

CIRCULAR DATED 8 NOVEMBER 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Unless otherwise stated, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled “Definitions” of this Circular.

This Circular, together with the Notice of EGM and the accompanying Proxy Form have been made available on SGXNET and the Company’s website at <https://www.nosignboardholdings.com/>. **Printed copies of this Circular, the Notice of EGM and the accompanying Proxy Form will NOT be sent to Shareholders.** If you have sold or transferred all your shares in the capital of No Signboard Holdings Ltd. (the “**Company**”), you should inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward notification to the purchaser or transferee that this Circular, together with the Notice of EGM and the accompanying Proxy Form, can be accessed via SGXNet and the Company’s website at <https://www.nosignboardholdings.com/>.

In compliance with the COVID-19 Order, The EGM will be conducted by electronic means and Shareholders (as defined herein) will not be able to attend the EGM physically. Alternative arrangements have been put in place to allow Shareholders to participate in the EGM by (i) by watching a “live” webcast or listening to a “live” audio feed; (ii) submitting questions in advance of, or “live” at the EGM; and (iii) voting at the EGM “live” by the Shareholders themselves or their duly appointed proxy(ies) or by appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM. Please refer to Section 12 of this Circular and the Notice of EGM for further information, including the steps to be taken by Shareholders to participate in the EGM.

This Circular has been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. It has not been examined or approved by the SGX-ST (as defined herein) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.



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

CIRCULAR TO SHAREHOLDERS

in relation to:

- (I) **THE PROPOSED CONSOLIDATION OF EVERY SIX (6) EXISTING SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS AS AT THE RECORD DATE INTO ONE (1) CONSOLIDATED SHARE IN THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**
- (II) **THE PROPOSED ALLOTMENT AND ISSUE OF SUBSCRIPTION SHARES TO GAZELLE VENTURES PTE. LTD. (THE “INVESTOR”), REPRESENTING 75% OF THE SHARE CAPITAL OF THE COMPANY ON THE FULLY DILUTED BASIS (AS DEFINED HEREIN) AFTER THE ALLOTMENT AND ISSUE OF THE SUBSCRIPTION SHARES AS AN INTERESTED PERSON TRANSACTION**

- (III) THE PROPOSED ALLOTMENT AND ISSUE OF 145,000,000 CONVERTIBLE REDEEMABLE PREFERENCE SHARES TO THE INVESTOR AT THE ISSUE PRICE OF \$0.031 FOR EACH CONVERTIBLE REDEEMABLE PREFERENCE SHARE AND ISSUE OF CONVERSION SHARES PURSUANT TO THE CONVERSION OF THE CONVERTIBLE REDEEMABLE PREFERENCE SHARES AS INTERESTED PERSON TRANSACTIONS
- (IV) THE PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE INVESTOR PURSUANT TO THE ALLOTMENT AND ISSUE OF THE SUBSCRIPTION SHARES
- (V) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY THE INDEPENDENT SHAREHOLDERS OF THEIR RIGHTS TO RECEIVE A MANDATORY GENERAL OFFER FROM THE INVESTOR FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY AS A RESULT OF THE PROPOSED SUBSCRIPTION SHARES ALLOTMENT (AS DEFINED HEREIN)
- (VI) THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

**Independent Financial Adviser to the Independent Directors
for the purposes of the Proposed Allotments and the Proposed Whitewash Resolution**



Provenance Capital Pte. Ltd.
(Company Registration Number 200309056E)
(Incorporated in the Republic of Singapore)

Important Dates and Times:

Last date and time for lodgement of Proxy Form : 28 November 2022 at 10 a.m.

Date and time of Extraordinary General Meeting : 30 November 2022 at 10 a.m.

Place of Extraordinary General Meeting : The EGM will be held by way of electronic means

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DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply throughout:

- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Additional Investment Amount”**: Shall have the meaning ascribed to it in Section 1.1 of this Circular
- “Advanced Deposit”** : The advance deposit of S\$2,500,000 constituting part of the Full Investment Amount deposited by the Investor into the Bank Account on 31 October 2022
- “AGM”** : The annual general meeting of the Company
- “Application for Grant of Super Priority Status”** : Shall have the meaning ascribed to it in Section 1.1 of this Circular
- “Approved Claims”** : Shall have the meaning ascribed to it in Section 1.2 of this Circular
- “Audit Committee”** : The audit committee of the Company
- “Bank Account”** : Shall have the meaning ascribed to it in Section 1.1 of this Circular
- “Board” or “Board of Directors”** : The board of Directors of the Company
- “Cash Distribution”** : Shall have the meaning ascribed to it in Section 1.2 of this Circular
- “Catalist”** : The Catalist board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 8 November 2022
- “Code”** : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
- “Companies Act”** : The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
- “Company”** : No Signboard Holdings Ltd.
- “Completion”** : Completion of the Implementation Agreement
- “Completion Date”** : Date of Completion of the Implementation Agreement
- “Conditions”** : Shall have the meaning ascribed to it in Section 3.5 of this Circular

DEFINITIONS

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| “Consolidated Shares” | : | The consolidated shares in the issued share capital of the Company held by Shareholders pursuant to the completion of the Proposed Share Consolidation |
| “Constitution” | : | The constitution of the Company, as amended from time to time |
| “Controlling Interest” | : | The interest of the Controlling Shareholder(s) |
| “Controlling Shareholder” | : | A person who (a) holds directly or indirectly 15.0% or more of all voting shares in the Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over the Company |
| “Conversion Notice” | : | Shall have the meaning ascribed to it in Section 3.4(d) of this Circular |
| “Conversion Period” | : | Shall have the meaning ascribed to it in Section 3.4(d) of this Circular |
| “Conversion Price” | : | Shall have the meaning ascribed to it in Section 3.4(c) of this Circular |
| “Conversion Shares” | : | Shall have the meaning ascribed to it in Section 3.4(c) of this Circular |
| “CPF” | : | Central Provident Fund |
| “CPF Act” | : | Central Provident Fund Act 1953 of Singapore |
| “CRPS” | : | The non-listed, non-voting convertible redeemable preference shares in the capital of the Company to be allotted and issued by the Company to the Investor in accordance with the Implementation Agreement |
| “CRPS Issue Price” | : | S\$0.031 per CRPS |
| “COVID-19 Order” | : | COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 |
| “Defaulting Party” | : | Shall have the meaning ascribed to it in Section 3.7 of this Circular |
| “Directors” | : | The directors of the Company as at the Latest Practicable Date and “Director” shall be construed accordingly |
| “Effective Trading Date” | : | The date to be determined by the Directors as being the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will trade on the Catalist in board lots of one hundred (100) Consolidated Shares |
| “EGM” | : | The extraordinary general meeting of the Company, to be convened and held by way of electronic means on 30 November 2022 |
| “Emergency Funding” | : | Shall have the meaning ascribed to it in Section 1.1 of this Circular |

DEFINITIONS

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| “EPS” | : | Earnings per share |
| “Existing Shares” | : | Shall have the meaning ascribed to it in Section 2.1 of this Circular |
| “Formula” | : | Shall have the meaning ascribed to it in Section 3.4(c) of this Circular |
| “Fully Diluted Basis” | : | <p>In relation to the share capital of the Company, the share capital of the Company after:</p> <p>(a) the Proposed Share Consolidation is completed;</p> <p>(b) the allotment and issuance of the Subscription Shares is completed, but before any of the CRPS have been converted into Conversion Shares.</p> <p>For the avoidance of doubt, no Shares will be issued to the Scheme Creditors pursuant to the Scheme as none of the Scheme Creditors have elected to receive Shares under the Scheme.</p> |
| “FY” | : | Financial year ended or ending on 30 September of each calendar year, as the case may be |
| “Full Investment Amount” | : | Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Group” | : | The Company and its subsidiaries |
| “IFA” | : | Provenance Capital Pte. Ltd., the independent financial adviser to the Independent Directors for the purposes of the Proposed Allotments and the Proposed Whitewash Resolution |
| “IFA Letter” | : | The letter issued by the IFA dated 8 November 2022 containing the advice of the IFA to the Independent Directors for the purposes of the Proposed Allotments and the Proposed Whitewash Resolution, which is reproduced in Appendix A to this Circular |
| “Implementation Agreement” | : | Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Independent Directors for the purposes of the Proposed Allotments and Proposed Whitewash Resolution” | : | The Directors who are independent for the purposes of the Proposed Allotments and the Proposed Whitewash Resolution, namely, Mr. Lim Yong Sim, Mr. Lo Kim Seng, Mr. Francis Ding Yin Kiat and Mr. Benjamin Cho Kuo Kwang |
| “Independent Shareholders” | : | Shareholders other than the Investor and its concert parties and parties not independent of them |
| “Interested Person Transaction” | : | Has the meaning ascribed to it under Chapter 9 of the Catalist Rules |
| “Investor” | : | Gazelle Ventures Pte. Ltd. |

DEFINITIONS

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| “IRDA” | : Insolvency, Restructuring and Dissolution Act 2018 of Singapore, as amended, modified or supplemented from time to time |
| “Issue Price” | : Approximately S\$0.002 per Subscription Share following completion of the Proposed Share Consolidation |
| “Last Trading Day” | : The last trading day prior to the suspension of trading in the Shares on 24 January 2022 |
| “Latest Practicable Date” | : 4 November 2022, being the latest practicable date prior to the printing of this Circular |
| “Leave Applications” | : Shall have the meaning ascribed to it in Section 1.2 of this Circular |
| “LPS” | : Loss per Share |
| “Market Day” | : A day on which the SGX-ST is open for trading in securities |
| “Moratorium Applications” | : Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Moratorium Period” | : Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “MOU” | : Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Net Proceeds” | : Shall have the meaning ascribed to it in Section 3.10 of this Circular |
| “New Share Certificates” | : Shall have the meaning ascribed to it in Section 2.6(a) of this Circular |
| “Non-Defaulting Party” | : Shall have the meaning ascribed to it in Section 3.7 of this Circular |
| “Nominated Directors” | : Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Notice of EGM” | : The notice of the EGM which is set out on pages N-1 to N-5 of this Circular |
| “NSB EGM Website” | : Shall have the meaning ascribed to it in Section 12.4.1 of this Circular |
| “NTA” | : Net tangible assets |
| “NTL” | : Net tangible liabilities |
| “OCBC” | : Oversea-Chinese Banking Corporation Limited |
| “OCBC Application” | : Shall have the meaning ascribed to it in Section 1.2 of this Circular |
| “Old Share Certificates” | : Shall have the meaning ascribed to it in Section 2.6(a) of this Circular |
| “Option 1” | : Shall have the meaning ascribed to it in Section 1.2 of this Circular |

DEFINITIONS

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| “Option 2” | : | Shall have the meaning ascribed to it in Section 1.2 of this Circular |
| “Participating Creditors” | : | Creditors with an Approved Claim, and which debts form part of the Company’s Scheme liabilities |
| “Post-Share Consolidation VWAP” | : | Shall have the meaning ascribed to it in Section 2.5 of this Circular |
| “Principal Amount” | : | Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Proposed Allotments” | : | The Proposed Subscription Shares Allotment, the Proposed CRPS Allotment and the Proposed Conversion Shares Allotment, being Interested Person Transactions |
| “Proposed Amendments to the Constitution” | : | The proposed amendments to the Constitution as described in Section 6 of this Circular |
| “Proposed Conversion Shares Allotment” | : | The allotment and issuance of Conversion Shares pursuant to the conversion of the CRPS into Conversion Shares in accordance with the Implementation Agreement |
| “Proposed CRPS Allotment” | : | Shall have the meaning ascribed to it in Section 3.4(a) of this Circular |
| “Proposed Investment” | : | Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Proposed Resolutions” | : | Shall have the meaning ascribed to it in Section 1.4 of this Circular |
| “Proposed Share Consolidation” | : | Shall have the meaning ascribed to it in Section 2.1 of this Circular |
| “Proposed Subscription Shares Allotment” | : | Shall have the meaning ascribed to it in Section 3.3(a) of this Circular |
| “Proposed Transactions” | : | The Proposed Share Consolidation, the Proposed Allotments, the Proposed Transfer of Controlling Interest and the Proposed Amendments to the Constitution |
| “Proposed Transfer of Controlling Interest” | : | Shall have the meaning ascribed to it in Section 4 of this Circular |
| “Proposed Whitewash Resolution” | : | The resolution of a majority of the Independent Shareholders at the EGM to waive their rights to receive a mandatory general offer from the Investor for all the issued Shares in the capital of the Company arising from the Proposed Subscription Shares Allotment |
| “Proxy Form” | : | The proxy form in respect of the EGM set out in this Circular |

DEFINITIONS

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| “Record Date” | : The time and date, to be determined by the Directors, at and on which the Register of Members and share transfer books of the Company will be closed to determine entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation |
| “Register of Members” | : Register of members of the Company |
| “Restructuring Exercise” | : Shall have the meaning ascribed to it in Section 3.9 of this Circular |
| “Resumption Proposal” | : Shall have the meaning ascribed to it in Section 1.3 of this Circular |
| “Scheme” | : Shall have the meaning ascribed to it in Section 1.2 of this Circular |
| “Scheme Companies” | : Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Scheme Creditor” | : Shall have the meaning ascribed to it in Section 3.5(e) of this Circular |
| “Scheme Manager” | : DHC Capital Pte. Ltd. |
| “Scheme Meetings” | : Shall have the meaning ascribed to it in Section 3.5(d) of this Circular |
| “Scheme Proceedings” | : The application to the General Division of the High Court of the Republic of Singapore for (i) moratorium relief for at least a period of 3 months under Section 64 of IRDA; and (ii) approval and the grant of Super Priority Status to the Emergency Funding under Section 67 of the IRDA. |
| “Scheme Shares” | : Shall have the meaning ascribed to it in Section 1.2 of this Circular |
| “SIC” | : Securities Industry Council |
| “Securities Accounts” | : Securities accounts maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent |
| “SFA” | : Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time |
| “SGX-ST” | : Singapore Exchange Securities Trading Limited |
| “Shareholders” | : Registered holders of Shares, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares |
| “Shares” | : Ordinary shares in the capital of the Company |
| “Sponsor” | : PrimePartners Corporate Finance Pte. Ltd. |

DEFINITIONS

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| “Subscription Amount” | : | Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Subscription Shares” | : | The new ordinary Shares in the capital of the Company to be allotted and issued by the Company to the Investor in accordance with the Implementation Agreement and which shall represent 75% of the share capital of the Company on the Fully Diluted Basis upon the allotment and issuance of the Subscription Shares |
| “Substantial Shareholder” | : | A Shareholder who has an interest (directly or indirectly) in not less than 5.0% of the total issued share capital of the Company |
| “Super Priority Financing Agreement” | : | Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Super Priority Status” | : | Shall have the meaning ascribed to it in Section 1.1 of this Circular |
| “Tardis Capital” | : | Tardis Capital (Singapore) Private Limited |
| “Unit Share Capital” | : | An SGX market to facilitate the trading of odd lots in any quantity less than one board lot of the underlying securities |
| “Whitewash Waiver” | : | Shall have the meaning ascribed to it in Section 3.5(k) of this Circular |
| “%” or “per cent” | : | Per centum or percentage |
| “S\$” and “cents” | : | Singapore dollars and cents respectively |

The terms **“acting in concert”** and **“concert parties”** shall have the meanings ascribed to them in the Code.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The term **“subsidiary”** and **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Catalist Rules or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless stated otherwise.

Any discrepancies in the tables included in this Circular between the listed amounts and total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an aggregate of the figures that precede them.

LETTER TO SHAREHOLDERS

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

Directors:

Mr Lim Yong Sim (Executive Chairman and Chief Executive Officer)
Mr Lo Kim Seng (Lead Independent Director)
Mr Francis Ding Yin Kiat (Independent Director)
Mr Benjamin Cho Kuo Kwang (Independent Director)
Mr Lim Teck-Ean (Non-Executive Director)
Mr Tan Keng Tiong, Alvin (Non-Executive Director)

Registered Office:

10 Ubi Crescent
#03-02 Ubi Techpark
Singapore 408564

8 November 2022

To: The Shareholders of No Signboard Holdings Ltd.

Dear Sir / Madam

- (I) **THE PROPOSED CONSOLIDATION OF EVERY SIX (6) EXISTING SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS AS AT THE RECORD DATE INTO ONE (1) CONSOLIDATED SHARE IN THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**
- (II) **THE PROPOSED ALLOTMENT AND ISSUE OF SUBSCRIPTION SHARES TO GAZELLE VENTURES PTE. LTD. (THE “INVESTOR”), REPRESENTING 75% OF THE SHARE CAPITAL OF THE COMPANY ON THE FULLY DILUTED BASIS (AS DEFINED HEREIN) AFTER THE ALLOTMENT AND ISSUE OF THE SUBSCRIPTION SHARES AS AN INTERESTED PERSON TRANSACTION**
- (III) **THE PROPOSED ALLOTMENT AND ISSUE OF 145,000,000 CONVERTIBLE REDEEMABLE PREFERENCE SHARES TO THE INVESTOR AT THE ISSUE PRICE OF S\$0.031 FOR EACH CONVERTIBLE REDEEMABLE PREFERENCE SHARE AND CONVERSION SHARES PURSUANT TO THE CONVERSION OF THE CONVERTIBLE REDEEMABLE PREFERENCE SHARES AS INTERESTED PERSON TRANSACTIONS**
- (IV) **THE PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO THE INVESTOR PURSUANT TO THE ALLOTMENT AND ISSUE OF THE SUBSCRIPTION SHARES**
- (V) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY THE INDEPENDENT SHAREHOLDERS OF THEIR RIGHTS TO RECEIVE A MANDATORY GENERAL OFFER FROM THE INVESTOR FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY AS A RESULT OF THE PROPOSED SUBSCRIPTION SHARES ALLOTMENT**
- (VI) **THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

1. INTRODUCTION

1.1. Background

On 24 January 2022, the Company announced that it was unable to demonstrate that it was able to continue as a going concern in accordance with Rule 1303(3) of the Catalist Rules and that the Board requested for a voluntary suspension of the trading of its securities with immediate effect. The Shares were suspended from trading on the SGX-ST with effect from 24 January 2022.

On 29 April 2022, the Company announced that the Company and its subsidiaries, NSB Hotpot Pte Ltd and NSB Restaurants Pte Ltd (collectively, the “**Scheme Companies**”), had also on 29 April 2022 filed applications for moratorium relief under Section 64 of the IRDA (collectively, the “**Moratorium Applications**”).

LETTER TO SHAREHOLDERS

On 1 May 2022, the Company announced that the Company had on 30 April 2022 entered into a memorandum of understanding (“**MOU**”) with the Investor in respect of the proposed investment by the Investor of a sum of up to S\$5,000,000 in the Company, comprising:

- (a) S\$500,000 by way of a subscription of new shares in the Company such that the Investor will hold a 75.0% stake in the enlarged share capital of the Company upon the resumption of trading of the Shares of the Company on the Catalist Board of the SGX-ST; and
- (b) the remaining S\$4,500,000 by way of an instrument (whether by debt or equity) to be agreed between the Investor and the Company, for working capital purposes including but not be limited to the settlement of professional, advisory and success fees on such terms and conditions as may be agreed between the parties.

The Investor will provide emergency funding of S\$450,000 out of the initial amount of S\$500,000 referred to in sub-paragraph (a) above to the Company (“**Emergency Funding**”) subject to the satisfaction of the necessary conditions as agreed between the Investor and the Company.

On 6 May 2022, the Company announced that it had on 5 May 2022 filed an application to the Singapore High Court under Section 67 of the IRDA for an order that in the event that the Company is wound up, the debt arising from the Emergency Funding provided by the Investor to the Company be accorded super priority status over all preferential debts specified in Section 203(1)(a) to (i) and all other unsecured debts pursuant to Section 67(1)(b) of the IRDA (“**Super Priority Status**”) (the “**Application for Grant of Super Priority Status**”).

On 25 May 2022, the Company announced that it had entered into a super priority financing agreement dated 24 May 2022 (the “**Super Priority Financing Agreement**”) with the Investor setting out the terms and conditions of the Emergency Funding. Under the terms of the Super Priority Financing Agreement, a sum of S\$450,000 (“**Principal Amount**”) out of the initial amount of S\$500,000 will be extended by the Investor as Emergency Funding to the Company. There is no interest payable on the Principal Amount. In accordance with the Super Priority Status of the Emergency Funding, in the event that the Company is wound up, the Emergency Funding shall have priority over all the preferential debts specified in Sections 203(1)(a) to (i) of the IRDA, and all other unsecured debts. The Principal Amount is to be deposited into a separate bank account in a reputable bank to be mutually agreed between the parties (the “**Bank Account**”) and shall be maintained by the Company solely for the purposes of the safekeeping and disbursement of the Principal Amount. Any disbursements of the Principal Amount shall be based on the agreed milestones set out in the Super Priority Financing Agreement. Additionally, the Investor shall have the right to nominate two (2) directors (the “**Nominated Directors**”) to be appointed to the Board of Directors of the Company and such Nominated Directors shall be the only signatories to the Bank Account. To this end, Mr Lim Mr. Teck-Ean and Mr. Tan Keng Tiong, Alvin were appointed as non-executive directors of the Company with effect from 14 June 2022. Please refer to the Company’s announcement dated 25 May 2022 for further details on the Emergency Funding and the Super Priority Financing Agreement.

