excluded from the borrowings above are lease liabilities of \$6.29 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			
	30/09/2021		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
	<hr/>	<hr/>	<hr/>	<hr/>

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

As at 30 September 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 September 2021 and 30 September 2020.

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (cont'd)

14 Loss per share

	Group			
	<u>4th Quarter ended 30 September</u>		<u>12 months ended 30 September</u>	
	2021	2020	2021	2020
Earnings (loss) per ordinary share (cents):-				
(a) Based on the weighted average number of ordinary shares in issue; and	(0.35)	(0.91)	(1.37)	(2.13)
(b) On a fully diluted basis	(0.35)	(0.91)	(1.37)	(2.13)

15 Net asset value per share

	Group		Company	
	<u>30/09/2021</u>	<u>30/09/2020</u>	<u>30/09/2021</u>	<u>30/09/2020</u>
Net asset value per ordinary share based on existing issued share capital (cents)	0.08	1.47	0.48	1.93
No. of shares	462,392,475	462,392,475	462,392,475	462,392,475

OTHER INFORMATION**Review**

The condensed consolidated statement of financial position of No Signboard Holdings Ltd. (the "Company", together with its subsidiaries, the "Group") as at 30 September 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 twelve months then ended 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:

- (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 \$7.9 million for the year ended 30 September 2021 ("FY2021") was lower by 42.0% as compared to \$13.6 million in the previous year ("FY2020"). The seafood restaurants sales accounted for 31.5% of total revenue for FY2021 as compared to 58.1% in FY2020. Hotpot sales contributed to 33.6% of total revenue for FY2021 as compared to 19.8% in FY2020. Quick-serve restaurants contributed 29.1% of total revenue in for FY2021 as compared to 9.5% in FY2020. Beer business was significantly impacted during the year as most of the outlets where its beer is distributed have been closed during the circuit breaker period and remained closed as of 30 September 2021.

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 FY2021, the Group's revenue continues to be impacted by the travel restrictions and safe distancing regulations implemented due to the COVID-19 pandemic 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 FY2021 due to the job support scheme ("JSS") grant funded by the Singapore Government amounting to \$1,378K in FY2021 and the recognition of a gain on lease termination of \$558K in FY2021 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 reduced by 40.3% in FY2021 as compared to previous year due to a corresponding decrease in revenue.

Employee benefits expense, rental expense, and Other operating expenses

Employee benefits reduced by 26.0% in FY2021, which is proportionately less than the reduction in revenue due to fixed staff costs.

Other operating expenses reduced by 41.3% in FY2021, 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 \$2.9 million in FY2021 (FY2020: \$3.2 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 and right-of-use assets**

In FY2021, the Group recognised an impairment on the plant and equipment and right-of-use assets amounting to \$375K and \$347K (FY2020: \$586K and \$1.3 million) respectively for restaurants and outlets affected by the COVID-19 pandemic.

Depreciation and amortisation expenses

The decrease in depreciation and amortisation expense to \$4.3 million in FY2021 (FY2020: \$5.6 million) was mainly due to termination/expiry of leases and plant and equipment and right-of-use assets that have been fully written down/impairment 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 outlet.

Finance costs

Finance costs comprise of interest portion of lease liabilities which has decreased to \$207K in FY2021 (FY2020: \$342K). This was offset by an increase in interest on bank borrowing to \$128K in FY2021 (FY2020: \$44K) due to bank borrowings drawn down during the period.

Loss before income tax and loss for the year

The Group has reported a loss before income tax of \$6.4 million in FY2021 (FY2020: \$9.8 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 \$7.3 million as at 30 September 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 an increase in non-current assets from \$8.6 million as at FY2020 to \$8.9 million as at FY2021. This was mainly due to an increase in Right-of-use ("ROU") assets of \$0.9 million.

Current liabilities

Current liabilities decreased from \$11.1 million as at FY2020 to \$9.5 million as at FY2021 mainly due to decrease in current lease liabilities of \$0.9 million and trade and other payables of \$1.8 million which offset by increase in short-term bank borrowing of \$1.7 million.