On 27 May 2022, the Company announced that in relation to the Moratorium Applications, the moratorium sought in relation to the Scheme Companies was granted until 29 October 2022 (“**Moratorium Period**”), or until further order of the Singapore High Court, subject to certain disclosure requirements to be made by the Company. The Company further announced that in relation to the Application for Grant of Super Priority Status, the Singapore High Court had granted the Super Priority Status over the debt arising from the Emergency Funding.

On 1 July 2022, the Company announced that, further to the MOU, it had entered into the implementation agreement dated 30 June 2022 (the “**Implementation Agreement**”) with the Investor setting out the terms and conditions of the investment of a sum of up to S\$5,000,000 (the “**Full Investment Amount**”) comprising:

- (i) an initial amount of S\$500,000 (the “Subscription Amount”) by way of the Proposed Subscription Shares Allotment; and

LETTER TO SHAREHOLDERS

- (ii) the remaining S\$4,500,000 (the “Additional Investment Amount”) by way the Proposed CRPS Allotment,

(collectively, the “**Proposed Investment**”).

Please refer to the Company’s announcement dated 1 July 2022 and Section 3 of this Circular for further details of the Implementation Agreement.

The Company also announced on 1 July 2022 that it had received S\$200,000 of the Emergency Funding and that the Subscription Amount will be partially set-off against the Emergency Funding amount pursuant to the terms of the Super Priority Financing Agreement. On 14 July 2022, the Company announced that it had on 12 July 2022 received the remaining S\$250,000 of the Emergency Funding from the Investor and that the Investor had completed the disbursement of S\$450,000, being the full sum of the Emergency Funding under the Super Priority Financing Agreement. Accordingly, the Super Priority Financing Agreement has been completed.

The Emergency Funding was entered into by the parties as a matter of priority and as an interim measure to obtain immediate and urgent short-term financing for the Company’s working capital requirements and the Emergency Funding was therefore disbursed prior to the disbursement of the balance of Full Investment Amount. The Emergency Funding is to be used by the Company for the following purposes only:

- (iii) in the event that the Scheme is sanctioned and implemented, to settle the Scheme Creditors’ outstanding debt under the Scheme;
- (iv) expenses that the Company incurs through its and its subsidiaries’ normal business operations; and
- (v) the Company’s professional fees incurred in the Scheme Proceedings.

On 3 November 2022, the Company announced that the Investor had, on 31 October 2022 further deposited S\$2,500,000 (the “**Advance Deposit**”), constituting part of the Full Investment Amount, into the Bank Account. The Advance Deposit was transferred by the Investor to the Company so as to demonstrate the support and commitment of the Investor in respect of the Company’s Resumption Proposal which will be submitted to the SGX-ST in due course. The use of the Advance Deposit shall be subject to the prior written approval of the Investor, and any amounts from the Advance Deposit shall be utilised for the working capital requirements, staff salaries and settlement of liabilities of the Company as set out in Section 3.10 of this Circular. Save for the Advance Deposit, there are no other variations to the terms of the Implementation Agreement. 1.2.

1.2. Scheme of Arrangement

The Company undertook a court-supervised restructuring exercise which included schemes of arrangement between the Scheme Companies and their respective Scheme Creditors, in each case pursuant to Section 210 of the Companies Act and on terms acceptable to the Investor (collectively, the “**Scheme**”) to reorganize the Group’s liabilities and deleverage the balance sheet of the Group.

The Company appointed DHC Capital Pte. Ltd. as the independent financial advisor and Scheme Manager for the Scheme.

The Scheme Companies had on 18 July 2022 applied to the High Court of Singapore for leave to be granted, pursuant to Section 210(1) of the Companies Act, for the Scheme Companies to convene the Scheme Meetings with the Scheme Creditors for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme (the “**Leave Applications**”). On 16 August 2022, the Singapore High Court granted the Leave Applications and ancillary applications for leave to hold the Scheme Meetings. The Scheme Companies were required to hold the Scheme Meetings on a date before 29 October 2022, being the end of the Moratorium Period granted by the Singapore High Court.

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On 23 August 2022, the Scheme Companies issued notices to convene their respective Scheme Meetings on 11 October 2022. At the Scheme Meetings held on 11 October 2022, the Scheme Creditors, by a majority in number of Scheme Creditors present and voting, either in person or by proxy, on the resolution and whose admitted amounts for voting purposes in aggregate constitute not less than 75.0% of the total admitted amounts for voting purposes of all the relevant Scheme Creditors in the relevant class of Scheme Creditors present and voting, either in person or by proxy on the resolution, approved the Scheme pursuant to Section 210 of the Companies Act.

The Singapore High Court had on 28 October 2022 granted Orders of Court sanctioning the Schemes under Section 210 of the Companies Act. In connection with the foregoing, the Scheme Companies had also applied for an extension of the Moratorium Period and the Singapore High Court had granted an extension of the Moratorium Period from 29 October 2022 until 21 days after the Scheme Companies' successful application for the sanction of the Schemes (i.e. 21 days after 28 October 2022). Copies of the Orders of Court sanctioning the Schemes were lodged with ACRA on 2 November 2022 and the Orders of Court took effect and are binding on the Scheme Companies and their Scheme Creditors on and from the date of lodgment with ACRA.

The terms of the Scheme are as set out in the Scheme documents which were appended to the Company's announcements dated 23 August 2022 in relation to the Scheme Meetings. Shareholders should read this section in conjunction with the full text of the Scheme documents.

Certain key terms of the Scheme as contained in the Scheme documents are set out below. Unless otherwise defined in this Circular, capitalised terms in this Section 1.2 are as defined in the Scheme document.

The Participating Creditors will agree to compromise their claims under the Scheme in consideration for receiving the following distribution under the terms of the Scheme:

- (a) the payment in cash by the Company to the Participating Creditor of 15% of their Approved Claim ("**Cash Distribution**") ("**Option 1**"); or
- (b) the issue of shares in the Company equivalent in value to 50% of Approved Claim ("**Scheme Shares**"). The Scheme Shares thus issued will be subject to a moratorium on sale for a period of 1 year ("**Option 2**").

Option 1 will be funded by the Additional Investment Amount. The Participating Creditors who have elected to participate in the Cash Distribution will be paid the cash component within 28 days from the effective date of the Scheme.

The Scheme Shares will be ordinary shares of the Company and will rank pari passu in all respects with the other ordinary Shares in the share capital of the Company. The conversion price of the Scheme Shares to be issued will be SGD 0.031, being the last traded Share price before the suspension of trading of the Company on 24 January 2022, and the Scheme Shares will be issued within 28 days from the effective date of the Scheme.

If the Participating Creditor does not indicate a preference within the Proof of Debt, the Participating Creditor will be deemed to have expressed a preference to be issued Scheme Shares under Option 2.

For the avoidance of doubt, no Scheme Shares will be issued to the Scheme Creditors pursuant to the Scheme as none of the Participating Creditors have elected to receive Scheme Shares under the Scheme.

Following the implementation of the Scheme and in consideration thereof, the Participating Creditor will agree that its claim against the Company is fully and finally settled and compromised, and releases the Company from all liability attaching or arising thereto in relation to the claim. The Participating Creditor will also agree not to bring any proceedings against the Company arising from or in relation to their Approved Claim.

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Based on the final adjudication of the proof of debts admitted for the purpose of distribution by the Scheme Manager, Scheme Creditors will receive total cash payments of approximately S\$651,752.98, representing 15% of the Scheme Companies aggregated Approved Claims of S\$4,345,020.81 (figures subject to rounding).

The Scheme is subject to certain conditions precedent, including amongst others:

- (a) the moratorium granted by the Singapore High Court pursuant to the Moratorium Applications remaining in place until 29 October 2022 and any subsequent application for the extension of the said moratorium is approved by the Singapore High Court;
- (b) leave being granted by the Singapore High Court to convene the Scheme Meeting under Section 210(1) of the Companies Act;
- (c) the Participating Creditors at the Scheme Meeting having approved the terms of the Scheme;
- (d) the approval by the creditors of the Scheme Companies in their respective schemes of arrangement to be proposed to their creditors pursuant to separate scheme creditors' meetings held under Section 210(1) of the Companies Act;
- (e) the sanction by the General Division of the High Court in relation to the Scheme, and the corresponding sanctions to be obtained for the respective schemes of the Scheme Companies;
- (f) the execution of the Implementation Agreement; and
- (g) the same conditions precedent to the completion of the Proposed Subscription Shares Allotment and Proposed CRPS Allotment as referred to in Sections 3.5(c), (d), (e), (f), (g), (h), (i), (k), (l), (m), (n), (o), (p), (q) and (r).

The conditions precedent referred to in sub-paragraphs (a) to (f) have been fulfilled. In relation to sub-paragraph (a) above, the Moratorium Period has been extended from 29 October 2022 until 21 days after the Scheme Companies' successful application for the sanction of the Schemes (i.e. 21 days after 28 October 2022). Please refer to Section 3.5 for further details on whether the conditions precedent referred to in sub-paragraph (g) above have been fulfilled.

On 5 September 2022, the Company announced that, as the Company and OCBC have not been able to come to an agreement on the terms of repayment of the outstanding bank loan amounting to \$3,000,000 extended by OCBC to the Company, it had on 2 September 2022 filed an application ("**OCBC Application**") to the Singapore High Court for OCBC to be subject to the terms of the moratorium granted by the Singapore High Court pursuant to the Moratorium Applications. Furthermore, the Company envisages that it will not have sufficient funds to make the monthly repayments of the bank loan from September 2022 until the completion of the Implementation Agreement. Due to the above-mentioned reasons, the Application was made for the purposes of subjecting OCBC to the terms of the Moratorium Order so that no legal proceedings can be commenced or continued by OCBC against the Company. The hearing of the OCBC Application by the Singapore High Court was adjourned to 18 November 2022 and the Company will update Shareholders on the outcome of the hearing in due course. In the interim, the Company and OCBC are engaged in discussions and have exchanged proposals in relation to reaching a mutually agreeable settlement on the terms of repayment of the outstanding bank loan. These discussions are ongoing and the Company will update Shareholders on the outcome of the discussions in due course.

1.3. Resumption of Trading

The Shares have been suspended from trading on the SGX-ST since 24 January 2022.

As a Condition to the Proposed Subscription Shares Allotment and Proposed CRPS Allotment, the Company is required to obtain approval for the trading resumption of the Shares from the SGX-ST. The Company will therefore, through the Sponsor, submit a proposal with a view to resume trading in the Company's securities

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in compliance with Rule 1304 of the Catalist Rules (“**Resumption Proposal**”) and will update Shareholders if and when the Resumption Proposal is approved by the SGX-ST.

Shareholders and potential investors should note that there is no certainty or assurance that the Shares will eventually resume trading on the SGX-ST.

1.4. Purpose of this Circular

The Board is proposing to convene the EGM to be held on 30 November 2022 at 10 a.m. by way of electronic means to seek Shareholders’ approval for the Proposed Resolutions.

The purpose of this Circular is to provide Shareholders with relevant information relating to, and to seek their approval for, the following resolutions:

- (a) the Proposed Share Consolidation (Ordinary Resolution 1);
- (b) the Proposed Subscription Shares Allotment (Ordinary Resolution 2) as an Interested Person Transaction;
- (c) the Proposed CRPS Allotment and the Proposed Conversion Shares Allotment (Ordinary Resolution 3) as Interested Person Transactions;
- (d) the Proposed Transfer of Controlling Interest (Ordinary Resolution 4);
- (e) the Proposed Whitewash Resolution (Ordinary Resolution 5); and
- (f) the Proposed Amendments to the Constitution (Special Resolution),

(collectively, the “**Proposed Resolutions**”).

1.5. Conditionality of Resolutions

Shareholders should note that the Proposed Resolutions are inter-conditional on each other. This means that if any one of the Proposed Resolutions is not passed, the other Proposed Resolutions will not be passed.

In the event that all of the Proposed Resolutions are approved by Shareholders at the EGM, the Company will proceed to first complete the Proposed Share Consolidation, and then followed by the allotment and issue of the Subscription Shares pursuant to the Proposed Subscription Shares Allotment and the CRPS pursuant to the Proposed CRPS Allotment. The issuance of the Subscription Shares and the CRPS shall take place simultaneously. For the avoidance of doubt, no Shares will be issued to Scheme Creditors pursuant to the Scheme as none of the Scheme Creditors have elected to receive Shares under the Scheme. Please refer to Section 1.2 above for further details on the Scheme.

1.6. The SGX-ST

The SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular.

1.7. Legal Advisor

The Company has appointed Morgan Lewis Stamford as its legal adviser for the Proposed Transactions and the Proposed Whitewash Resolution.

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2. THE PROPOSED SHARE CONSOLIDATION

2.1. The Proposed Share Consolidation

On 1 July 2022, as a condition to the completion of the Implementation Agreement, the Company proposed to undertake the Proposed Share Consolidation of every six (6) existing issued Shares in the enlarged issued and paid-up share capital of the Company following the completion of the Scheme but prior to the allotment and issuance of the Subscription Shares and CRPS (“**Existing Shares**”) held by Shareholders as at the Record Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).

Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at the EGM, the Register of Members and the transfer books of the Company will be closed on the Record Date to determine the entitlements of Shareholders to the Consolidated Shares. With effect from 9.00 a.m. on the Market Day immediately following the Record Date, every six (6) Existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share, fractional entitlements to be disregarded.

Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the Net Proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded. Notwithstanding the above, Shareholders should note that the Proposed Share Consolidation is subject to such approvals and conditions as described in Section 2.3 below.

Shareholders whose shareholdings, as at the Record Date, is less than six (6) Existing Shares or multiples of six (6) Shares should note that the Proposed Share Consolidation may result in (a) such Shareholders will no longer be Shareholders upon completion of the Share Consolidation or (b) rounding down to the nearest whole Consolidated Share and any fractions of Consolidated Shares (arising from the Proposed Share Consolidation) being disregarded. As such, they should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take their own investment policies and risk/ return requirements, consider the possibility of purchasing additional Shares so as to increase the number of Existing Shares held to multiples of six (6) Existing Shares prior to the Record Date.

As at the Latest Practicable Date, the Company has an issued share capital of S\$25,181,005 divided into 462,392,475 Existing Shares. The Company has no treasury shares. On the assumption that there will be no new Shares issued by the Company up to the Record Date and no fractions of Consolidated Shares arising from the Proposed Share Consolidation, and subject to Shareholders’ approval being obtained for the Proposed Share Consolidation (and the other Proposed Resolutions), the Company will have an issued share capital of S\$25,181,005 divided into approximately 77,065,412 Consolidated Shares, following the completion of the Proposed Share Consolidation.

The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Group.

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Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of the fractional entitlements.

2.2. Rationale for the Proposed Share Consolidation

The Board is undertaking the Proposed Share Consolidation as it is a condition to the completion of the Proposed Investment.

Additionally, the Board also believes that the Proposed Share Consolidation will be beneficial to the Company and its Shareholders for the following reasons:

(a) Reduction of Volatility of the Share Price

As share trading may involve certain nominal fixed expenses (such as minimum brokerage fees), lowly-priced shares may translate to higher transaction costs, relative to the trading prices, for each trading of one (1) board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation, which may result in excessive Share price volatility. The Board believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

(b) Increase in the Market Interest and Attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued and outstanding. It is expected that, all other things being equal, the theoretical trading price and NTA of each Consolidated Share would be higher than the trading price and NTA of each Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation. This may increase market interest and activity in the Shares, and may make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

Shareholders should note however that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated above, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3. Conditions of the Proposed Share Consolidation

The Proposed Share Consolidation is subject to:

- (a) the receipt of the approval-in-principle of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST; and
- (b) approval of the Shareholders by ordinary resolution for the Proposed Share Consolidation at the EGM to be convened.

Shareholders should also note that the Proposed Resolutions are inter-conditional. If the Proposed Share Consolidation is approved at the EGM, but the other Proposed Resolutions are not approved at the EGM, the Company will not proceed with the Proposed Share Consolidation.

2.4. Listing and Quotation of the Consolidated Shares

An application will be made by the Sponsor, for and on behalf of the Company, to obtain its approval-in-principle for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course. Any listing and quotation notice which may be issued by the SGX-ST for the listing and quotation of the Consolidated Shares

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is not to be taken as an indication of the merits of the Company and its subsidiaries, on the Proposed Share Consolidation, or the Consolidated Shares.

If Shareholders' approval of the Proposed Share Consolidation is obtained, an announcement will be made by the Company in due course to notify Shareholders of the Record Date and the Effective Trading Date.

2.5. Financial Effects of the Proposed Share Consolidation

Trading of the Shares on the SGX-ST has been suspended since 24 January 2022. In view of the suspension of trading of the Shares, the Company is of the view that it is not meaningful to discuss the computation of the theoretical adjusted 6-month VWAP based on the Consolidated Shares.

For illustrative purposes only, based on the last traded price of Shares prior to the suspension of trading in the Company's securities on the Last Trading Day of S\$0.031 per Share on an unconsolidated basis, the theoretical adjusted VWAP of each Consolidated Share, following the completion of the Proposed Share Consolidation, would be S\$0.186 ("**Post-Share Consolidation VWAP**").

2.6. Updating of Register of Members and Depository Register

If Shareholders' approval of the Proposed Share Consolidation is obtained at the EGM, the Shareholders' entitlements of the Consolidated Shares will be determined on the Record Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Record Date and the Consolidated Shares will begin trading in board lots of one hundred (100) Consolidated Shares at 9.00 a.m. on the Effective Trading Date.

(a) Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates for the Existing Shares ("**Old Share Certificates**") in their own names and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP, must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Record Date.

After the Record Date, CDP will only accept the deposit of share certificates for Consolidated Shares ("**New Share Certificates**"). Shareholders who wish to deposit their Old Share Certificates with CDP after the Record Date must first deliver their Old Share Certificates to the Share Registrar at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 for cancellation and issuance of the New Share Certificates in replacement thereof as described below.

(b) Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Record Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 as soon as possible during normal business hours (9.00 a.m. to 5.00 p.m., Mondays to Fridays) after they have been notified of the Record Date, and preferably not later than five (5) Market Days after the Record Date, for cancellation and exchange for New Share Certificates. No acknowledgement of receipt will be issued by the Share Registrar for the receipt of any Old Share Certificates tendered. The New Share Certificates will be sent by ordinary mail to the registered addresses of the relevant Shareholders at their own risk within ten (10) Market Days from the Record Date or the date of receipt of the Old Share Certificates, whichever is the later.

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Shareholders are to deliver their respective Old Share Certificates to the Company's Share Registrar or CDP in accordance with the provisions set out in this Section 2.6 only after the announcement of the Record Date by the Company.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Share Registrar for cancellation.

Shareholders should notify the Company's Share Registrar if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from those reflected in the Register of Members of the Company.

(c) Share Certificates Not Valid for Settlement of Trades on the Catalist of the SGX-ST

Shareholders are reminded that their Old Share Certificates are not valid for settlement of trading in the Consolidated Shares on the Catalist of the SGX-ST, as the Shares are traded under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, the Old Share Certificates will continue to be accepted by the Company's Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period. The New Share Certificates will not be valid for delivery pursuant to trades done on the Catalist of the SGX-ST although they will continue to be prima facie evidence of legal title to Consolidated Shares.

2.7. Trading Arrangement for the Consolidated Shares and for Odd Lots

(a) Trading Arrangements for the Consolidated Shares

Subject to the approval of the Shareholders for the Proposed Share Consolidation having been obtained at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of one hundred (100) Consolidated Shares. Accordingly, every six (6) Existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

(b) Trading Arrangements for Odd Lots of Consolidated Shares

All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Board may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the Net Proceeds for the benefit of the Company.

The Existing Shares are currently traded in board lots of one hundred (100) Shares in the ready market. Following the completion of the Proposed Share Consolidation, the Securities Accounts maintained with CDP of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of one hundred (100) Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded with a minimum size of one (1) Consolidated Share on the SGX-ST's Unit Share Market and which would allow trading in odd lots in any quantity less than one (1) board lot of the underlying Shares.

Shareholders who continue to hold odd lots of less than one hundred (100) Consolidated Shares may find difficulty and/or have to bear disproportionate transaction costs in realizing the fair market price of such Consolidated Shares.

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3. THE PROPOSED ALLOTMENTS

3.1. The Implementation Agreement

On 1 July 2022, the Company announced that the Company and the Investor had entered into the Implementation Agreement in respect of the allotment and issuance of the Subscription Shares and CRPS to the Investor on the terms and conditions of the Implementation Agreement.

No placement agent was appointed in connection with the proposed allotment and issuance of the Subscription Shares, CRPS and Conversion Shares. No introducer, referral or commission fees have been paid or will be payable by the Company in connection with the Proposed Investment. The Investor is subscribing for the Subscription Shares and CRPS for investment purposes, and as principal for its own benefit, and not in trust or as a nominee.

The Subscription Shares, CRPS and Conversion Shares will be issued pursuant to the exemption under Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment.

3.2. Information on the Investor

The information on the Investor was provided by the Investor. In respect of such information, the Company and its Directors have not independently verified the accuracy and correctness of the same. The Company's responsibility is limited to the proper extraction and reproduction herein in the context of the information disclosed in this Circular.

The Investor is a Singapore-incorporated company jointly owned by Gazelle Capital Pte. Ltd. and Valiant Investments Limited. The Investor invests in food, agri-tech and sustainable agriculture-related businesses. Gazelle Capital Pte. Ltd. is a Singapore-incorporated family office with strategic investments in a wide range of businesses and projects, and Valiant Investments Limited is a boutique family office incorporated in Hong Kong.

Mr. Tan Keng Tiong, Alvin is the chief operating officer of the Investor and Mr. Lim Teck-Ean is a director of the Investor and has a deemed interest in 50% in the total number of shares in the issued and paid-up share capital of the Investor. Lim Teck-Ean and Mr. Tan Keng Tiong, Alvin are both also non-executive Directors of the Company and were appointed to the Board of Directors with effect from 14 June 2022 as the Investor's nominees as a condition to the completion of the Super Priority Financing Agreement and the Implementation Agreement. As at the Latest Practicable Date, Mr. Lim Teck-Ean and Mr. Tan Keng Tiong, Alvin do not hold any shares in the Company.

The Company was introduced by Deloitte & Touche LLP to Tardis Capital, a corporate advisory firm, who in turn introduced the Company to the Investor. Tardis Capital was engaged by the Investor to look for investment opportunities. The Company was approached by Tardis Capital through Deloitte & Touche LLP, which then connected Tardis Capital and the Investor with the Company. As Tardis Capital is being engaged by the Investor, no commission or fee is payable by the Company to Tardis Capital in connection with the Implementation Agreement.

Save as disclosed and to the best of the Company's knowledge:

- (a) none of the other Directors or Substantial Shareholders of the Company have, any connection (including business relationship) with the Investor or its directors or substantial shareholder; and
- (b) the Investor is not subscribing for the Subscription Shares or the CRPS as an agent for or otherwise on behalf of any other persons or entity and is subscribing for the Subscription Shares or the CRPS solely for its own beneficial account.

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3.3. The Proposed Subscription Shares Allotment

(a) The Proposed Subscription Shares Allotment

On the terms and conditions of the Implementation Agreement, the Investor agrees to subscribe for, and the Company agrees to allot and issue to the Investor such number of Subscription Shares, representing 75% of the enlarged issued and paid-up share capital of the Company on the Fully Diluted Basis upon the completion of the Implementation Agreement, at the Issue Price of S\$0.002 for each Subscription Share for the Subscription Amount of S\$500,000 (the “**Proposed Subscription Shares Allotment**”). The Issue Price was arrived at after taking into account that the Shares have been suspended from trading since January 2022 due to the Company’s going concern issues, the loss recovery to Shareholders and creditors would be minimal in the event that the Company undergoes liquidation as supported by the loss analysis conducted by the Scheme Manager. The terms of the Proposed Investment are similar to other rescue transactions carried out by companies listed on the SGX-ST. The IFA has also set out transactions with similar terms in the IFA Letter.

(b) Status of the Subscription Shares

The Subscription Shares, when allotted and issued, will be validly issued and fully paid Shares which shall be free from all claims, mortgages, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls before the date of allotment and issue of such Subscription Shares.

For illustrative purposes only, assuming that the Proposed Share Consolidation has been completed, an aggregate of 231,200,000 Subscription Shares shall be issued to the Investor, representing 75% of the enlarged share capital of the Company on the Fully Diluted Basis upon the completion of the Proposed Subscription Shares Allotment.

(c) Issue Price

The issue price for each Subscription Share is equivalent to the Subscription Amount divided by the aggregate number of Subscription Shares to be allotted and issued to the Investor.

The last traded price of Shares in the Company, prior to the suspension of trading in the Company’s securities on the Last Trading Day, was S\$0.031 per Share on an unconsolidated basis.

For illustrative purposes, the Issue Price of S\$0.002 (which is defined to be following completion of the Proposed Share Consolidation) represents a discount of approximately 98.9% to the Post-Share Consolidation VWAP (which amounts to S\$0.186) per Share based on trades done on the Last Trading Day following the completion of the Proposed Share Consolidation.

The Issue Price was arrived at after taking into account that the Shares have been suspended from trading since January 2022 due to the Company’s going concern issues, the loss recovery to Shareholders and creditors would be minimal in the event that the Company undergoes liquidation as supported by the loss analysis conducted by the Scheme Manager. The terms of the Proposed Investment are similar to other rescue transactions carried out by companies listed on the SGX-ST. The IFA has also set out transactions with similar terms in the IFA Letter.

3.4. The Proposed CRPS Allotment and the Proposed Conversion Shares Allotment

(a) The Proposed CRPS Allotment

On the terms and conditions of the Implementation Agreement, the Investor agrees to subscribe for, and the Company agrees to allot and issue to the Investor, 145,000,000 CRPS at the CRPS Issue Price of S\$0.031 for each CRPS (the “**CRPS Issue Price**”), in consideration for the Additional Investment Amount (the “**Proposed CRPS Allotment**”).

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(b) CRPS Issue Price

The CRPS Issue Price is the same as the VWAP of S\$0.031 per Share for trades done on the Last Trading Day, being the last full market day on which there were trades done on the shares of the Company preceding the date on which the Implementation Agreement was signed.

(c) Conversion of CRPS by the Investor

Subject to the Company's right to convert into Conversion Shares or redeem (as the case may be) the CRPS (as stated in Section 3.4(e) below), the Investor may elect to convert the outstanding CRPS into Shares in the Company ("**Conversion Shares**"), with such number of Conversion Shares to be determined as follows (the "**Formula**"):

Number of Conversion Shares = $(A \times C) / B$

Where:

A = CRPS Issue Price

B = S\$0.031 (the "**Conversion Price**"), which has been determined after taking into account, *inter alia*, the price per Share pursuant to completion of the Share Consolidation (as defined below); and

C = Number of CRPS to be converted

The Conversion Price is the same as the VWAP of S\$0.031 per Share for trades done on the Shares on the SGX-ST the Last Trading Date, being the last full market Day on which there were trades done on the Shares preceding the date on which the Implementation Agreement was signed.

Assuming the full conversion of all CRPS, 145,000,000 Conversion Shares will allotted and issued.

The Conversion Shares, when allotted and issued, will be validly issued and fully paid Shares which shall be free from all claims, mortgages, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls before the date of allotment and issue of such Conversion Shares.

(d) Conversion Period for the Investor

The Investor may elect to convert all of the CRPS into Conversion Shares in accordance with the Formula, on or prior to the 2nd anniversary of the Completion Date ("**Conversion Period**") by giving at least fifteen (15) days' written notice to the Company (the "**Conversion Notice**").

The Company shall, not later than one (1) month before the expiry of the Conversion Period announce the expiry of the Conversion Period on SGXNET and send the notice of expiry to be sent to the Investor at least one (1) month before the expiration date.

(e) Redemption or Conversion of CRPS by the Company

During the Conversion Period, the Company shall only be entitled (but not obliged) to convert all (but not some only) of the outstanding CRPS into Conversion Shares in accordance with the Formula by giving at least fifteen (15) days' written notice in, in the event that the VWAP of the Shares of the Company on the SGX-ST reaches 100% of the CRPS Issue Price for a period of seven (7) consecutive market days.

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Upon the expiry of the Conversion Period, the Company shall be obliged to either convert or redeem the outstanding CRPS (if any) in the following manner:

- (i) convert all (but not some only) of the outstanding CRPS into Conversion Shares on the 2nd anniversary of the Completion Date, with such number of Conversion Shares to be determined in accordance with the Formula, by giving written notice to the investor at least fourteen (14) days prior to 2nd anniversary of the Completion Date; or
 - (ii) redeem all (but not some only) of the outstanding CRPS in consideration for a sum of S\$4,500,000, by giving written notice to the investor at least fourteen (14) days prior to 2nd anniversary of the Completion Date.
- (f) Rights of the CRPS
- (i) **Voting Rights.** The CRPS shall not have any voting rights.
 - (ii) **Listing Status.** The CRPS shall not be listed.
 - (iii) **Transferability.** The CRPS shall not be transferable.
 - (iv) **Liquidation Preference.** Upon the liquidation of the Company, all holders of Shares and CRPS shall be entitled to participate *pro rata* in the residual assets and funds of the Company on an as-converted basis.
 - (v) **Dividends.** The Investor shall not be entitled to dividend payments on the CRPS.

(g) Adjustments to the Conversion Price

The Conversion Price shall, after their issue, be subject to adjustments by the Company in consultation with a bank, merchant bank or financial advisor selected by the Board, which adjustment shall be certified by the auditors for the time being of the Company, under certain circumstances prescribed in the Implementation Agreement. Such circumstances include, without limitation, the consolidation or subdivision of shares of the Company or capitalisation issues.

Any such adjustments shall be announced by the Company via an announcement on SGXNET.

(h) Announcement and Notice of Expiry of Conversion Period

The Company shall make an announcement upon the expiry of the Conversion Period and give the Investor a notice of expiry at least one (1) month before the end of the Conversion Period.

(i) Alteration to Terms

Unless made in accordance with the Implementation Agreement, any material amendment to the terms of the CRPS after issue to the advantage of the Investor shall be subject to the approval of Shareholders in an EGM to be convened.

3.5. Conditions Precedent to the Proposed Subscription Shares Allotment and Proposed CRPS Allotment

The completion of the Proposed Subscription Shares Allotment and Proposed CRPS Allotment are conditional upon:

- (a) the Company's successful application for Super Priority Status for the provision of Emergency Funding by the Investor to the Company as rescue financing under Section 67 of the IRDA;

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- (b) the conditions to the Super Priority Financing Agreement having been satisfied (or waived) in accordance with its terms, the Super Priority Financing Agreement having been completed in accordance with its terms and the Emergency Funding having been fully disbursed by the Investor to the Company in accordance with the terms of the Super Priority Financing Agreement;
- (c) the completion of financial, legal and other due diligence on the Group and the results of such due diligence being reasonably satisfactory to the Investor;
- (d) the grant of orders by the Singapore High Court for the Scheme Companies to (i) convene meetings of creditors and shareholders of the Scheme Companies (if applicable) (the “**Scheme Meetings**”); and (ii) restrain all proceedings against the Company as sought in the IRDA application (HC/OA 90/2022);
- (e) the approval of the Scheme (on terms acceptable to the Investor) by the creditors of the Scheme Companies (“**Scheme Creditors**”) and shareholders of the Scheme Creditors (if applicable) at the Scheme Meeting(s) in compliance with the requirements of Section 210 of the Companies Act having been obtained;
- (f) the approval of the Singapore High Court of the Scheme in accordance with Section 210(4) of the Companies Act having been obtained and the Scheme having become effective upon lodgement of the same with ACRA;
- (g) approval for (i) the Scheme, (ii) the Proposed Subscription Shares Allotment and the allotment and issue of the Subscription Shares, (iii) the appointment of two (2) directors nominated by the Investor to the Board of the Company, (iv) the Proposed CRPS Allotment and the allotment and issue of the CRPS, (v) the amendment of Company’s Constitution as required to reflect the provisions of the Implementation Agreement (including but not limited to the rights of the holders of CRPS), (vi) the transfer of controlling interest resulting from the allotment and issue of the Subscription Shares and the CRPS, (vii) such other transactions contemplated in connection with the Scheme, the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment having been obtained from Shareholders at an EGM to be convened, including but not limited to the Proposed Share Consolidation;
- (h) the Constitution having been amended as required to reflect the provisions of the Implementation Agreement, including but not limited to the rights of the holders of CRPS, and the amended Constitution to be adopted by the Company in a form acceptable to the parties on or prior to the Completion Date;
- (i) approval for the Proposed Whitewash Resolution having been obtained from Independent Shareholders at an EGM to be convened;
- (j) Lim Yong Sim and GuGong Pte. Ltd., who collectively hold 254,437,880 Shares which represent 55.03% of the total issued and paid-up share capital of the Company, providing an undertaking to vote in favour of the resolutions to be obtained at the EGM to be convened in respect of matters listed above in Section 3.5(g) by no later than one (1) month prior to the date of the EGM;
- (k) the SIC having granted the Investor and its concert parties the whitewash waiver of the obligation of the Investor and its concert parties to make a mandatory general offer under Rule 14 of the Code for the remaining Shares not already owned or controlled by the Investor and its concert parties arising from 3. or in connection with the Proposed Subscription Shares Allotment and Proposed CRPS Allotment (the “**Whitewash Waiver**”) and the Whitewash Waiver not having been revoked or amended as at the Completion Date and, where such Whitewash Waiver is subject to conditions, such conditions being reasonably acceptable to the Investor;
- (l) the termination of all other agreements, arrangements or transactions with any third party, in relation to any funding, rescue funding, white knight arrangements, and any investments or acquisition of Shares in the Company within a time period which is acceptable by the Investor in its sole discretion (acting reasonably), and/or the provision of undertakings to similar effect;

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- (m) any third party, regulatory or tax consents or approvals necessary for the Scheme, the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment having been obtained and not withdrawn on terms reasonably satisfactory to the Parties, including but not limited to any approval from statutory authorities, the Sponsor, the SGX-ST and the SIC, and such consents and approval remaining in full force and effect;
 - (n) approval for the resumption of trading of the Shares on the SGX-ST being obtained from the SGX-ST and such approval not having been revoked or amended as at the Completion Date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Investor;
 - (o) approval in-principle for the listing and quotation of the Subscription Shares on the Catalist of the SGX-ST being obtained from the SGX-ST and such approval not having been revoked or amended as at the Completion Date and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Investor;
 - (p) there being no material adverse change in the business, operations, assets, position, profits or prospect of the Group between the date of the Implementation Agreement and the Completion Date;
 - (q) the Company remaining listed on the SGX-ST and there being no notice or proposal for the delisting of the Company;
 - (r) the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment not being prohibited, materially restricted or materially delayed by any statute, order, rule, regulation or directive by any legislative, executive or regulatory body or authority which is applicable to any party to the Proposed Investment;
 - (s) there having been no occurrence of any event or discovery of any fact rendering any of the warranties provided by the parties untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and
 - (t) the Company and the Investor not being in breach of any of the undertakings and the covenants in the Implementation Agreement as at the Completion Date;
 - (u) the designation of the Bank Account by the Company for the deposit of the Full Investment Amount of S\$5,000,000 comprising the Subscription Amount (which includes the Emergency Funding) and the Additional Investment Amount. The Investor acknowledges, understands and agrees that the Full Investment Amount of \$5,000,000 shall have to be deposited into the Bank Account prior to, and as one of the conditions for, approval for the resumption of trading of the Shares on the SGX-ST. To this end, the Investor shall deposit the Full Investment Amount into the Bank Account on Completion or prior to approval for the resumption of trading of the Shares on the SGX-ST having been obtained from the SGX-ST, whichever is earlier; and
 - (v) the completion of the Proposed Share Consolidation,
- (collectively, the “**Conditions**”).

As of the Latest Practicable Date, the following Conditions have been satisfied:

- (i) the condition set out in Section 3.5(a) above has been fulfilled pursuant to the court order dated 24 May 2022 granting the Super Priority Status over the debt arising from the Emergency Funding;
- (ii) the conditions set out in Section 3.5(b) has been fulfilled as the Super Priority Financing Agreement has been completed on 12 July 2022 and the Emergency Funding has been fully disbursed to the Company;
- (iii) the condition set out in Section 3.5(d) has been fulfilled with the grant of the Leave Applications by the Singapore High Court on 16 August 2022 and the grant and extension of the Moratorium Period;

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- (iv) the condition set out in Section 3.5(e) has fulfilled with the approval of the Scheme by the Scheme Creditors at the Scheme Meetings held on 11 October 2022;
- (v) the condition set out in Section 3.5(f) has fulfilled with the Singapore High Court's sanction of the Scheme on 28 October 2022 and the lodgment of the same with ACRA on 2 November 2022;
- (vi) the condition set out in Section 3.5(g)(iii) has also been fulfilled pursuant to the appointment of Mr Lim Teck-Ean and Mr Tan Keng Tiong, Alvin, nominees of the Investor, as non-executive Directors on 14 June 2022;
- (vii) the condition set out in Section 3.5(j) has also been fulfilled, and Mr. Lim Yong Sim and GuGong Pte. Ltd. have provided the said undertakings to vote in consideration of the Company's agreement, subject to Company complying with the relevant Catalist Rules on the following: (i) the Company to sell to GuGong Pte. Ltd., within three (3) months from Completion, all trademarks, trade names and brand insignia that have been associated with the enterprise and operations of the seafood and restaurant business of "No Sign Board" and which are owned by the Company as at the date of said undertakings to vote for a sum not exceeding S\$10,000, and (ii) the appointment of GuGong Pte. Ltd. as a business consultant to the Company for a period of no less than three (3) years commencing from the Completion Date for an annual fee to be mutually agreed by GuGong Pte. Ltd. and the Company;
- (viii) the condition set out in Section 3.5(k) has been fulfilled to the extent that the SIC had granted the Whitewash Waiver on 26 July 2022 and approved an extension of time to obtain Independent Shareholders' approval of the Proposed Whitewash Resolution (which is a condition to the Whitewash Waiver) until 31 December 2022 on 1 November 2022;
- (ix) the condition set out in Section 3.5(l) has been fulfilled; and
- (x) the condition set out in Section 3.5(u) has been partially fulfilled with the deposit of S\$450,000 as Emergency Funding and a sum of S\$2,500,000 by the Investor into the Bank Account. In accordance with the terms of the Implementation Agreement, the remainder of the Full Investment Amount will be deposited by the Investor into the Bank Account on Completion or prior to approval for the resumption of trading of the Shares on the SGX-ST having been obtained from the SGX-ST, whichever is earlier.

The conditions set out in Section 3.5(g) (other than the condition set out in Section 3.5(g)(iii) which has been fulfilled), (i), (n) and (o) are expected to be fulfilled on or after the Proposed Transactions being approved at the EGM.

The conditions set out in Section 3.5(c), (h), (m), (p), (q), (r), (s), (t) and (v) are expected to be fulfilled on completion of the Proposed Transactions.

3.6. Completion of the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment

On Completion, the Company shall:

- (a) complete the Proposed Share Consolidation prior to the allotment and issuance of the Subscription Shares and CRPS; and
- (b) only after the allotment and issue of Shares to the Scheme Creditors (if any) and the completion of the Proposed Share Consolidation, allot and issue the Subscription Shares and CRPS.

For the avoidance of doubt, no Shares will be issued to the Scheme Creditors pursuant to the Scheme as none of the Scheme Creditors have elected to receive Shares under the Scheme as described in Section 1.2 above.

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On the Completion Date, the Full Investment Amount which has been deposited in the Bank Account shall be available for drawdown by the Company.

Following Completion, the Company shall be deemed to have fully repaid the outstanding amount under the Emergency Funding to the Investor, being the sum of S\$450,000, and the Investor shall fully release and discharge the Company from its payment obligations under the Super Priority Financing Agreement.

3.7. Other Salient Terms to the Implementation Agreement

If there shall have come to the notice of a party (the “**Non-Defaulting Party**”) of any breach of the warranties and undertakings set out above by the other party (the “**Defaulting Party**”) and/or default by the Defaulting Party of any of its obligations under the Implementation Agreement which is not remedied (to the satisfaction of the Non-Defaulting Party) within seven (7) days of the receipt of a written notice by the Defaulting Party from the Non-Defaulting Party notifying of such breach, the Non-Defaulting Party may thereafter at any time prior to Completion Date by notice in writing to all Parties terminate the Implementation Agreement.

3.8. Effect on Shareholding

Please refer to Section 5.4 of this Circular for further details on the dilutive effect of the Proposed Allotments on the shareholding structure of the Company.

3.9. Rationale for the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment

The Company and the Investor had entered into the Implementation Agreement pursuant to which the Investor agreed to invest the Full Investment Amount into the Company comprising of (i) the Subscription Amount by way of the Proposed Subscription Shares Allotment upon the resumption of trading of the Shares of the Company, representing a 75% stake of the enlarged issued and paid-up capital of the Company and (ii) the Additional Investment Amount by way of the Proposed CRPS Allotment, for working capital requirements, staff salaries and settlement of liabilities upon successful implementation of the Restructuring Exercise, subject to the terms of the Scheme to be proposed and sanctioned by the Singapore High Court.

In view of the Company’s emergency funding requirements, the parties also agreed that out of the Subscription Amount, a sum of S\$450,000 will be extended by the Investor as Emergency Funding as a matter of priority and as an interim measure to obtain immediate and urgent short-term financing for the Company’s working capital requirements in accordance with the terms and conditions of the Super Priority Financing Agreement. As announced by the Company on 14 July 2022, the Company has on 12 July 2022 received the full sum of the Emergency Funding from the Investor. The Subscription Amount will be partially set-off against the Emergency Funding amount pursuant to the terms of the Super Priority Financing Agreement. The Company has on 31 October 2022 received a further sum of S\$2,500,000 from the Investor as a partial amount of the Full Investment Amount.

The Singapore High Court had granted the moratorium sought in relation to the Scheme Companies until 29 October 2022, or until further order of the Singapore High Court, and the super priority status over the debt arising from the Emergency Funding. The Company subsequently obtained approval from the Scheme Creditors for the Scheme and the Scheme has been sanctioned by the Singapore High Court and lodged with ACRA. The terms of the Scheme are as set out in the Scheme documents and are binding on the Scheme Companies and Scheme Creditors (the “**Restructuring Exercise**”). The Singapore High Court subsequently granted an extension of the Moratorium Period from 29 October 2022 until 21 days after the Scheme Companies’ successful application for the sanction of the Schemes (i.e. 21 days after 28 October 2022). The Full Investment Amount is intended to provide the Company with sufficient funds for working capital purposes, to settle its liabilities upon the successful implementation of the Restructuring Exercise and to operate as a going concern.