Non-current liabilities

The increase in non-current liabilities from \$5.8 million as at FY2020 to \$6.2 million as at FY2021 was mainly due to the increase in non-current lease liabilities of \$1.1 million and which offsets the decrease in bank borrowing of \$0.8 million.

The Company

There is a decrease in total assets from \$18.2 million as at FY2020 to \$11.8 million as at FY2021. This was mainly due to decrease in cash and bank balances of \$6.6 million.

Total liabilities increase from \$9.3 million as at FY2020 to \$9.6 million as at FY2021 mainly due to an increase in lease liabilities of \$0.7 million and bank borrowings of \$1.0 million which is offset by the decrease in trade and other payables of \$0.9 million, due to lower revenue.

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

The Group's net cash used in operating activities in FY2021 amounting to \$3.8 million is mainly attributable to working capital usage for restaurant and beer business.

The Group's net cash used in investing activities amounted to \$0.5 million in FY2021, mainly due to purchase of plant and equipment.

The Group's net cash used in financing activities amounted to \$2.9 million in FY2021, mainly due to the payment of short-term loans and lease liabilities which is offset by an increase in bank borrowings.

As at 30 September 2021, the Group's cash and cash equivalents stood at \$5.7 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, taking 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 18th August 2021 whereby dine-in activities have been suspended. From 10th August 2021 onwards, vaccinated individuals were allowed to dine-in at F&B establishments up to groups of five. However, from 27th September 2021 to 24th October 2021, only Groups of up to two will be allowed to dine at regular F&B establishments if all diners are fully vaccinated and from 10th November 2021 to 21st November 2021, fully vaccinated members of same household can dine together in groups of up to five and recent update that from 22nd November 2021 onwards, fully vaccinated people from different households will be allowed to dine in groups of up to five.

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, including exploring additional fund-raising activities and options.

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 opened its first No Signboard Sheng Jian Bao outlet at Northpoint in September 2021 and will be opening a new outlet with a new concept at Plaza Singapura in December 2021. Going forward, the Group plans to open more casual, quick-serve dining outlets at locations with high traffic.

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 \$'000	Net Proceeds utilised as at the date of this announcement \$'000	Balance of Net Proceeds as at the date of this announcement \$'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	(4,720)	5,313
	<u>19,300</u>	<u>(13,987)</u>	<u>5,313</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 year ended 30 September 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 year ended 30 September 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.	\$149,600 ⁽¹⁾	Not applicable

Note:

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

- (i) a payable of \$149,600 as rental expense to GuGong Pte. Ltd. (“GuGong”) for the lease of its corporate office and outlet.

Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mdm Cheo Bee Hwa	63	Mother of Mr Lim Yong Sim and Ms Lim Lay Hoon	Senior Quality Assurance Duties: Oversees the kitchen and restaurant operations of the seafood restaurant. Since: 1993	No change
Mdm Cheo Bee Yong	61	Aunt of Mr Lim Yong Sim and Ms Lim Lay Hoon	Kitchen Operations Executive Duties: Oversees the kitchen and restaurant operations of the seafood restaurant. Since: 2009	No change
Mr Cheo Cheng San	55	Uncle of Mr Lim Yong Sim and Ms Lim Lay Hoon	Chef Duties: Preparation of dishes of the seafood restaurant. Since: 2000	No change
Mdm Lim Lay Tin	55	Aunt of Mr Lim Yong Sim and Ms Lim Lay Hoon	Restaurant Captain Duties: Oversees the operations of the seafood restaurant. Since: 2000	No change
Mr Choo Ye Sheng (Donald)	29	Cousin of Mr Lim Yong Sim and Ms Lim Lay Hoon	Chef. Duties: Preparation of dishes of the seafood restaurant. Since: 3 June 2018.	No change

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 Yong Sim (Lin Rongsen)
CEO and Executive Chairman

Lim Lay Hoon
COO and Executive Director

Singapore
29 November 2021