In connection with the above, the Parties have therefore agreed to enter into the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment, on the terms and conditions of the Implementation Agreement.

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3.10. Use of Proceeds of the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment

The Full Investment Amount shall be utilised by the Company as follows:

| Use of Proceeds | Allocation (\$'000) | Percentage Allocation |
|--|----------------------------|------------------------------|
| Capital expenditure | 800 | 16% |
| Settlement of liabilities upon successful implementation of the Restructuring Exercise | 2,400 | 48% |
| General working capital | 1,800 | 36% |
| Total | 5,000 | 100% |

As stated in the Company's announcement on 24 January 2022, the Company, after taking into consideration the present bank facilities and working capital available to the Group, was unable to demonstrate that it is able to continue as a going concern in accordance with Rule of 1303(3) of the Catalist Rules. As such, and as set out in Section 3.9 above, the proceeds from the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment are intended to provide the Company with the required funds for working capital purposes and to settle its liabilities upon the successful implementation of the Restructuring Exercise.

The Directors of the Company, after taking into consideration the present bank facilities and the net proceeds from the Subscription and CRPS Subscription (the "**Net Proceeds**"), is cautiously optimistic that the Net Proceeds will assist in meeting the Group's working capital requirements and ability to operate as a going concern

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Company will make periodic announcement(s) on the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the above stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's quarterly financial statements and its annual report(s). Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcement(s) and status report(s). Should there be any material deviation from the above stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

3.11. Shareholders' Approval for the Proposed Allotments

The Proposed Allotments are subject to specific Shareholders' approval under the Catalist Rules and the Companies Act.

- (a) Under Section 161 of the Companies Act and pursuant to Rule 805(1) of the Catalist Rules, an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer except where a general mandate for such issue has been previously obtained from shareholders in a general meeting. Accordingly, the Company is seeking specific Shareholders' approval for the issuance of the Subscription Shares under the Proposed Subscription Shares Allotment.
- (b) Rule 811(1) of the Catalist Rules provides that an issue of shares must not be priced at more than 10% discount to the VWAP for trades done on the SGX-ST for the full market day on which the subscription

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agreement is signed. However, pursuant to Rule 811(3) of the Catalist Rules, Rule 811(1) of the Catalist Rules is not applicable if specific shareholders' approval is obtained for the issue of shares. As the Issue Price (which is defined to be following completion of the Proposed Share Consolidation) represents a discount of more than 10% to the Post-Share Consolidation VWAP per Share based on trades done on the Last Trading Day prior to the suspension of trading (being the last full Market Day on which the Shares were traded prior to the date of the Implementation Agreement), the Company is required under Rule 811(3) of the Catalist Rules to seek the specific approval of Shareholders for the issuance of the Subscription Shares.

- (c) Rule 804 of the Catalist Rules provides that, except in the case of an issue made on a *pro rata basis* to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or Associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter.

Rules 812(1) and 812(2) of the Catalist Rules provide that, save where specific shareholders' approval for such a placement has been obtained, an issue must not be placed to, amongst others, corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%, with such directors and substantial shareholders and their associates abstaining from voting on the shareholders' resolution to approve such placement.

Mr. Lim Teck-Ean is a director of the Investor and has a deemed interest in 50% in the total number of shares in the issued and paid-up share capital of the Investor. Mr. Lim Teck-Ean is also a non-executive Director of the Company and was appointed to the Board of Directors with effect from 14 June 2022 as a condition to the completion of the Super Priority Financing Agreement and the Implementation Agreement.

The Investor therefore falls within the categories of persons covered in Rule 804 and in Rule 812(1) of the Catalist Rules. Accordingly, the Company is convening the EGM to seek shareholders' approval for the issuance and allotment of the Subscription Shares, the CRPS and the Conversion Shares is therefore required pursuant to Rules 804 and 812(2) of the Catalist Rules.

- (d) The issuance and allotment of the Subscription Shares, the CRPS and the Conversion Shares are also Interested Person Transactions ("**IPT**") within the meaning of Chapter 9 of the Catalist Rules and is subject to specific Shareholders' approval under Rule 906(1)(a) of the Catalist Rules. Please refer to Section 3.12 of this Circular below for further information on the Proposed Allotments as Interested Person Transactions.
- (e) Pursuant to Rule 803 of the Catalist Rules, an issuer must not issue securities to transfer a Controlling Interest without prior approval of shareholders in the general meeting. As the issuance and allotment of the Subscription Shares will result in a transfer of Controlling Interest of the Company to the Investor, Shareholders' approval for the issuance and allotment of the Subscription Shares is also required pursuant to Rule 803 of the Catalist Rules. Please refer to Section 4 for further information on the Proposed Transfer of Controlling Interest.
- (f) The Proposed Allotments are also subject to Independent Shareholders' approval of the Proposed Whitewash Resolution pursuant to Rule 14 of the Code. Please refer to Section 5 for further information on the Proposed Whitewash Resolution.

3.12. The Proposed Allotments as Interested Person Transactions

Rule 906(1) of the Catalist Rules provides that an issuer must obtain shareholder approval for any Interested Person Transaction (excluding transactions less than S\$100,000) of a value equal to, or more than: (i) 5% of the group's latest audited net tangible assets; or (ii) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year.

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As at the Latest Practicable Date, Mr. Lim Teck-Ean is a director of the Investor, and has a deemed interest in 50% in the total number of shares in the issued and paid-up share capital of the Investor. The Investor is therefore an “associate” of Mr. Lim Teck-Ean and is an “interested person” within the meaning of Rule 904(4) of the Catalist Rules vis-à-vis the Company, which is regarded as an “entity at risk” pursuant to Rule 904(2) of the Catalist Rules, and the proposed allotment and issuance of Subscription Shares, CRPS and Conversion Shares to the Investor (i.e. the Proposed Allotments) will constitute Interested Person Transactions under Rule 904(5) of the Catalist Rules.

The aggregate of the Subscription Amount and the Additional Investment Amount (i.e., the Full Investment Amount) under the Proposed Subscription Shares Allotment and Proposed CRPS Allotment respectively is S\$5,000,000. The amount at risk to the Company in respect of the Proposed Allotments pursuant to Rule 909(3) of the Catalist Rules is S\$5,000,000. However, based on the Group’s audited consolidated financial statements for FY2021, the net tangible assets is negative and accordingly, to compute the threshold in Rule 906(1), market capitalisation can be used. In any case, the Company is seeking the approval of Shareholders for the Proposed Investment in accordance with Chapter 9 of the Catalist Rules.

Save for the Proposed Investment (which includes the Proposed Subscription Shares Allotment and Proposed CRPS Allotment), the Company has not entered into any interested person transactions with Mr. Lim Teck-Ean and/or his associates for FY2022.

The Independent Directors for the purposes of the Proposed Allotments and Proposed Whitewash Resolution have sought an opinion from the IFA, which is set out below in Section 5.5 and reproduced in full in Appendix A to this Circular. The opinion of the Audit Committee is set out below in Sections 9.1 and 9.2.

3.13. Listing and Quotation of the Subscription Shares and Conversion Shares

An application will be made by the Sponsor, for and on behalf of the Company, for the dealing in, listing of and quotation for the Subscription Shares on the Catalist of the SGX-ST. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST. Any listing and quotation notice which may be issued by the SGX-ST for the listing and quotation of the Subscription Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Proposed Subscription Shares Allotment, or the Subscription Shares.

The CRPS will not be listed on the Catalist of the SGX-ST.

An application will be made by the Sponsor, for and on behalf of the Company, for the dealing in, listing of and quotation for the Conversion Shares on the Catalist of the SGX-ST if the Conversion Right is exercised and the CRPS are converted into Conversion Shares.

3.14. Listing Status

Rule 723 of the Catalist Rules requires the Company to ensure that at least 10% of the total number of Shares in issue (excluding treasury shares) is at all times held by the public (“**Free Float Requirement**”). In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST. It is the current intention of the Investor to maintain the listing status of the Company on the SGXST following Completion. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 of the Catalist Rules, the Investor intends to work together with the Company to lift the suspension by the SGX-ST.

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4. THE PROPOSED TRANSFER OF CONTROLLING INTEREST

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a Controlling Interest (as defined in the Catalist Rules) without prior approval of shareholders in general meeting.

The Proposed Subscription Shares Allotment will result in the Investor having such number of Shares representing 75% of the enlarged issued share capital of the Company on the Fully Diluted Basis upon the allotment and issuance of the Subscription Shares. For the avoidance of doubt, the CRPS has no voting rights.

For the avoidance of doubt, Shareholders are to take note that even after the completion of the Proposed Subscription Shares Allotment, Conversion Shares may be allotted and issued if the Conversion Right is exercised to convert the CRPS into Conversion Shares.

As such, the Proposed Subscription Shares Allotment, if approved at the EGM, will result in the transfer of Controlling Interest in the Company to the Investor (the "Proposed Transfer of Controlling Interest"). Shareholders' approval for the Proposed Subscription Shares Allotment is therefore required pursuant to Rule 803 of the Catalist Rules.

Please refer to Section 5.4 of this Circular for further details on the dilutive effect of the Proposed Transactions on the shareholding structure of the Company.

5. THE PROPOSED WHITEWASH RESOLUTION

5.1. Mandatory Offer

Under Rule 14.1(a) of the Code, except with the consent of the SIC, where any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company, such person must extend offers immediately, on the basis set out in Rule 14 of the Code unless such obligation is waived by the SIC, to the holders of any class of share capital of a company which carries votes and in which such person, or persons, acting in concert with him, hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Save for the Implementation Agreement and as disclosed in this Circular, as at the Latest Practicable Date, the Investor and its concert parties do not hold any interest in any Shares or instruments convertible into, rights to subscribe for and options in respect of Shares.

Following the completion of the Proposed Transactions, the Subscription Shares held by the Investor will represent in aggregate 75% of the Company's enlarged issued and paid-up share capital on the Fully Diluted Basis upon the allotment and issuance of the Subscription Shares. For the avoidance of doubt, the CRPS do not hold any voting rights.

Therefore, pursuant to Rule 14 of the Code, the Investor will incur an obligation to make a mandatory general offer for all the issued Shares in the capital of the Company on the subscription by the Investor of the Subscription Shares, unless such obligation is waived by the SIC (subject to the fulfilment of the conditions set out in Section 5.2) and the Proposed Whitewash Resolution is approved by the Independent Shareholders at the EGM.

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5.2. Whitewash Waiver

The Company had on 10 June 2022 made an application to the SIC on behalf of the Investor to seek a waiver of the obligation of the Investor to make a mandatory offer for the Company under Rule 14 of the Code as a result of its subscription of the Subscription Shares.

The SIC had on 26 July 2022 waived the obligation of the Investor to make a mandatory offer for the Company under Rule 14 of the Code incurred as a result of the allotment and issuance of the Subscription Shares to the Investor under the Proposed Subscription Shares Allotment, subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the Subscription Shares, the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Investor;
- (b) the Proposed Whitewash Resolution is separate from other resolutions;
- (c) the Investor, its concert parties and parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (d) the Investor and its concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of the Shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular):
 - (i) during the period between the first announcement of the Proposed Investment (being the Company's announcement on 1 May 2022 in respect of the MOU) and the date Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (ii) in the 6 months prior to the first announcement of the Proposed Investment (being the Company's announcement on 1 May 2022 in respect of the MOU) but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Investment;
- (e) the Company appoints an independent financial adviser to advise its independent Shareholders on the Proposed Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:
 - (i) details of the Proposed Investment under the Implementation Agreement, including the issue of the Subscription Shares and CRPS to the Investor;
 - (ii) the dilution effect to existing holders of voting rights of the Company upon the issue of the Subscription Shares to the Investor;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and option in respect of Shares in the Company held by the Investor and its concert parties as at the latest practicable date;
 - (iv) the number and percentage of voting rights to be acquired by the Investor upon the issue of the Subscription Shares to the Investor;

LETTER TO SHAREHOLDERS

- (v) specific and prominent reference to the fact that the issue of the Subscription Shares to the Investor would result in the Investor holding Shares carrying over 49% of the voting rights of the Company and that the Investor and its concert parties will be free to acquire further Shares (including the Conversion Shares) without incurring any obligation under Rule 14 of the Code to make a general offer for the Company;
- (vi) specific and prominent reference to the fact that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from the Investor at the highest price paid by the Investor and its concert parties for the Shares in the Company in the past 6 months preceding the commencement of the offer;
- (g) the Circular states that the waiver granted by the SIC to the Investor from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at Sections 5.2(a) to (f) above;
- (h) the Investor obtains SIC's approval in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution; and
- (i) to rely on the Proposed Whitewash Resolution, the approval of the Proposed Whitewash Resolution must be obtained within 3 months of the letter from SIC dated 26 July 2022 and the acquisition of the Subscription Shares by the Investor pursuant to the Proposed Investment must be completed within 3 months of the approval of the Proposed Whitewash Resolution.

The Company has on 26 October 2022 submitted an extension application to the SIC seeking an extension of time from 26 October 2022 until 31 December 2022 to obtain Independent Shareholders' approval of the Proposed Whitewash Resolution as referred to in sub-paragraph (i) above. On 1 November 2022, the SIC granted the Company an extension of time to obtain approval of the Proposed Whitewash Resolution from Independent Shareholders by 31 December 2022.

The Whitewash Waiver will not be effective if any of the conditions above have not been fulfilled.

As at the Latest Practicable Date, the conditions set out under Sections 5.2(a) and 5.2(i) above are expected to be satisfied only at or after the EGM, while the other conditions imposed by the SIC set out above have been satisfied.

5.3. The Proposed Whitewash Resolution

The Independent Shareholders are requested to vote by way of poll, on the Proposed Whitewash Resolution as set out in Ordinary Resolution 5 in the Notice of EGM, waiving their rights to receive a mandatory general offer from the Investor for all the issued Shares in the capital of the Company on the allotment and issuance of the Subscription Shares to the Investor.

Shareholders should note that the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment are conditional, among other things, upon the passing of the Proposed Whitewash Resolution by the Independent Shareholders. In view of this, in the event that the Proposed Whitewash Resolution is not approved by the Independent Shareholders, the Proposed Subscription Shares Allotment, the Proposed CRPS Allotment and the other Proposed Transactions will not proceed. Shareholders should also note that the Scheme is conditional upon completion of the Proposed Allotments

INDEPENDENT SHAREHOLDERS SHOULD NOTE THAT BY VOTING FOR THE PROPOSED WHITEWASH RESOLUTION, THEY WILL BE WAIVING THEIR RIGHTS TO RECEIVE THE GENERAL OFFER FROM THE INVESTOR AT THE HIGHEST PRICE PAID BY THE INVESTOR AND ITS CONCERT PARTIES FOR THE SHARES IN THE PAST 6 MONTHS PRECEDING THE COMMENCEMENT OF THE OFFER.

LETTER TO SHAREHOLDERS

Independent Shareholders should also note that upon the allotment and issuance of the Subscription Shares to the Investor, the issue of the Subscription Shares would result in the Investor holding Shares carrying over 49.0% of the voting rights of the Company, and that the Investor and its concert parties will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer for the Company.

5.4. Effect on Shareholding

For illustrative purposes only, the changes in shareholding, including the dilution effect, expected to result from the completion of the Proposed Share Consolidation, and the issuance of the Subscription Shares and the issuance of Conversion Shares, in that order, is set out in Appendix B of this Circular.

5.5. IFA Opinion

The Company has appointed Provenance Capital Pte. Ltd. as the IFA to advise the Independent Directors for the purposes of the Proposed Allotments (which are Interested Person Transactions) and the Proposed Whitewash Resolution.

A copy of the IFA Letter is reproduced in full in Appendix A to this Circular. **Shareholders are advised to read the IFA Letter in its entirety carefully and consider the recommendation of the Independent Directors for the purposes of the Proposed Allotments and the Proposed Whitewash Resolution in the context of this Circular before deciding on whether to approve the Proposed Allotments (which are Interested Person Transactions) and the Proposed Whitewash Resolution.**

The advice of the IFA to the Independent Directors for the purposes of the Proposed Allotments and the Proposed Whitewash Resolution has been extracted from the IFA Letter and is reproduced in italics below:

“8. OUR OPINION

In arriving at our opinion in respect of the Proposed Allotments as IPTs and the Proposed Whitewash Resolution, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (i) rationale for the Proposed Allotments;*
- (ii) assessment of the terms of the Proposed Allotments;*
- (iii) comparison with precedent rescue transactions;*
- (iv) the Proposed Whitewash Resolution and the dilution impact on Independent Shareholders;*
- (v) financial effects of the Proposed Allotments on the Group; and*
- (vi) minimum public float requirements.*

Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that the Proposed Allotments as IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

In addition, we are of the view that the terms of the Proposed Allotments, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Allotments, is not prejudicial to the interest of the Independent Shareholders.

Our opinion in relation to the Proposed Allotments as IPTs and the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.”

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6. THE PROPOSED AMENDMENTS TO THE CONSTITUTION

As a condition to the completion of the Implementation Agreement, the Company is proposing to amend its Constitution to reflect the provisions of the Implementation Agreement, primarily to set out the rights of the holders of CRPS in the amended Constitution.

The Proposed Amendments to the Constitution are set out in full in the Appendix C to this Circular and are subject to Shareholders' approval by special resolution at the EGM. If approved by Shareholders, the Proposed Amendments to the Constitution will become effective on completion of the Implementation Agreement or such other date as may be determined by the Board.

7. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

7.1. Illustrative Nature of the Financial Effects

The pro forma financial effects of the Proposed Transactions, including the Proposed Allotments on the Company's share capital, NTA per Share and LPS of the Group have been prepared based on the Group's audited consolidated financial statements for FY2021.

The financial effects of the Proposed Transactions, including the Proposed Allotments, are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company and the Group after the completion of the Proposed Transactions. The financial effects are prepared without the assumption of potential expenses to be incurred in connection with the Proposed Transactions which are not expected to be material.

7.2. Share Capital

The effect of the Proposed Transactions on the issued and paid-up share capital of the Company as at 30 September 2021 is as follows:

| | Before the Proposed Share Consolidation and the Proposed Allotments | After the Proposed Share Consolidation, the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment but before the Proposed Conversion Shares Allotment¹ | After the Proposed Share Consolidation and the Proposed Allotments² |
|--|--|---|---|
| Number of Shares (excluding treasury shares) | 462,392,475 | 308,265,412 | 453,265,412 |
| Share capital (S\$'000) | 25,181,005 | 25,181,005 | 30,181,005 |

Notes:

1. No Shares will be allotted and issued to the to the Scheme Creditors under the Scheme as none of the Scheme Creditors have elected to receive Shares under the Scheme.
2. Based on the assumption that all CRPS are fully converted at the Conversion Price of S\$0.031.

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7.3. Net Tangible Asset per Share

Assuming that the Proposed Transactions had been effected on 30 September 2021, the effects of the Proposed Transactions on the NTA per Share of the Group would be as follows:

| | Before the Proposed Share Consolidation and the Proposed Allotments | After the Proposed Share Consolidation, the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment but before the Proposed Conversion Shares Allotment¹ | After the Proposed Share Consolidation and the Proposed Allotments² |
|--|--|---|---|
| (NTL) NTA | (2,375,243) | (1,875,243) | 2,624,757 |
| Number of Shares (excluding treasury shares) | 462,392,475 | 308,265,412 | 453,265,412 |
| NTA per Share (Singapore cents) | (0.51) | (0.61) | 0.58 |

Notes:

- No Shares will be allotted and issued to the Scheme Creditors pursuant to the Scheme as none of the Scheme Creditors have elected to receive Shares under the Scheme.
- Based on the assumption that all CRPS are fully converted at the Conversion Price of S\$0.031.

7.4. Loss per Share

Assuming that the Proposed Transactions had been effected on 30 September 2021, the effects of the Proposed Transactions on the LPS of the Group would be as follows:

| | Before the Proposed Share Consolidation and the Proposed Allotments | After the Proposed Share Consolidation, the Proposed Subscription Shares Allotment and the Proposed CRPS Allotment but before the Proposed Conversion Shares Allotment¹ | After the Proposed Share Consolidation and the Proposed Allotments² |
|---|--|---|---|
| (Loss) attributable to Shareholders (S\$) | (9,112,175) | (9,112,175) | (9,112,175) |
| Weighted average number of Shares | 462,392,475 | 308,265,412 | 453,265,412 |
| LPS (Singapore cents) | (1.97) | (2.96) | (2.01) |

Notes:

- No Shares will be allotted and issued to the Scheme Creditors pursuant to the Scheme as none of the Scheme Creditors have elected to receive Shares under the Scheme.
- Based on the assumption that all CRPS are fully converted at the Conversion Price of S\$0.031.

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8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Company's Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on the Company's Register of Interest of Directors and Register of Substantial Shareholders respectively, are as follows:

| | Direct Interest | | Deemed Interest | |
|---|-----------------|-------|-----------------|-------|
| | No. of Shares | % | No. of Shares | % |
| <u>Directors</u> | | | | |
| Mr Lim Yong Sim | 537,900 | 0.12 | 253,899,980 | 54.91 |
| Mr Lo Kim Seng | – | – | – | – |
| Mr Francis Ding Yin Kiat | – | – | – | – |
| Mr Benjamin Cho Kuo Kwang | – | – | – | – |
| Mr Tan Keng Tiong, Alvin | – | – | – | – |
| Mr Lim Teck-Ean | – | – | – | – |
| <u>Substantial Shareholders (other than Directors)⁽³⁾</u> | | | | |
| GuGong Pte Ltd | 253,899,980 | 54.91 | – | – |
| Lim Yong Sim (Lin Rongsen) ⁽¹⁾ | 537,900 | 0.12 | 253,899,980 | 54.91 |
| Su Haijin ⁽²⁾ | 92,478,495 | 20.00 | – | – |

Notes:

- (1) Lim Yong Sim is deemed to be interested in the shares held through GuGong Pte Ltd by virtue of Section 7 of the Companies Act.
- (2) Su Haijin (the second largest Shareholder of the Company prior to Completion with 20% shareholding interest as at the Latest Practicable Date) will be diluted to 5.0% after the Proposed Subscription Shares Allotment and will cease to be a substantial Shareholder when his shareholding interest becomes diluted to 3.4% after the Proposed Conversion Shares Allotment. Su Haijin would be considered as a public shareholder once he ceases to be a substantial Shareholder.
- (3) Lim Soon Fang is deemed to be interested in the 101,726,343 Shares pursuant to a conditional sale and purchase agreement with GuGong Pte Ltd. dated 11 March 2022. The Company has been informed by GuGong Pte. Ltd. that the agreement is no longer in force.

Save for the interests of Mr Lim Teck-Ean in relation to the relevant Proposed Transactions as disclosed in this Circular, and the fact that Mr Lim Teck-Ean and Mr Tan Keng Tiong, Alvin have been appointed to the Board as nominees of the Investor as a condition to the completion of the Super Priority Financing Agreement and the Implementation Agreement, none of the Directors or Substantial Shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Transactions (other than through their respective shareholdings in the Company, if any) and the Proposed Whitewash Resolution.

9. DIRECTORS' RECOMMENDATION

Shareholders should read and consider carefully the recommendation of the Independent Directors for the purposes of the Proposed Allotments and Proposed Whitewash Resolution and the opinion of the IFA in relation to the Proposed Allotments and the Proposed Whitewash Resolution in its entirety before giving their approvals pertaining to the Proposed Transactions. Shareholders are also urged to read carefully the terms and conditions, the rationale, the details as well as the financial effects of each of the Proposed Transactions, as set out in this Circular.

9.1. The Proposed Share Consolidation, Proposed Allotments and the Proposed Transfer of Controlling Interest

Having considered, *inter alia*, the rationale and the terms of the Proposed Share Consolidation, Proposed Allotments (comprising the Proposed Subscription Shares Allotment, the Proposed CRPS Allotment and the Proposed Conversion Shares Allotment), the opinion of IFA as shown in the IFA Letter, the rationale,

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terms and financial effects of the Proposed Allotments and all the relevant information set out in this Circular, **the Independent Directors for the purposes of the Proposed Allotments and Proposed Whitewash Resolution** and the Audit Committee are of the view that the Proposed Share Consolidation, Proposed Allotments, being Interested Person Transactions, are on normal commercial terms and are not prejudicial to the interests of the Company and the Independent Shareholders. Accordingly, **the Independent Directors for the purposes of the Proposed Allotments and Proposed Whitewash Resolution** recommend that Shareholders vote in favour of (i) Ordinary Resolution 1 relating to the Proposed Share Consolidation, (ii) Ordinary Resolution 2 relating to the Proposed Subscription Shares Allotment, (iii) Ordinary Resolution 3 relating to the Proposed CRPS Allotment and the Proposed Conversion Shares Allotment, being Interested Person Transactions, and (iv) Ordinary Resolution 4 relating to the Proposed Transfer of Controlling Interest, in each case to be proposed at the EGM as set out in the Notice of EGM.

9.2. The Proposed Whitewash Resolution

Having considered and reviewed, *inter alia*, the opinion of the IFA in the IFA Letter, **the Independent Directors for the purposes of the Proposed Allotments and Proposed Whitewash Resolution** and the Audit Committee concur with the advice of the IFA and are of the opinion that the Proposed Whitewash Resolution, being one of the condition precedent of the Proposed Allotments, is not prejudicial to the interest of the Independent Shareholders. Accordingly, **the Independent Directors for the purposes of the Proposed Allotments and Proposed Whitewash Resolution** recommend that Shareholders vote in favour of Ordinary Resolution 5 relating to the Proposed Whitewash Resolution, to be proposed at the EGM as set out in the Notice of EGM.

9.3. The Proposed Amendments to the Constitution

Having considered, *inter alia*, the rationale and the terms of the Proposed Amendments to the Constitution, the Directors are of the opinion that the Proposed Share Consolidation is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the Special Resolution relating to the Proposed Amendments to the Constitution, to be proposed at the EGM as set out in the Notice of EGM.

10. ABSTENTION FROM VOTING

Pursuant to Rules 804 and 812(2) of the Catalist Rules, the Investor and its associates must abstain from voting on (i) Ordinary Resolution 2 relating to the Proposed Subscription Shares Allotment, (ii) Ordinary Resolution 3 relating to the Proposed CRPS Allotment and the Proposed Conversion Shares Allotment and (iii) Ordinary Resolution 4 relating to the Proposed Transfer of Controlling Interest.

Further, pursuant to Rule 919 of the Catalist Rules, the Investor and its associates must abstain from voting on the resolutions approving the Interested Person Transactions (i.e. the Proposed Allotments). The Investor and its associates shall also not accept appointments as proxy/(ies) unless specific instructions as to voting are given by the Shareholders.

Pursuant to the Whitewash Waiver granted by the SIC, the Investor and its concert parties, and parties which are not independent of them, will abstain from voting on the Proposed Whitewash Resolution.

As at the Latest Practicable Date, save for the Implementation Agreement and as disclosed in this Circular, the Investor and its associates do not hold any interest in any Shares or instruments convertible into, rights to subscribe for and options in respect of Shares and as such are not eligible to vote at the EGM.

Mr. Lim Teck-Ean, an associate of the Investor and a non-executive Director appointed as the Investor's nominee on the Board as a condition to the completion of the Super Priority Financing Agreement and the Implementation Agreement, does not hold any interest in any Shares or instruments convertible into rights to subscribe for and options in respect of Shares and as such is not eligible to vote as a Shareholder at the EGM. He will not accept any nominations to act as proxy for any Shareholder in approving the Proposed

LETTER TO SHAREHOLDERS

Allotments, the Proposed Transfer of Controlling Interest and the Proposed Whitewash Resolution at the EGM unless specific instructions as to voting are given by such Shareholder in the Proxy Form.

Mr. Tan Keng Tiong, Alvin is not an associate of the Investor (within the meaning ascribed in the Catalyst Rules). However, as he is a non-executive Director appointed as the Investor's nominee on the Board as a condition to the completion of the Super Priority Financing Agreement and the Implementation Agreement, in the interests of good corporate governance, he will also not accept any nominations to act as proxy for any Shareholder in approving the Proposed Allotments, the Proposed Transfer of Controlling Interest and the Proposed Whitewash Resolution at the EGM unless specific instructions as to voting are given by such Shareholder in the Proxy Form. For the avoidance of doubt, Mr. Tan Keng Tiong, Alvin does not hold any interest in any Shares or instruments convertible into rights to subscribe for and options in respect of Shares and as such is not eligible to vote as a Shareholder at the EGM.

11. EXTRAORDINARY GENERAL MEETING

Pursuant to the COVID-19 Order, the EGM will be held on 30 November 2022 at 10 a.m. by way of electronic means for the purpose of considering and, if thought fit, passing with or without any modifications, the Proposed Resolutions set out in the Notice of EGM.

Shareholders should note that the Company may make further changes to its EGM arrangements as the COVID-19 situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company as may be made from time to time on SGXNET.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

12.1. EGM to be convened by electronic means

The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Circular (together with the Notice of EGM and the Proxy Form) may be accessed at the Company's website at the URL www.nosignboardholdings.com, and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. A printed copy of this Circular (together with the Notice of EGM and the Proxy Form) will NOT be despatched to Shareholders.

12.2. Alternative arrangements relating to attendance at the EGM

Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the EGM or through real-time electronic communication during the EGM, addressing of substantial and relevant questions at or prior to the EGM, and voting by appointing a proxy (other than the Chairman of the EGM) or by real-time remote electronic voting at the EGM, are set out in the notes to the Notice of EGM.

12.3. Circular, Notice of EGM and Proxy Form

Printed copies of this Circular, the Notice of EGM and the enclosed Proxy Form will not be sent to Shareholders. This Circular together with the Notice of EGM and the enclosed Proxy Form may be accessed at the Company's website at the URL www.nosignboardholdings.com and are also available on SGXNET at the URL <https://www.sgx.com/securities/companyannouncements>.

CPFIS Members or SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective approved CPF agent banks or SRS Approved Banks to submit their votes by 21 November at 10am, being at least seven (7) working days before the EGM.

LETTER TO SHAREHOLDERS

12.4. Submission of Questions

12.4.1 Submission of Questions in advance of the EGM

Shareholders may submit questions related to the resolution to be tabled for approval at the EGM in advance of the EGM at the <https://conveneagm.com/sg/nosignboardEGM> (“**NSB EGM Website**”) by 5.00 p.m. on 15 November 2022. The Company will address all substantial and relevant questions (determined by the Company in its sole discretion) received from Shareholders prior to the EGM by publishing its responses to such questions on the Company’s website at the URL www.nosignboardholdings.com and on SGXNET prior to the EGM.

12.4.2 Submission of Questions live at the EGM

Shareholders and, where applicable, appointed proxies may also ask the Chairman of the EGM questions related to the resolutions to be tabled for approval at the EGM, live at the EGM, by submitting questions via the online platform hosting the live audio-visual webcast and the live audio-only stream. Please refer to the Notice of EGM for further details.

12.5. Voting

Shareholders (whether individual or corporate) who pre-register to observe and/or listen to the EGM proceedings and wish to vote on the resolutions to be tabled for approval at the EGM may:

- (a) (where such Shareholders are individuals) vote live at the EGM via electronic means, or (where such Shareholders are individuals or corporates) appoint proxies (other than the Chairman of the EGM) to vote live at the EGM via electronic means on their behalf; or
- (b) (where such Shareholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM in accordance with the instructions as set out in the relevant Proxy Forms.

Please refer to the Notice of EGM for further details on the procedures for voting live at the EGM via electronic means and the submission of Proxy Forms.

13. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Proposed Whitewash Resolution, the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Proposed Allotments, the Proposed Whitewash Resolution and the Group are fair and accurate in all material respects.

LETTER TO SHAREHOLDERS

14. CONSENT FROM THE IFA

Provenance Capital Pte. Ltd., the IFA to the Independent Directors for the purpose of the Proposed Allotments (as Interested Person Transactions) and the Proposed Whitewash Resolution, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the IFA Letter as set out in Appendix A of this Circular and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to the prevailing laws and guidelines relating to safe distancing measures, copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 10 Ubi Crescent #03-02 Ubi Techpark Singapore 408564 for a period of three (3) months from the date of this Circular:

- (a) the MOU;
- (b) the Implementation Agreement;
- (c) the IFA Letter;
- (d) the consent letter from the IFA; and
- (e) the Constitution of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
NO SIGNBOARD HOLDINGS LTD.

Lim Yong Sim (Lin Rongsen)
Executive Chairman and Chief Executive Officer

APPENDIX A – IFA LETTER

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

8 November 2022

To: The Independent Directors of No Signboard Holdings Ltd.
(who are deemed independent in respect of the Proposed Allotments and the Proposed Whitewash Resolution)

Mr Lim Yong Sim (Lin Rongsen) (Executive Chairman and Chief Executive Officer)
Mr Lo Kim Seng (Lead Independent Director)
Mr Francis Ding Yin Kiat (Independent Director)
Mr Benjamin Cho Kuo Kwang (Independent Director)

Dear Sirs,

THE PROPOSED ALLOTMENTS TO THE INVESTOR AS INTERESTED PERSON TRANSACTIONS AND IN RELATION THERETO, THE PROPOSED WHITEWASH RESOLUTION

*Unless otherwise defined or the context otherwise requires, all terms used in this letter (“**Letter**”) have the same meanings as defined in the circular to shareholders of No Signboard Holdings Ltd. (“**Shareholders**”) dated 8 November 2022 (“**Circular**”). For the purposes of this Letter, the Latest Practicable Date is 4 November 2022 as defined in the Circular.*

1. INTRODUCTION

1.1 Background

No Signboard Holdings Ltd. (“**Company**”) is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 30 November 2017. The Company and its subsidiaries (“**Group**”) are principally involved in the management and operation of food & beverage outlets and investment holding. The Group operates mainly in Singapore.

The Group’s businesses were materially and adversely affected by the prolonged COVID-19 pandemic in 2020 and 2021. As at the Latest Practicable Date, the Group had closed all its F&B outlets except for two outlets in Singapore which are operational and revenue-generating, namely “Little Sheep Hotpot” at Orchard Gateway and “nosignboard Sheng Jian” at Northpoint City.

On 24 January 2022, the Board of Directors of the Company (“**Board**”) requested for a voluntary suspension of the trading of the shares of the Company (“**Shares**”) with immediate effect (“**Trading Suspension**”) as the Company was unable to demonstrate that it is able to continue as a going concern in accordance with Rule 1303(3) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

The Shares have been suspended from trading since 24 January 2022.

1.2 Fund raising and debt restructuring

The Company had held discussions with various third parties to raise funds to meet the Group’s working capital requirements and to restructure its liabilities.

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The Company had identified Gazelle Ventures Pte. Ltd. (“**Investor**”) as a potential investor.

The Investor is a Singapore-incorporated company jointly owned by Gazelle Capital Pte. Ltd. and Valiant Investments Limited. The Investor invests in food, agri-tech and sustainable agriculture-related businesses. Gazelle Capital Pte. Ltd. is a Singapore-incorporated family office with strategic investments in a wide range of businesses and projects, and Valiant Investments Limited is a boutique family office incorporated in Hong Kong.

On 30 April 2022, the Company entered into a non-binding memorandum of understanding (“**MOU**”) with the Investor pursuant to which the Investor agreed to invest a sum of up to S\$5 million (“**Full Investment Amount**”) into the Company. The Full Investment Amount would comprise (a) an initial amount of S\$500,000 by way of subscription of new Shares (“**Subscription**”), representing 75% of the enlarged share capital of the Company upon completion of the Subscription, and (b) the remaining S\$4,500,000 by way of a convertible instrument (“**Proposed Investment**”).

On 24 May 2022, the Investor entered into a super priority financing agreement (“**Super Priority Financing Agreement**”) with the Company to provide S\$450,000 of emergency funding to the Company (“**Emergency Funding**”).

Mr Lim Teck-Ean and Mr Tan Keng Tiong, Alvin (“**Mr Alvin Tan**”), being the 2 nominated directors of the Investor, were appointed as Non-Executive Directors of the Company with effect from 14 June 2022. Mr Lim Teck-Ean is a director of the Investor and has a deemed shareholding interest of 50% in the Investor. Mr Alvin Tan is the chief operating officer of the Investor.

On 30 June 2022, the Company entered into the implementation agreement with the Investor (“**Implementation Agreement**”) in relation to the Full Investment Amount.

The Company and certain of its subsidiaries are currently in the process of a court-supervised restructuring exercise (“**Restructuring Exercise**”) which includes schemes of arrangement (collectively, the “**Scheme**”) with its creditors (“**Scheme Creditors**”) to reorganise the Group’s liabilities and deleverage the balance sheet of the Group. The Scheme was approved by the Scheme Creditors on 11 October 2022 and sanctioned by the Singapore High Court on 28 October 2022.

Under the Scheme, Scheme Creditors had the option to either receive cash or new Shares of the Company (“**Scheme Shares**”) as full settlement of their approved claims. As none of the Scheme Creditors had elected to receive Scheme Shares under the Scheme, no Scheme Shares will be issued to the Scheme Creditors.

The Company intends to submit a proposal with a view to resume trading of the Shares (“**Resumption Proposal**”) to the SGX-ST to lift the Trading Suspension and to complete the Proposed Investment as soon as possible.

1.3 Proposed Investment by the Investor

Mr Lim Teck-Ean is a director of the Investor and has a deemed shareholding interest in the Investor. The Investor is therefore an “associate” of Mr Lim Teck-Ean and is an “interested person” as defined under Rule 904 of the Catalist Rules. Hence, the Proposed Investment by the Investor is deemed as an interested person transaction (“**Interested Person Transaction**” or “**IPT**”).

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The Proposed Investment of the Full Investment Amount comprises:

- (a) the initial amount of S\$500,000 (“**Subscription Amount**”) by way of the subscription by the Investor of such number of Shares (“**Subscription Shares**”), representing 75% of the enlarged share capital of the Company after completion of the Subscription; and
- (b) the remaining S\$4,500,000 (“**Additional Investment Amount**”) by way of the issue and allotment of 145,000,000 convertible redeemable preference shares (“**CRPS**”), which are convertible into 145,000,000 new Shares (“**Conversion Shares**”).

Based on the Company’s latest audited financial statements of the Group for the financial year ended 30 September 2021 (“**FY2021**”), the Group was in a net tangible liability position of S\$2.4 million as at 30 September 2021.

The Proposed Investment encompassing the issue and allotment of Subscription Shares, CRPS and Conversion Shares (“**Proposed Allotments**”), is therefore subject to Shareholders’ approval at the forthcoming extraordinary general meeting (“**EGM**”) under Rule 906 of the Catalist Rules.

In addition, under Catalist Rule 921(4)(a), the Company is required to appoint an independent financial adviser (“**IFA**”) to opine on whether the Proposed Allotments as IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders (“**Minority Shareholders**”). As the Investor and its associates presently do not hold any Shares, the Minority Shareholders are in fact all the existing Shareholders.

1.4 Proposed Whitewash Resolution

The issue and allotment of the Subscription Shares (“**Proposed Subscription Shares Allotment**”) will result in the Investor holding 75% shareholding interest in the Company and accordingly, will incur an obligation to make a mandatory general offer for the remaining Shares not already owned or controlled by the Investor and its concert parties under Rule 14 of the Singapore Code on Take-overs and Mergers (“**Code**”), unless such obligation is waived by the Securities Industry Council (“**SIC**”).

As it is not the intention of the Investor to make a mandatory offer for the remaining Shares, the Company had on 10 June 2022 made an application to the SIC to seek a waiver of the obligation of the Investor to make a mandatory offer for the Company under Rule 14 of the Code (“**Whitewash Waiver**”) as a result of its Proposed Subscription Shares Allotment.

On 26 July 2022 (and as further extended on 1 November 2022), the SIC granted the Whitewash Waiver to the Investor, subject to the satisfaction of certain conditions (“**SIC Conditions**”), including *inter alia* the approval of the whitewash resolution (“**Proposed Whitewash Resolution**”) by the majority of the independent Shareholders (“**Independent Shareholders**”) present and voting at the EGM, by way of a poll, to waive their rights to receive a general offer from the Investor, and the appointment of an IFA to advise the Independent Shareholders on the Proposed Whitewash Resolution. As the Investor and its associates presently do not hold any Shares, the Independent Shareholders are in fact all the existing Shareholders.

1.5 Independent Directors

As at the Latest Practicable Date, the directors of the Company (“**Directors**”) are:

- (i) Mr Lim Yong Sim (Lin Rongsen) (Executive Chairman and Chief Executive Officer)
- (ii) Mr Lo Kim Seng (Lead Independent Director)

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- (iii) Mr Francis Ding Yin Kiat (Independent Director)
- (iv) Mr Benjamin Cho Kuo Kwang (Independent Director)
- (v) Mr Lim Teck-Ean (Non-Executive Director)
- (vi) Mr Alvin Tan (Non-Executive Director)

In view of Mr Lim Teck-Ean's directorship and shareholding interest in the Investor, Mr Lim Teck-Ean is not deemed independent in respect of the Proposed Allotments and the Proposed Whitewash Resolution. Accordingly, he will abstain from making any recommendation to Shareholders in relation to the Proposed Allotments and the Proposed Whitewash Resolution, and will also abstain from voting on his Shares, if any, and will ensure that his associates abstain from voting on their Shares, if any, on the Proposed Allotments and the Proposed Whitewash Resolution.

In addition, in view of Mr Alvin Tan's relationship with the Investor, for good corporate governance, he will also abstain from making any recommendation to Shareholders in relation to the Proposed Allotments and the Proposed Whitewash Resolution, and will also abstain from voting on his Shares, if any, and will ensure that his associates abstain from voting on their Shares, if any, on the Proposed Allotments and the Proposed Whitewash Resolution.

As at the Latest Practicable Date, the Investor and its associates do not hold any interest in any Shares and, as such, are not eligible to vote as Shareholders at the EGM.

The Company has confirmed that the remaining four (4) Directors, namely Mr Lim Yong Sim (Lin Rongsen), Mr Lo Kim Seng, Mr Francis Ding Yin Kiat and Mr Benjamin Cho Kuo Kwang, are deemed independent in respect of the Proposed Allotments and the Proposed Whitewash Resolution ("**Independent Directors**").

IFA

Provenance Capital Pte. Ltd. ("**Provenance Capital**") has been appointed as the IFA in respect of (a) the Proposed Allotments as IPTs as required under Catalist Rule 921(4)(a) as well as to advise the Independent Directors on whether the Proposed Allotments are on normal commercial terms and not prejudicial to the interests of the Company and its Minority Shareholders; and (b) the Proposed Whitewash Resolution.

This Letter is therefore addressed to the Independent Directors and sets out, *inter alia*, our evaluation of the terms of the Proposed Allotments, and our opinion on the Proposed Allotments as IPTs and the Proposed Whitewash Resolution (in the context of the Proposed Allotments). This Letter forms part of the Circular which provides *inter alia* details of the Proposed Allotments, the Proposed Whitewash Resolution and the recommendation of the Independent Directors to the Minority/Independent Shareholders.

This Letter is attached as Appendix A to the Circular.

1.6 Proposed Transactions

In addition to seeking Shareholders' approval for the Proposed Allotments and Proposed Whitewash Resolution, the Company is seeking Shareholders' approval at the EGM for a proposed share consolidation ("**Proposed Share Consolidation**") on the basis of six (6) existing shares into one (1) consolidated share ("**Consolidated Share**"), proposed transfer of controlling interest to the Investor arising from the Proposed Subscription Shares Allotment and proposed amendments to the constitution of the Company to facilitate the Proposed CRPS Allotment ("**Proposed Amendments to the Constitution**") (collectively, the "**Proposed Transactions**" or "**Proposed Resolutions**").

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The Proposed Share Consolidation is to be completed prior to the Proposed Allotments.

The Proposed Resolutions are inter-conditional upon each other. If any one of the Proposed Resolutions is not passed, the other Proposed Resolutions will not be passed.

Details on the above are set out in the Circular.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA as required under Catalist Rule 921(4)(a) as well as to advise the Independent Directors in respect of the Proposed Allotments as IPTs and in respect of the Proposed Whitewash Resolution.

We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the Proposed Allotments and the Proposed Whitewash Resolution, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Allotments and the Proposed Whitewash Resolution or to obtain the approval of the Shareholders for the Proposed Allotments and the Proposed Whitewash Resolution, and we do not, by this Letter, warrant the merits of the Proposed Allotments and the Proposed Whitewash Resolution, other than to express an opinion on (a) whether the Proposed Allotments as IPTs are on normal commercial terms and not prejudicial to the interests of the Company and its Minority Shareholders; and (b) whether the terms of the Proposed Allotments, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Allotments, is not prejudicial to the interest of the Independent Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Allotments and the Proposed Whitewash Resolution or to compare their relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comments. Such evaluation or comments, if any, remains the responsibility of the Directors and/or the management of the Company (“**Management**”) although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors, Management and/or their professional advisers (where relevant) and have examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or the professional advisers (where applicable). Whilst care has been exercised in reviewing the information which we have relied upon, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Proposed Allotments and the Proposed Whitewash Resolution have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised judgment on the reasonable use of such information, as were deemed necessary,

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and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Company and the Group which we have relied upon in arriving at our opinion has been obtained from publicly available information and/or from the Directors and Management and the professional advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company and the Group at any time or as at the Latest Practicable Date.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Allotments and the Proposed Whitewash Resolution. Such review or comments, if any, remain the responsibility of the Directors and Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter. We have not obtained from the Company and/or the Group, any projection of the future performance including financial performance of the Company and/or the Group, and we did not conduct discussions with the Directors and Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view as to the prices at which the shares of the Company may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after the completion of the Proposed Allotments.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment).

Our opinion as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as at the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors and the Company, we have taken into account certain other factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement, relevant to the Proposed Allotments and the Proposed Whitewash Resolution, which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As each Shareholder may have different investment objectives and profiles, we recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no view, whether express or implied, on the contents of the Circular (other than this Letter and the extract of our opinion in the Circular).

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Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than for the purposes of the EGM in relation to the Proposed Allotments and the Proposed Whitewash Resolution, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter as required under Catalist Rule 921(4)(a) as well as addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Proposed Allotments as IPTs and the Proposed Whitewash Resolution. The recommendation made by the Independent Directors to the Minority Shareholders in relation to the Proposed Allotments, and the Independent Shareholders in relation to the Proposed Whitewash Resolution shall remain the responsibility of the Independent Directors.

Our opinion in relation to the Proposed Allotments as IPTs and the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.

Responsibility Statement by the Directors

The Directors have confirmed that, to the best of their knowledge and belief, all material information relating to the Company and/or the Group provided to us in connection with the Proposed Allotments and the Proposed Whitewash Resolution, is true, complete and accurate in all material respects and there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Allotments and the Proposed Whitewash Resolution, to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

3. SALIENT INFORMATION ON THE GROUP

3.1 Overview

Established in 1981, the Group was a leading lifestyle food and beverage (“**F&B**”) player in Singapore, in particular, its No Signboard Seafood chain of restaurants. The Group had received many accreditations and awards over the years including the SG50 Prestige Enterprise Award 2015/2016 - Singapore’s Top F&B Brand for Seafood Category and Top Brand-Seafood Restaurant Category 2018 for its Restaurant Business and the Outstanding Brands - Beer 2016 for its Beer Business.

The Group was listed on the Catalist Board of the SGX-ST on 30 November 2017 with a then market capitalisation of approximately S\$129.5 million.

Since its listing, the Group had diversified its business outside of its traditional seafood restaurant business in Singapore. In October 2019, the Group entered the People’s Republic of China’s growing and affluent consumer market with its No Signboard (“**NSB**”) Kitchen concept in Shanghai. It also housed popular overseas brands like Little Sheep Hotpot restaurants and Mom’s Touch Korean Chicken & Burger restaurants in Singapore.

The Group was hard hit by the global COVID-19 pandemic in 2020 and 2021 which had affected the operating environment of the F&B industry. The Group reported losses for FY2020 and FY2021 of S\$9.8 million and S\$9.1 million respectively. As at the Latest Practicable Date, the Group had closed all its F&B outlets except for two outlets in Singapore which are operational and revenue-generating, namely “Little Sheep Hotpot” and “nosignboard Sheng Jian”.

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Based on the audited financial results of the Group for FY2021, the Group was in a net liability position of S\$2.4 million as at 30 September 2021.

The Shares have been suspended from trading since 24 January 2022. The Shares were last transacted at S\$0.031 on 17 January 2022 prior to the Trading Suspension. Based on the last transacted price, the market capitalisation of the Company was S\$14.3 million.

The Group is in the process of a court-supervised Restructuring Exercise to reorganise the Group's liabilities and deleverage the balance sheet of the Group. The Scheme was approved by the Scheme Creditors on 11 October 2022, and by the Singapore High Court on 28 October 2022.

The Company is seeking Shareholders' approval for the Proposed Allotments under the terms of the Implementation Agreement entered into with the Investor on 30 June 2022. The Proposed Allotments are subject to various conditions including seeking Shareholders' approval at the EGM for the Proposed Allotments as IPTs and the Proposed Whitewash Resolution.

Details of the terms of the Implementation Agreement are set out in Section 3.1 of the Circular, and the salient terms of the Proposed Investment by the Investor are set out in Section 5 of this Letter.

3.2 Directors of the Company and Undertaking Shareholders

Directors of the Company

As at the Latest Practicable Date, the Directors are:

- (i) Mr Lim Yong Sim (Lin Rongsen) (Executive Chairman and Chief Executive Officer)
- (ii) Mr Lo Kim Seng (Lead Independent Director)
- (iii) Mr Francis Ding Yin Kiat (Independent Director)
- (iv) Mr Benjamin Cho Kuo Kwang (Independent Director)
- (v) Mr Lim Teck-Ean (Non-Executive Director)
- (vi) Mr Alvin Tan (Non-Executive Director)

In view of Mr Lim Teck-Ean's directorship and shareholding interest in the Investor, Mr Lim Teck-Ean is not deemed independent in respect of the Proposed Allotments and the Proposed Whitewash Resolution. Accordingly, he will abstain from making any recommendation to Shareholders in relation to the Proposed Allotments and the Proposed Whitewash Resolution, and will also abstain from voting on his Shares, if any, and will ensure that his associates abstain from voting on their Shares, if any, on the Proposed Allotments and the Proposed Whitewash Resolution.

In addition, in view of Mr Alvin Tan's relationship with the Investor, for good corporate governance, he will also abstain from making any recommendation to Shareholders in relation to the Proposed Allotments and the Proposed Whitewash Resolution, and will also abstain from voting on his Shares, if any, and will ensure that his associates abstain from voting on their Shares, if any, on the Proposed Allotments and the Proposed Whitewash Resolution.

The Company has confirmed that the remaining four (4) Directors, namely Mr Lim Yong Sim (Lin Rongsen), Mr Lo Kim Seng, Mr Francis Ding Yin Kiat and Mr Benjamin Cho Kuo Kwang, are the Independent Directors in respect of the Proposed Allotments as IPTs and the Proposed Whitewash Resolution.

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Undertaking Shareholders

As at the Latest Practicable Date, the Company's paid-up share capital was S\$25,181,005 comprising 462,392,475 Shares. The Company does not have any treasury shares nor any outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares or securities which carry voting rights in the Company.

Mr Lim Yong Sim and GuGong Pte. Ltd. ("**GuGong**") collectively hold 254,437,880 Shares, representing 55.03% of the issued share capital of the Company as at the Latest Practicable Date. GuGong is majority owned by Mr Lim Yong Sim. They have each provided their respective undertakings to vote in favour of all the resolutions to be tabled at the EGM.

All the resolutions being proposed at the EGM are ordinary resolutions except for the Proposed Amendments to the Constitution, which is a special resolution.

3.3 Salient financial information of the Group

3.3.1 Financial performance of the Group

Set out below is a summary of the financial performance of the Group for the last 3 audited financial years ended 30 September, i.e. FY2019, FY2020 and FY2021:

| S\$'000 | ← Audited → | | |
|--|-------------|---------|---------|
| | FY2019 | FY2020 | FY2021 |
| Revenue | 25,488 | 13,628 | 7,904 |
| Other income | 396 | 1,905 | 2,619 |
| Rental income | - | 1,521 | 982 |
| Impairment of intangible assets, plant and equipment, right of use assets and other assets | (1,038) | (1,967) | (3,259) |
| (Loss) for the year, representing loss attributable to the owners of the Company | (4,852) | (9,840) | (9,112) |

Source: Company's annual reports for FY2020 and FY2021

Review of financial performance

Revenue decreased by 46.5% from S\$25.5 million in FY2019 to S\$13.6 million in FY2020, and by 42% from S\$13.6 million in FY2020 to S\$7.9 million in FY2021, due mainly to a significant decline in sales of F&B as a result of regulations and restrictions imposed by the Singapore government during the COVID-19 pandemic. The decrease in sales in FY2020 was also contributed by the temporary closure of the Group's seafood restaurant for two months due to major renovation work.

Other income in FY2020 and FY2021 was due mainly to government grants received by the Group under the Jobs Support Scheme, Wage Credit Scheme and Temporary Credit Scheme, and gain on early termination of leases in FY2021.

Rental income in FY2020 and FY2021 was due mainly to the rental concession received by the Group as a result of the COVID-19 stimulus package in Singapore.

The Group recognised impairment on intangible assets, plant and equipment, right-of-use assets and other assets in FY2019, FY2020 and FY2021 as a result of the write-down of carrying values of these assets to their recoverable amount for restaurants and outlets affected the COVID-19 pandemic, and liquidation of subsidiaries.

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Overall, despite measures to control operating costs, the Group incurred higher losses of S\$9.8 million in FY2020 and S\$9.1 million in FY2021, compared to a loss of S\$4.9 million in FY2019.

Auditor’s disclaimer of opinion in respect of the audited financial statements of the Group for FY2021

The auditors of the Group, Ernst & Young LLP (“**Auditors**”), had issued a disclaimer of opinion in respect of the audited financial statements of the Group for FY2021 on the use of the going concern assumption in the preparation of the financial statements and on the basis of the Company’s assessment of impairment of assets of the Group including plant and equipment, and right-of-use assets.

Further details of the Auditor’s disclaimer of opinion are set out in the Company’s annual report for FY2021.

3.3.2 Balance sheet position of the Group

The audited statement of the financial position of the Group as at 30 September 2021 is set out below:

| S\$'000 | Audited as at 30 September 2021 |
|--------------------------------|------------------------------------|
| <u>Current assets</u> | |
| Cash and bank balances | 2,727 |
| Pledged deposit | 3,000 |
| Trade and other receivables | 915 |
| Inventories | 425 |
| Grant receivables | 143 |
| | 7,210 |
| <u>Non-current assets</u> | |
| Other receivables | 292 |
| Intangible asset | 23 |
| Plant and equipment | 1,151 |
| Right-of-use assets | 2,751 |
| | 4,217 |
| Total assets | 11,427 |
| <u>Current liabilities</u> | |
| Loans and borrowings | 3,173 |
| Trade and other payables | 3,570 |
| Contract liabilities | 242 |
| Lease liabilities | 1,937 |
| Amount due to holding company | 100 |
| Provisions | 210 |
| | 9,231 |
| <u>Non-current liabilities</u> | |
| Provisions | 246 |
| Lease liabilities | 2,263 |
| Loan and borrowings | 2,063 |
| | 4,572 |
| Total liabilities | 13,803 |

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| S\$'000 | Audited as at 30 September 2021 |
|---------------------|------------------------------------|
| <u>Equity</u> | |
| Share capital | 25,181 |
| Capital reserve | (696) |
| Accumulated losses | (26,774) |
| Translation reserve | (87) |
| Total equity | (2,375) |

Source: Company's annual report for FY2021

Equity

As at 30 September 2021, the issued share capital of the Company was S\$25.2 million comprising 462,392,475 Shares. There was no change in the number of outstanding Shares since 30 September 2021 to the Latest Practicable Date.

The total equity of the Group as at 30 September 2021 was negative S\$2.4 million, mainly as a result of significant accumulated losses of S\$26.8 million.

The Company is seeking Shareholders' approval for the Proposed Share Consolidation on the basis of 6:1 and, if approved, will be completed prior to the Proposed Allotments. The net liability per Share (before the Proposed Share Consolidation) of S\$0.005 and the pro forma net liability per Share (after the Proposed Share Consolidation) of S\$0.031 as at 30 September 2021 is illustrated in the table below:

| As at 30 September 2021 | Before the Proposed Share Consolidation | After the Proposed Share Consolidation |
|-------------------------------------|--|---|
| Net liability position of the Group | S\$2,375,243 | S\$2,375,243 |
| Number of outstanding Shares | 462,392,475 | 77,065,412 |
| Net liability per Share | S\$0.005 | S\$0.031 |

Assets & Liabilities

The Group is in a net liability position as at 30 September 2021, as its total assets had exceeded total liabilities by S\$2.4 million. In addition, the current liabilities had exceeded current assets by S\$2.0 million.

The Auditors had issued a disclaimer of opinion on the financial statements of the Group for FY2021 and had highlighted factors that indicate the existence of material uncertainties that may cast significant doubt on the Group and Company's ability to continue as going concern.

The carrying value of the assets as recorded on the balance sheet of the Group as at 30 September 2021 has been determined on the basis of going concern and recovery in the normal course of business. If the going concern assumption is not appropriate and the financial statements were presented on a realisation basis, the carrying value of assets and liabilities may be materially different from that currently recorded in the balance sheet.

4. SALIENT INFORMATION ON THE INVESTOR

4.1 The Investor

The Investor, Gazelle Ventures Pte. Ltd., is a Singapore-incorporated company jointly owned by Gazelle Capital Pte. Ltd. and Valiant Investments Limited. The Investor invests in food, agri-tech and sustainable agriculture-related businesses. Gazelle Capital Pte. Ltd. is a Singapore-incorporated family office with strategic investments in a wide range of businesses and projects, and Valiant Investments Limited is a boutique family office incorporated in Hong Kong.

Mr Alvin Tan is the chief operating officer of the Investor and Mr Lim Teck-Ean is a director of the Investor and has a deemed shareholding interest of 50% in the Investor. As a condition to the completion of the Super Priority Financing Agreement and the Implementation Agreement, Mr Lim Teck-Ean and Mr Alvin Tan, as the nominees of the Investor, were appointed as Non-Executive Directors of the Company with effect from 14 June 2022.

As at the Latest Practicable Date, Mr Lim Teck-Ean and Mr Alvin Tan do not hold any Shares in the Company.

4.2 Shareholding interests of the Investor in the Company

Presently, the Investor does not hold any Shares.

The Company intends to carry out the Proposed Share Consolidation on the basis of 6:1 prior to the Proposed Subscription Shares Allotment. As an illustration, the existing issued share capital of the Company comprising 462,392,475 Shares would become 77,065,412 Shares after the Proposed Share Consolidation.

Under the terms of the Proposed Investment, the Proposed Subscription Shares Allotment will involve the issue of such number of Subscription Shares to the Investor that will result in the Investor holding 75% of the enlarged share capital of the Company, after the completion of the Proposed Share Consolidation and the Proposed Subscription Shares Allotment.

As an illustration set out in Table 1 below, based on the Subscription Amount of S\$500,000, the Investor would be issued and allotted 231,200,000 Subscription Shares. The issue price for each Subscription Share is approximately S\$0.002.

Under the terms of the Proposed Investment, the Investor would also be issued and allotted 145,000,000 CRPS for the Additional Investment Amount of S\$4,500,000. These CRPS do not have any voting rights but are convertible into 145,000,000 Conversion Shares. Therefore, the Proposed CRPS Allotment to the Investor will not immediately affect the number of issued Shares or increase the shareholding interest of the Investor in the Company.

However, upon the conversion of the CRPS into the Conversion Shares and the Proposed Conversion Shares Allotment to the Investor, the Investor's shareholding interest in the the Company will increase further. As illustrated in Table 2 below, if the CRPS are fully converted, it is envisaged that the Investor will, together with the Subscription Shares, hold approximately 83.0% of the enlarged share capital of the Company.

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Table 1 – after the Proposed Share Consolidation

| | No. of Consolidated Shares |
|---|-----------------------------------|
| Based on the existing Shares as at Latest Practicable Date after the Proposed Share Consolidation | 77,065,412 |
| Proposed Subscription Shares Allotment to the Investor | 231,200,000 |
| Enlarged shares after the Proposed Subscription Shares Allotment | 308,265,412 |
| Proposed Conversion Shares Allotment to the Investor | 145,000,000 |
| Enlarged shares after the Proposed Conversion Shares Allotment | 453,265,412 |

Table 2 – Investor's shareholding interest in the Company

| | After Proposed Share Consolidation but before Proposed Allotments | | After Proposed Subscription Shares Allotment but before Proposed Conversion Shares Allotment | | After Proposed Allotments | |
|-----------------------|---|--------------|--|--------------|----------------------------|--------------|
| | No. of Consolidated Shares | % | No. of Consolidated Shares | % | No. of Consolidated Shares | % |
| Existing Shareholders | 77,065,412 | 100.0 | 77,065,412 | 25.0 | 77,065,412 | 17.0 |
| Investor | - | - | 231,200,000 | 75.0 | 376,200,000 | 83.0 |
| Total | 77,065,412 | 100.0 | 308,265,412 | 100.0 | 453,265,412 | 100.0 |

In view of the Proposed Allotments, the shareholding interests of existing Shareholders will be significantly diluted as illustrated in the table above.

5. SALIENT TERMS OF THE PROPOSED INVESTMENT

5.1 The Implementation Agreement sets out the terms and conditions of the Full Investment Amount of S\$5 million by the Investor, comprising:

- (a) the Subscription Amount of S\$500,000 by way of the Proposed Subscription Shares Allotment; and
- (b) the Additional Investment Amount of S\$4,500,000 by way of the Proposed CRPS Allotment.

Details of the Implementation Agreement are set out in Section 3 of the Circular, the salient terms are summarised below:

| | Key terms of the Implementation Agreement |
|--|---|
| Proposed Subscription Shares Allotment | <p>The Company will issue and allot such number of Subscription Shares to the Investor that will result in the Investor holding 75% of the share capital of the Company after the issue of the Scheme Shares to the Scheme Creditors and after the Proposed Share Consolidation for an amount of S\$500,000.</p> <p>As none of the Scheme Creditors had elected to receive Scheme Shares under the Scheme, no Scheme Shares will be issued to the Scheme Creditors.</p> <p>The issue price for each Subscription Share is equivalent to approximately S\$0.002.</p> |

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| | |
|--|---|
| Proposed CRPS Allotment | <p>The Company will issue 145 million CRPS to the Investor at the issue price of S\$0.031 each ("CRPS Issue Price"), in consideration for the Additional Investment Amount of S\$4.5 million.</p> <p>The CRPS Issue Price is the same as the VWAP of S\$0.031 for trades done on the last trading day preceding the date of the Implementation Agreement.</p> <p>Note:</p> <p><i>The Shares were last transacted on 17 January 2022 prior to the trading halt on 19 January 2022 and Trading Suspension on 24 January 2022. The CRPS Issue Price will not be adjusted for the Proposed Share Consolidation.</i></p> |
| Proposed Conversion Shares Allotment arising from the conversion of the CRPS | <p>The number of Conversion Shares will be determined based on the following formula "Formula"):</p> <p>Number of Conversion Shares = $(A \times C) / B$</p> <p>where:</p> <p>A = CRPS Issue Price;</p> <p>B = Conversion Price of S\$0.031; and</p> <p>C = Number of CRPS to be converted</p> <p>Note:</p> <p><i>The above Formula would imply that each CRPS is convertible into one Conversion Share. Accordingly, if 145 million CRPS are converted, a total of 145 million Conversion Shares would be issued to the Investor.</i></p> <p><i>As a result, the CRPS Issue Price and the Conversion Price are derived number to ensure that the Investor will ultimately be issued 145 million Conversion Shares for the Additional Investment Amount of S\$4.5 million, which together with the Subscription Shares, would result in the Investor holding 83.00% of the enlarged share capital of the Company. The CRPS Issue Price and the Conversion Price will not be adjusted for the Proposed Share Consolidation.</i></p> |
| Conversion Period of the CRPS for the Investor | <p>The Investor may elect to convert all of the CRPS into Conversion Shares in accordance with the Formula, on or prior to the 2nd anniversary of the completion of the Implementation Agreement ("Completion Date"), by giving at least 15 days' written notice to the Company ("Conversion Notice").</p> |
| Redemption or conversion of the CRPS by the Company | <p>(a) <u>During the Conversion Period</u></p> <p>During the Conversion Period, the Company is only entitled (but not obliged) to convert all (but not some only) of the outstanding CRPS into Conversion Shares in accordance with the Formula by giving the Conversion Notice, in the event that the VWAP of the Shares reaches 100% of the CRPS Issue Price for 7 consecutive days on which the SGX-ST is open for securities trading ("Market Days").</p> <p>(b) <u>Upon expiry of the Conversion Period</u></p> <p>Upon expiry of the Conversion Period, the Company is obliged to either convert or redeem the outstanding CRPS (if any) in the following manner:</p> <p>(i) convert all (but not some only) of the outstanding CRPS into Conversion Shares on the 2nd anniversary of the Completion Date, in accordance with the Formula; or</p> <p>(ii) redeem all (but not some only) of the outstanding CRPS in consideration for a sum of S\$4,500,000.</p> |
| Rights of the CRPS | <p>(a) The CRPS shall not have any voting rights;</p> <p>(b) The CRPS shall not be listed;</p> <p>(c) The CRPS shall not be transferable;</p> |

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| | |
|---------------------------------------|--|
| | <p>(d) Upon liquidation of the Company, all holders of Shares and CRPS shall be entitled to participate <i>pro rata</i> in the residual assets and funds of the Company on an as-converted basis; and</p> <p>(e) The Investor shall not be entitled to dividend payments on the CRPS.</p> |
| Adjustments to the Conversion Price | The Conversion Price shall, after their issue, be subject to adjustments by the Company under certain circumstances prescribed in the Implementation Agreement including without limitation, the consolidation or subdivision of shares of the Company or capitalisation issues, and rights issues. |
| Alteration to the terms of the CRPS | Unless made in accordance with the Implementation Agreement, any material amendment to the terms of the CRPS after issue to the advantage of the Investor shall be subject to the approval of Shareholders in an EGM to be convened. |
| Conditions to the Proposed Allotments | <p>Completion of the Proposed Allotments is conditional upon various matters including the following:</p> <p>(a) the approval of the Scheme by the Scheme Creditors and by the Singapore High Court and the Scheme becoming effective upon lodgement with ACRA;</p> <p>(b) the approval by Shareholders at an EGM to be convened in relation to <i>inter alia</i> the Scheme, the Proposed Allotments, Proposed Amendments to the Constitution, Proposed Transfer of Controlling Interest, the Proposed Share Consolidation, the Proposed Whitewash Resolution and such other transactions contemplated in connection with the Scheme and Proposed Allotments;</p> <p>(c) undertakings from Mr Lim Yong Sim and GuGong to vote in favour of the resolutions to be obtained at the EGM;</p> <p>(d) the grant of the Whitewash Waiver by SIC to the Investor and its concert parties;</p> <p>(e) the termination of all other agreements, arrangements or transactions with any third party, in relation to any funding, rescue funding, white knight arrangements, and any investments or acquisition of Shares in the Company within a time period which is acceptable by the Investor in its sole discretion;</p> <p>(f) the consents or approval from any other parties (including the Sponsor, SGX-ST and the SIC) necessary for the Scheme and the Proposed Allotments;</p> <p>(g) the approval by the SGX-ST for the resumption of trading of the Shares on the SGX-ST, the Company remaining listed on the Catalist Board and there being no notice of proposal of the delisting of the Company;</p> <p>(h) the approval in-principle by SGX-ST for the listing and quotation of the Subscription Shares;</p> <p>(i) the designation and maintenance of a separate bank account (“Bank Account”) by the Company for the deposit of the Full Investment Amount; and</p> <p>(j) the completion of the Proposed Share Consolidation.</p> |
| Completion | <p>On Completion, the Company shall carry out the following in the following order:</p> <p>(a) complete the Proposed Share Consolidation; and</p> <p>(b) issue and allot the Subscription Shares and the CRPS to the Investor.</p> <p>On Completion, the Full Investment Amount which has been deposited in the Bank Account shall be available for drawdown by the Company.</p> <p>Following Completion, the Company shall be deemed to have fully repaid the Emergency Funding, and the Investor shall fully release and discharge the Company from its payment obligations under the Super Priority Financing Agreement.</p> |

As at the Latest Practicable Date, the Company has received a total sum of S\$2.95 million from the Investor as a partial amount of the Full Investment Amount.

5.2 Resumption of trading and in-principle approval for the listing of the Consolidated Shares, Subscription Shares and Conversion Shares

The Company intends to submit a Resumption Proposal to the SGX-ST to lift the Trading Suspension and to complete the Proposed Investment as soon as possible.

Application will be made to the SGX-ST for the in-principle approval for the listing of and quotation for the Consolidated Shares, the Subscription Shares and the Conversion Shares.

The Company will make the appropriate announcement(s) on the outcome of its application on the above.

Approval for the Resumption Proposal and any in-principle approval from the SGX-ST for the listing and quotation of the Consolidated Shares, Subscription Shares and Conversion Shares are not to be taken as an indication of the merits of the Company, its subsidiaries and the Proposed Transactions.

6. THE PROPOSED WHITEWASH RESOLUTION

6.1 Whitewash Waiver

Under Rule 14.1 of the Code, except with the SIC's consent, any person who:

- (a) acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of the company; or
- (b) together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or persons acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1% of the voting rights of a company, is required to make a mandatory general offer for all the shares in the company which he does not already own or control.

Presently, the Investor and its concert parties do not hold any interest in any Shares or instruments convertible into, rights to subscribe for and options in respect of the Shares. On the allotment and issuance of the Subscription Shares, the Investor will hold 75% of the enlarged share capital of the Company upon completion of the Proposed Subscription Shares Allotment.

Therefore, pursuant to Rule 14 of the Code, the Investor and its concert parties are required to make a general offer for the Shares not held by the Investor and its concert parties on the subscription by the Investor of the Subscription Shares, unless such obligation is waived by the SIC and the Proposed Whitewash Resolution is approved by the Independent Shareholders at the EGM.

As it is not the intention of the Investor to make a mandatory offer for the remaining Shares, the Company had on 10 June 2022 made an application to the SIC on behalf of the Investor for the Whitewash Waiver.

For the avoidance of doubt, the CRPS do not hold any voting rights. Hence, the Proposed CRPS Allotment to the Investor does not increase the voting rights of the Investor until the conversion of the CRPS into the Conversion Shares.

Assuming that all the 145 million CRPS are converted into 145 million Conversion Shares, the Investor will increase its shareholding interest in the Company from 75% to approximately

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83.0% of the enlarged share capital of the Company, after the Proposed Share Consolidation and Proposed Allotments.

6.2 SIC Conditions

On 26 July 2022, the SIC granted the Whitewash Waiver to the Investor as a result of the Proposed Subscription Shares Allotment, subject to the satisfaction of the SIC Conditions, details of which are set out in Section 5.2 of the Circular.

The SIC Conditions include *inter alia* the following:

- (a) a majority of the holders of voting rights of the Company approve at a general meeting, before the issue of the Subscription Shares, the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Investor;
- (b) the Investor, its concert parties and parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (c) the Company appoints an IFA to advise the independent Shareholders on the Proposed Whitewash Resolution; and
- (d) to rely on the Proposed Whitewash Resolution, approval of the Proposed Whitewash Resolution must be obtained within 3 months of the date of the letter from SIC dated 26 July 2022, and the acquisition of the Subscription Shares by the Investor pursuant to the Investment must be completed within 3 months of the approval of the Proposed Whitewash Resolution.

The Company had submitted an extension application to the SIC to seek an extension of time from 26 October 2022 to 31 December 2022 to obtain Independent Shareholders' approval for the Proposed Whitewash Resolution. On 1 November 2022, the SIC granted the extension of time to obtain approval of the Proposed Whitewash Resolution from Independent Shareholders by 31 December 2022 ("**SIC Extension Letter**").

The Independent Shareholders are therefore asked to vote, by way of a poll, on the Proposed Whitewash Resolution as an ordinary resolution at the forthcoming EGM.

6.3 We wish to highlight to the Independent Directors to advise the Independent Shareholders that:

- **by voting in favour of the Proposed Whitewash Resolution, Shareholders will be waiving their rights to a general offer from the Investor at the highest price paid by the Investor and its concert parties for the Shares in the past 6 months preceding the commencement of the offer;**
- **the completion of the Proposed Subscription Shares Allotment will result in the Investor holding Shares carrying over 49% of the voting rights in the Company and the Investor and its concert parties will be free to acquire further Shares (including the Conversion Shares) without incurring any obligation under Rule 14 of the Code to make a general offer for the Company; and**
- **all the Proposed Resolutions being put forth at the EGM (including the Proposed Whitewash Resolution) are inter-conditional upon each other. If any one of the Proposed Resolutions is not passed, the other Proposed Resolutions will not be passed. Shareholders should also note that the Scheme is conditional upon completion of the Proposed Allotments.**

7. EVALUATION OF THE PROPOSED ALLOTMENTS AS IPTS AND THE PROPOSED WHITEWASH RESOLUTION

In our evaluation of the Proposed Allotments as IPTs and the Proposed Whitewash Resolution, we have given due consideration to, *inter alia*, the following key factors which we consider to have a significant bearing on our assessment:

- (i) rationale for the Proposed Allotments;
- (ii) assessment of the terms of the Proposed Allotments;
- (iii) comparison with precedent rescue transactions;
- (iv) the Proposed Whitewash Resolution and the dilution impact on Independent Shareholders;
- (v) financial effects of the Proposed Allotments on the Group; and
- (vi) minimum public float requirements.

7.1 Rationale for the Proposed Allotments

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Allotments or the prospects of the Group after the Proposed Allotments. Nevertheless, we have reviewed the rationale for the Proposed Allotments as set out in Section 3.9 of the Circular.

We note the following:

- (a) the Full Investment Amount will be utilised by the Company for its working capital requirements, staff salaries and settlement of liabilities;
- (b) the Company is presently facing going concern issues. Taking into consideration the Group's present banking facilities and Company's inability to secure any additional financing after reaching out to other existing and potential lenders for financing, the proceeds from the Proposed Allotments will assist in meeting the Group's working capital requirements and for the Company to operate as a going concern;
- (c) the Company had in July 2022 received the full sum of S\$450,000 from the Investor under the Emergency Funding. Following completion, the Company shall be deemed to have fully repaid the Emergency Funding, and the Investor shall fully release and discharge the Company from its payment obligations under the Super Priority Financing Agreement; and
- (d) the Company had on 31 October 2022 received a further sum of S\$2.5 million from the Investor as a partial amount of the Full Investment Amount.

7.2 Assessment of the terms of the Proposed Allotments

We have assessed the terms of the Proposed Allotments to be fair and reasonable based on the following:

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(i) Implied market capitalisation of the Company

Under the Implementation Agreement, the Investor will subscribe for such number of Subscription Shares that will result in it immediately holding 75% shareholding interest of the Company for an amount of S\$500,000. This would, at the first instance, imply that the market capitalisation of the Company is worth only S\$750,000, of which S\$500,000 is the value contributed by the Investor.

It should be noted, however, that the Investor has committed to inject, in aggregate, S\$5 million in fresh funds into the Company, via two separate equity securities, namely (a) S\$500,000 by way of the subscription of the Subscription Shares; and (b) S\$4.5 million by way of the subscription of the CRPS. If the CRPS are fully converted, the Investor will increase its shareholding interest in the Company to approximately 83.0%. This would imply a market capitalisation of the Company of approximately S\$6.0 million, of which S\$5.0 million is the value contributed by the Investor.

Under the terms of the CRPS, if the CRPS have not been converted (all but not some only) by the Investor or the Company during the Conversion Period, the Company is obliged to either convert (all but not some only) the CRPS or redeem them for a consideration of S\$4.5 million.

If the Company chooses the redemption option, the Company would have achieved a much stronger financial position 2 years from now and would have benefited from the Full Investment Amount from the Investor during this period.

(ii) Equivalent issue price of the Subscription Shares and Conversion Shares

As set out in Section 4.2 of this Letter, the Subscription Shares are to be issued after the completion of the Proposed Share Consolidation, which involves the consolidation of six (6) existing Shares into one (1) Consolidation Share.

Hence, based on the existing number of Shares and after the Proposed Share Consolidation, the Company would be issuing approximately 231.2 million Subscription Shares to the Investor for the Subscription Amount of S\$500,000, which will result in the Investor holding 75% of the enlarged share capital of the Company. The issue price for each Subscription Share is approximately S\$0.002.

The CRPS are issued at S\$0.031 for each CRPS, and the Conversion Price of the CRPS is also set at S\$0.031. Under the terms of the CRPS, the number of Conversion Shares is determined based on the Formula, which is equivalent to one CRPS being convertible into one Conversion Share. Accordingly, if 145 million CRPS are converted, a total of 145 million Conversion Shares would be issued to the Investor.

As a result, the Investor will ultimately be issued 145 million Conversion Shares for the Additional Investment Amount of S\$4.5 million, which together with the Subscription Shares, would result in the Investor holding 83.0% of the enlarged share capital of the Company.

Hence, the issue price for the Subscription Shares, the CRPS Issue Price and the Conversion Price have no bearing to the historical trading prices of the Shares, notwithstanding that the Company had disclosed that each of the CRPS Issue Price and the Conversion Price of S\$0.031 is based on the VWAP of the Shares for trades last done prior to the Implementation Agreement. In addition, the CRPS Issue Price and the Conversion Price will not be adjusted for the Proposed Share Consolidation.

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Hypothetically, if the Conversion Price is based on the VWAP of trades last done prior to the Proposed Share Consolidation, the adjusted Conversion Price for the CRPS would have been S\$0.186 (after the Proposed Share Consolidation) instead of S\$0.031. Shareholders should note that this is not to be the case as the the CRPS Issue Price and the Conversion Price will not be adjusted for the Proposed Share Consolidation.

In addition, given the background behind and reason for the Trading Suspension, the historical trading prices of the Shares prior to the Trading Suspension would have little or no bearing on and are not reflective of the present perceived value of the Shares.

Hence, in our view, the issue price of the Subscription Shares, the CRPS Issue Price and the Conversion Price as stated by the Company is arbitrary.

Instead, we are of the view that it is more meaningful to evaluate the terms of the Proposed Allotments by looking at the Full Investment Amount of S\$5.0 million for an 83.0% interest in the Company with the potential issue of 376,200,000 Consolidated Shares to the Investor. **This is equivalent to an issue price of S\$0.0133 for each Consolidated Share.**

This would also imply a market capitalisation of the Company at S\$6.0 million, wherein S\$5.0 million is the value contributed by the Investor, and the remaining Shares are accorded an implied value of \$1.0 million.

In comparison, as set out in Section 3.3.2 of this Letter, the Group's net liability per Share (after the Proposed Share Consolidation) was S\$0.031 as at 30 September 2021.

Overall, the implied issue price of the Shares to the Investor at S\$0.0133 each represents a significant premium above the net liability per Share (after the Proposed Share Consolidation) as at 30 September 2021.

(iii) CRPS

As at 30 September 2021, the Group was in a negative equity position of S\$2.4 million. The issue of the CRPS, which would be classified as another class of equity securities of the Company besides ordinary shares, will enhance the equity position of the Group by S\$4.5 million.

The CRPS (all but not some only) are convertible by the Investor during the 2-year Conversion Period. Except for the option to convert into the Conversion Shares, there is no economic benefit arising from the CRPS as the CRPS are non-interest bearing, non-transferable, have no voting rights, and have no entitlement to any dividend payments on the CRPS.

During the Conversion Period, the Company is also entitled (but not obliged) to convert all (but not some only) of the CRPS into Conversion Shares based on the Formula if the VWAP of the Shares reaches 100% of the CRPS Issue Price (i.e. S\$0.031) for 7 consecutive Market Days.

Upon expiry of the Conversion Period, the Company is obliged to either convert or redeem the outstanding CRPS as follows:

- (a) convert all (but not some only) of the CRPS into Conversion Shares based on the Formula; or

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- (b) redeem all (but not some only) of the CRPS in consideration for a sum of S\$4,500,000, being the Additional Investment Amount.

The above terms of the CRPS ensure that either all CRPS will be converted into the Conversion Shares or all the CRPS will be redeemed at the end of the 2-year period.

If the CRPS are converted into Conversion Shares

Under this scenario, the Investor's shareholding interest in the Company would increase to 83.0% of the enlarged share capital of the Company. The capital commitment by the Investor is effectively S\$5 million for an 83.0% stake in the enlarged Company.

If the Company elects to redeem the CRPS

Under this scenario, the Investor will recoup its entire Additional Investment Amount and would have effectively acquired a 75% shareholding interest in the Company for a sum of only S\$500,000 via the subscription of the Subscription Shares. The Investor would, however, forego opportunity cost on the returns on the CRPS as the CRPS carry no entitlement to dividends or interests.

The Company has represented to us that it will elect to redeem the CRPS only if the Company has sufficient financial resources to do so and that the redemption of the CRPS is in the interests of the Company and its Shareholders. The nominated Directors of the Investor will also abstain from deliberating and making any recommendation on the decision for the Company to redeem the CRPS.

Following the above, if the Company chooses the redemption option, it would mean that the Company would have achieved a much stronger financial position 2 years from now and would have benefited from the Full Investment Amount from the Investor during this period.

Accordingly, the redemption of the CRPS by the Company, if undertaken, would not be prejudicial to the interests of the Company and its Shareholders, and the CRPS will not have a further dilution impact on the shareholding interest of existing Shareholders.

(iv) Rescue situation

As at 30 September 2021, the Group was in a net liability position of S\$2.4 million. The Group is presently facing going concern issues, trading on the Shares has been suspended and the Company is implementing its court-supervised Restructuring Exercise.

We understand from Management that, other than the Investor, the Company has not been able to secure additional financing after reaching out to other existing and potential lenders. In view of the Company's favourable discussion with the Investor and their aligned interest, the parties proceeded with the MOU on 30 April 2022 and the interest-free Emergency Funding of S\$450,000 from the Investor prior to the Implementation Agreement on 30 June 2022.

Hence, the Proposed Allotments are beneficial to the Company and are not prejudicial to the interests of the Company and Shareholders, although there will be significant dilution to the shareholding interests of all existing Shareholders.

The Proposed Allotments, which are part of the Proposed Transactions, are dependent on the successful implementation of the Scheme. If any of the Proposed Transactions are not approved by Shareholders at the EGM, and/or the Scheme and the Proposed Transactions are not successfully implemented by the Group to resuscitate and enable

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the Group to continue as a going concern, liquidation of the Company and the consequential delisting of the Company from the Catalist Board without an exit offer may be the eventual outcome. In which event, there is likely to be no residual value remaining for Shareholders.

The Scheme was approved by the Scheme Creditors on 11 October 2022 and sanctioned by the Singapore High Court on 28 October 2022.

The Proposed Transactions which are subject to Shareholders' approval at the EGM may therefore be seen as critical for the Company at this juncture.

7.3 Comparison with precedent rescue transactions

In our assessment of the terms of the Proposed Allotments, we have attempted to make a comparison against similar rescue transactions of SGX-ST listed companies which were announced and completed in the last 3 years up to the announcement of the Implementation Agreement on 1 July 2022 ("**Precedent Rescue Transactions**"). There are two broadly similar cases namely, Viking Offshore & Marine Limited ("**Viking O&M**") and Sen Yue Holdings Limited ("**Sen Yue**").

(a) Brief on the rescue transaction of Viking O&M

Viking O&M is a company listed on the Catalist Board of the SGX-ST. Viking O&M and its subsidiaries ("**Viking Group**") were engaged in the provision of offshore and marine system solutions to yards, vessels owners and oil majors, and the design, manufacture and installation of heating ventilation, air conditioning and refrigeration systems for offshore oil platforms in China and Southeast Asia. The Viking Group also provided asset chartering services.

The Viking Group was facing liquidity and solvency issues since 2018. The shares of Viking O&M were then suspended from trading on the SGX-ST on 14 June 2019. If the Viking Group was not able to successfully restructure its liabilities, the alternative for its creditors would be insolvent liquidation.

On 1 February 2021, Viking O&M announced a proposed rescue transaction. Details of the rescue transaction were disclosed in the circular to shareholders of Viking O&M dated 15 June 2021 which was approved by its shareholders on 30 June 2021. A brief of the proposed rescue transaction of Viking O&M is as follows:

- (i) the issue of placement shares in cash to two investors, who were deemed interested persons under the Catalist Rules, for a total of S\$2.0 million, representing 80.475% and 6.525% respectively of the enlarged share capital of Viking O&M. Accordingly, the number of placement shares and the issue price of the placement shares were determined in such a manner that will result in the investors holding 80.475% and 6.525% of the enlarged share capital of Viking O&M. In view of the above, Viking O&M had to obtain *inter alia* shareholders' approval for the placement shares as an interested person transaction. The investor, who will hold 80.475% of Viking O&M, also sought a whitewash waiver from the SIC as its subscription of the shares would have otherwise triggered a mandatory takeover obligation under the Code;
- (ii) upon completion of the placement shares, the investors were to extend to Viking O&M secured interest-free shareholder's loans totalling S\$1 million;
- (iii) the placement shares were to be issued after the completion of a proposed share consolidation of every 50 existing shares into one consolidated share;

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- (iv) the placement was to provide funds to Viking O&M to amongst others, facilitate the restructuring of its debts and liabilities as part of the scheme with a view to rehabilitating the financial health of the Viking Group;
- (v) the placement is an integral aspect of the scheme and if the placement was not approved by shareholders of Viking O&M, the scheme will not be effective, even though the scheme was approved by the scheme creditors on 13 April 2021 and sanctioned by the Singapore High Court on 28 May 2021. The entire proceeds from the placement and the shareholder's loans totalling S\$3 million were intended to be used to repay the debts owing to the scheme creditors; and
- (vi) Viking O&M obtained its shareholders' approval on *inter alia* the share consolidation, placement and the whitewash resolution at its EGM on 30 June 2021.

Viking O&M has changed its name to 9R Limited with effect from 15 July 2022 and the shares resumed trading on the Catalist Board on 23 August 2021.

(b) Brief on the rescue transaction of Sen Yue

Sen Yue is a company listed on the Catalist Board of the SGX-ST. Sen Yue and its subsidiaries ("**Sen Yue Group**") were principally engaged in e-waste management solutions, commodities trading and processing as well as the provision of surface coating and related services. The Sen Yue Group had planned to establish and operate a smelting facility with joint venture partners in October 2019. However, construction of the smelting facility had stopped since March 2021.

Sen Yue was facing liquidity and solvency issues and was placed under judicial management since 1 April 2021. Trading on the shares of Sen Yue was suspended since 4 May 2020.

On 4 April 2022, Sen Yue announced a proposed rescue transaction. Details of the rescue transaction were disclosed in the circular to shareholders of Sen Yue dated 6 July 2022, which was approved by its shareholders on 21 July 2022. A brief of the proposed rescue transaction of Sen Yue is as follows:

- (i) the issue of placement shares in cash to 3 investors for a total sum of S\$9,015,000, representing 69.6% of the enlarged share capital of Sen Yue. The 3 investors are existing shareholders of Sen Yue. In particular, one of the investors (who is the largest investor among the 3 investors) would subscribe for shares amounting to S\$7 million which will give it and its concert parties an aggregate shareholding interest of 54.27% of the enlarged share capital of Sen Yue, provided that that investor is allowed to subsequently sell up to 10% of its interest in Sen Yue. Accordingly, the investor sought a whitewash waiver from the SIC;
- (ii) the judicial managers are proposing a debt restructuring exercise to address the debts of the Sen Yue Group utilising 77.7% of the proceeds of the placement shares. The remaining 22.3% of the proceeds from the placement will be used as working capital for the Sen Yue Group to continue to operate as a going concern; and
- (iii) Sen Yue obtained its shareholders' approval at its EGM on 21 July 2022 for *inter alia* the issue of the placement shares and whitewash resolution for the investor who will become the controlling shareholder of Sen Yue.

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On 8 August 2022, Sen Yue announced the completion of the placement shares to the investor for the amount of S\$7 million. Completion of the remaining placement shares has been revised to a later long-stop date from 31 October 2022 to 31 December 2022. The shares of Sen Yue continue to be suspended as at the Latest Practicable Date. As part of Sen Yue's gradual progress towards normalcy, the judicial managers of Sen Yue were discharged on 17 August 2022.

Proposed Allotments in comparison with the Precedent Rescue Transactions

The Company is in a similar situation as Viking O&M and Sen Yue, and the terms of the Proposed Allotments are broadly similar to the Precedent Rescue Transactions as shown in the table below:

| | Precedent Rescue Transactions | | The Company |
|---|---|---|--|
| | Viking O&M | Sen Yue | |
| Trading suspension | From 14 June 2019 to 22 August 2021 | Since 4 May 2020 | Since 24 January 2022 |
| Had solvency issue | Yes | Yes | Yes |
| Had court-supervised restructuring exercise | Yes | Yes. Sen Yue was under judicial management until 17 August 2022 | Yes |
| Net asset value/net liability position | Net liability position of S\$22 million as at 31 March 2021 | Adjusted net asset value of S\$418,000 as at 30 September 2020 | Net liability position of S\$2.4 million as at 30 September 2021 |
| Total funds committed by investor(s) | S\$3.0 million | S\$9.02 million | S\$5.0 million |
| Total % shareholding interest acquired by investor(s) | 87% | 69.6% | 75% to 83% |

We wish to highlight that the Precedent Rescue Transactions set out above are by no means exhaustive and the information relating to the Precedent Rescue Transactions was compiled from publicly available information. In addition, the companies in the Precedent Rescue Transactions may not be directly comparable to the Company, in terms of business activities, scale of operations, market capitalisation, geographical spread, risk profile, accounting policies, financial performance, operating and financial leverage, track record and future prospects.

As such, any comparison made with respect to the Precedent Rescue Transactions is intended to serve as an illustrative guide only.

7.4 Proposed Whitewash Resolution and the dilution impact on Independent Shareholders

The Proposed Allotments will significantly dilute the existing shareholding interests of the Independent Shareholders.

The shareholding interests of the various parties before and after the completion of the Proposed Allotments are summarised in the table below:

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| | After the Proposed Share Consolidation but before Proposed Allotments | | After Proposed Subscription Shares Allotment but before Proposed Conversion Shares Allotment | | After Proposed Conversion Shares Allotment | |
|--|---|--------------|--|--------------|--|--------------|
| | No. of Consolidated Shares | % | No. of Consolidated Shares | % | No. of Consolidated Shares | % |
| <u>Existing Independent Shareholders</u> | | | | | | |
| – Mr Lim Yong Sim | 42,406,313 | 55.0 | 42,406,313 | 13.8 | 42,406,313 | 9.4 |
| – Mr Su Haijin | 15,413,082 | 20.0 | 15,413,082 | 5.0 | 15,413,082 | 3.4 |
| – Existing Public Shareholders | 19,246,017 | 25.0 | 19,246,017 | 6.2 | 19,246,017 | 4.2 |
| Existing Independent Shareholders | 77,065,412 | 100.0 | 77,065,412 | 25.0 | 77,065,412 | 17.0 |
| Investor | - | - | 231,200,000 | 75.0 | 376,200,000 | 83.0 |
| Total | 77,065,412 | 100.0 | 308,265,412 | 100.0 | 453,265,412 | 100.0 |

Our observations

- (a) Mr Lim Yong Sim is currently the major Shareholder with an aggregate of 55.0% shareholding interest in the Company as at the Latest Practicable Date;
- (b) With the completion of the Proposed Subscription Shares Allotment, the Investor will become the major Shareholder, with a 75.0% shareholding interest in the Company. Accordingly, existing Shareholders will have their shareholding interests diluted significantly as a whole from 100.0% to 25.0%.

Upon the conversion of the CRPS, the Investor will increase its shareholding interest to approximately 83.0% and consequently will further dilute the shareholding interests of all existing Independent Shareholders. Mr Lim Yong Sim will remain as a substantial Shareholder before and after the Proposed Conversion Shares Allotment.

The Proposed Allotments are crucial to the Group at this juncture as they play a critical part in the Restructuring Exercise to fund *inter alia* the repayment to the Scheme Creditors, the professional fees and expenses incurred or to be incurred in relation to the Scheme, provide working capital for the Group to continue as a going concern and support the Company in applying to the SGX-ST for a trading resumption of the Shares;

- (c) Each of the Proposed Transactions including the Scheme, the Proposed Allotments and the Proposed Whitewash Resolution is inter-conditional upon each other. If any of the Proposed Transactions is not approved by Shareholders at the EGM, none of the Proposed Transactions will proceed further.

In this regard, Mr Lim Yong Sim and GuGong, as Undertaking Shareholders, have given their respective undertakings to vote in favour of all the resolutions to be tabled at the EGM;

- (d) Independent Shareholders should note that the Proposed Whitewash Resolution if approved at the forthcoming EGM, will waive the requirement of the Investor from making a general offer for all the remaining Shares at the highest price paid or agreed to be paid by the Investor and its concert parties for the Shares in the last six months preceding the commencement of the offer;

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- (e) Independent Shareholders should also note that the Proposed Subscription Shares Allotment will result in the Investor holding over 49% of the enlarged issued share capital of the Company, and the Investor and its concert parties can thereafter be free to acquire further Shares, including the Conversion Shares arising from the Proposed Conversion Shares Allotment, without incurring any general offer obligations.

In this regard, we note that the Conversion Period of the CRPS is 2 years, and upon the expiry of the Conversion Period, the CRPS (in full) will either be converted into Conversion Shares or redeemed in cash; and

- (f) To rely on the Proposed Whitewash Resolution, Independent Shareholders' approval for the Proposed Whitewash Resolution must be obtained by 31 December 2022 as granted by the SIC in the SIC Extension Letter dated 1 November 2022 and the acquisition of the Subscription Shares by the Investor must be completed within 3 months of the approval of the Proposed Whitewash Resolution.

7.5 Financial effects of the Proposed Allotments on the Group

Details on the financial effects of the Proposed Transactions on the Group are set out in Section 7 of the Circular based on the Group's annual report for FY2021 and certain assumptions.

The financial effects are for illustrative purposes only and do not purport to be indicative or reflective of the actual future financial situation of the Group after the completion of the Proposed Transactions. The financial effects are also prepared without the assumption of potential expenses to be incurred in connection with the Proposed Transactions which are not expected to be material.

- (a) Share capital of the Company

As at 30 September 2021, the issued share capital of the Company was S\$25.2 million comprising 462,392,475 Shares. After the Proposed Share Consolidation on the basis of 6:1, there would be 77,065,412 Consolidated Shares.

The Proposed Subscription Shares Allotment will result in an increase in the share capital by S\$500,000 to S\$26.7 million and an issue of 231,200,000 Subscription Shares. Upon the issuance of 145 million Conversion Shares under the Proposed Conversion Shares Allotment, the share capital of the Company will increase further by S\$4.5 million to S\$31.2 million and the Company will have an enlarged issued share capital comprising 453,265,412 Consolidated Shares.

However, despite the paid-up share capital of S\$25.2 million as at 30 September 2021, the Group also has significant accumulated losses and negative reserves totalling S\$26.8 million, which had resulted in the negative equity of the Group of S\$2.4 million as at 30 September 2021. Overall, the Proposed Allotments would substantially alleviate the equity position of the Group by S\$5 million, turning around a negative equity position to a positive one.

- (b) Net tangible asset ("NTA") of the Group

As at 30 September 2021, the Group is in a net liability position of S\$2.4 million.

With the completion of the Scheme and the Proposed Allotments, the Group's NTA and NTA per Share will be significantly improved.

(c) Loss per Share

The Group had incurred losses for FY2021.

The number of Shares before and after the Proposed Transactions (including the Proposed Share Consolidation) do not change significantly. As a result, the effect of the Proposed Transactions on the loss per share basis is not material.

The Company expects the Proposed Allotments to have a positive impact on the future earnings of the Group. However, this will depend on the deployment of the proceeds of the Proposed Allotments and the future earnings or improvement in earnings of the Group. This is not determinable presently.

7.6 Minimum public float requirements

As shown in the table in Section 7.4 of this Letter, the shareholding interest of Shares held by existing public shareholders will be diluted from 25.0% to 6.2% immediately after the Proposed Subscription Shares Allotment and further diluted to 4.2% after the Proposed Conversion Shares Allotment.

Mr Su Haijin (the second largest Shareholder of the Company with 20% shareholding interest as at the Latest Practicable Date) will be diluted to 5.0% after the Proposed Subscription Shares Allotment and will cease to be a substantial Shareholder when his shareholding interest becomes diluted to 3.4% after the Proposed Conversion Shares Allotment. Mr Su Haijin would be considered as a public shareholder when he ceased to be a substantial shareholder.

Accordingly, following the Proposed Subscription Shares, the Company's shares deemed held in the hands of the public may fall below the minimum public float requirement of 10%. Under Catalist Rule 723, the Company must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public.

As a condition to the Proposed Allotments, the Company is required to obtain approval for the resumption of trading of the Shares on the SGX-ST. The Company will therefore submit a Resumption Proposal to the SGX-ST to lift the Trading Suspension and to complete the Proposed Transactions as soon as possible. In this regard, the Company will have to take the necessary steps to comply with the above Catalist Rule.

8. OUR OPINION

In arriving at our opinion in respect of the Proposed Allotments as IPTs and the Proposed Whitewash Resolution, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (i) rationale for the Proposed Allotments;
- (ii) assessment of the terms of the Proposed Allotments;
- (iii) comparison with precedent rescue transactions;
- (iv) the Proposed Whitewash Resolution and the dilution impact on Independent Shareholders;

APPENDIX A – IFA LETTER

- (v) financial effects of the Proposed Allotments on the Group; and
- (vi) minimum public float requirements.

Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that the Proposed Allotments as IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

In addition, we are of the view that the terms of the Proposed Allotments, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Allotments, is not prejudicial to the interest of the Independent Shareholders.

Our opinion in relation to the Proposed Allotments as IPTs and the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.

Our opinion, as disclosed in this Letter, is based on publicly available information as well as information provided by the Directors and Management, and does not reflect any projections of future financial performance of the Company and/or the Group after the completion of the Proposed Allotments and the Proposed Transactions. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Allotments as IPTs and the Proposed Whitewash Resolution.

Our opinion is required under Rule 921(4)(a) of the Listing Manual as well as addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Proposed Allotments as IPTs and the Proposed Whitewash Resolution. The recommendation to be made by the Independent Directors to the Minority Shareholders/Independent Shareholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than for the purposes of the Proposed Allotments as IPTs and the Proposed Whitewash Resolution and the EGM, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

APPENDIX B – EFFECTS ON SHAREHOLDING

Subject to Shareholders' approval for the Proposed Transactions having been obtained at the EGM, the Company will proceed to first complete the Proposed Share Consolidation, and then followed by the issuance and allotment of the Subscription Shares and the CRPS. The CRPS have not been included in the shareholding table below as they do not carry voting rights prior to conversion. No Scheme Shares will be issued to the Scheme Creditors pursuant to the Scheme as none of the Scheme Creditors have elected to receive Scheme Shares under the Scheme.

| | No. of Shares held by Controlling Shareholders ⁽¹⁾ | Shareholding Percentage | No. of Shares held by Investor ⁽²⁾ | Shareholding Percentage | No. of Shares held by the Public Float | Shareholding Percentage |
|---|--|----------------------------|--|----------------------------|---|----------------------------|
| Prior to the completion of the Scheme, the Proposed Share Consolidation and the issuance of the Subscription Shares | 254,437,880 | 55.03% ⁽³⁾ | – | – | 207,954,595 | 44.97% ⁽³⁾⁽⁷⁾ |
| After the completion of the Proposed Share Consolidation | 42,406,313 | 55.03% ⁽⁴⁾ | – | – | 34,659,099 | 44.97% ⁽⁴⁾⁽⁷⁾ |
| After the issuance of the Subscription Shares | 42,406,313 | 13.76% ⁽⁵⁾ | 231,200,000 | 75% ⁽⁵⁾ | 34,659,099 | 11.24% ⁽⁵⁾⁽⁷⁾ |
| After conversion of CRPS into Conversion Shares ⁽⁷⁾ | 42,406,313 | 9.35% ⁽⁶⁾ | 376,200,000 | 82.00% ⁽⁶⁾ | 34,659,099 | 7.65% ⁽⁶⁾⁽⁷⁾ |

Notes

- (1) As of the Latest Practicable Date, the Controlling Shareholders of the Company are Lim Yong Sim and GuGong Pte. Ltd., who collectively hold 254,437,880 Shares, representing 55.03% of the total enlarged issued and paid-up share capital of the Company.
- (2) The Investor will additionally hold 145,000,000 CRPS. The CRPS have not been included in the shareholding table above or the calculation of the issued share capital of the Company as they do not carry voting rights prior to conversion.
- (3) Based on the issued share capital of the Company of 462,392,475 Shares (excluding treasury shares) as of the Latest Practicable Date (prior to the Proposed Share Consolidation and the allotment and issuance of the Subscription Shares).
- (4) Based on the issued share capital of the Company of 77,065,412 Shares (excluding treasury shares) assuming that the Proposed Share Consolidation has been completed (but prior to the allotment and issuance of the Subscription Shares).
- (5) Based on the issued share capital of the Company of 308,265,412 Shares (excluding treasury shares) assuming that the Proposed Share Consolidation has been completed and 231,200,000 Subscription Shares having been allotted and issued to the Investor thereafter (but excluding the allotment and issuance of the CRPS which do not carry voting rights).
- (6) Based on the issued share capital of the Company of 453,265,412 (excluding treasury shares) assuming that the Proposed Share Consolidation has been completed, 231,200,000 Subscription Shares having been allotted and issued to the Investor and 145,000,000 Conversion Shares having been allotted and issued to the Investor (pursuant to the full conversion of all 145,000,000 CRPS) thereafter.
Assuming the full conversion of all CRPS into 145,000,000 Conversion Shares.
- (7) Su Haijin (the second largest Shareholder of the Company prior to Completion with 20% shareholding interest as at the Latest Practicable Date) will be diluted to 5.0% after the Proposed Subscription Shares Allotment and will cease to be a substantial Shareholder when his shareholding interest becomes diluted to 3.4% after the Proposed Conversion Shares Allotment. Su Haijin would be considered as a public shareholder once he ceases to be a substantial Shareholder.

APPENDIX C – THE PROPOSED AMENDMENTS TO THE CONSTITUTION

The proposed form of the Proposed Amendments to the Constitution, subject to Shareholders passing the Special Resolution to approve the Proposed Amendments to the Constitution Amendments, is as follows:

(a) A new **Article 11A** of the Constitution shall be inserted directly below Article 11 of the Constitution:

“11A. Allotment and Issuance of Convertible Redeemable Preference Shares

For the purposes of this Constitution, “**Convertible Redeemable Preference Shares**” means the fully paid-up convertible redeemable preference shares in the issued capital of the Company carrying the rights, entitlements and powers set out in this Article 11B below.

Without prejudice to the generality of the provisions of Article 11, the Directors may allot and issue Convertible Redeemable Preference Shares to such persons on such terms and conditions and at such time as the Company in general meeting may approve, such Convertible Redeemable Preference Shares to be allotted and issued subject to, *inter alia*, the provisions of Article 11B.”

(b) A new **Article 11B** of the Constitution shall be inserted directly below the new Article 11A of the Constitution:

“11B. Terms and Conditions of the Convertible Redeemable Preference Shares

- (i) **Voting Rights.** The Convertible Redeemable Preference Shares shall not be entitled to any voting rights.
- (ii) **Listing Status.** The Convertible Redeemable Preference Shares shall not be listed on any stock exchange.
- (iii) **Transferability.** The Convertible Redeemable Preference Shares shall not be transferable.
- (iv) **Liquidation Preference.** Upon the liquidation of the Company, all holders of shares and Convertible Redeemable Preference Shares shall be entitled to participate *pro rata* in the residual assets and funds of the Company on an asconverted basis, subject to applicable laws and regulations.
- (v) **Dividend Rights.** The holders of Convertible Redeemable Preference Shares shall not be entitled to dividend payments on their Convertible Redeemable Preference Shares.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Unless otherwise defined or the context otherwise requires, all capitalized terms herein shall bear the same meaning as used in the circular dated 8 November 2022 issued by the Company (the “**Circular**”).

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of No Signboard Holdings Ltd. (the “**Company**”) will be held on Wednesday 30 November 2022 at 10 a.m. by way of electronic means for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED SHARE CONSOLIDATION

That, subject to and contingent upon the passing of Ordinary Resolutions 2, 3, 4 and 5 and Special Resolution, with effect from the date to be determined by the Directors of the Company and pursuant to the Constitution of the Company, approval be and is hereby given:

- (a) for the proposed consolidation of every six (6) Existing Shares held by shareholders of the Company as at a record date to be determined by the Directors (the “**Record Date**”), into one (1) Consolidated Share in the manner set out in the circular to shareholders of the Company;
- (b) any fractions of Consolidated Shares arising from the Proposed Share Consolidation shall be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the Net Proceeds for the benefit of the Company;
- (c) the Directors and each of them be and are hereby authorised to fix the Record Date and the date on which the Consolidated Shares will trade on the Catalist of the SGX-ST in board lots of one hundred (100) Consolidated Shares in their absolute discretion as they deem fit; and
- (d) the Directors and each of them be and are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions contemplated in this resolution or in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 2: THE PROPOSED SUBSCRIPTION SHARES ALLOTMENT

That, subject to and contingent upon the passing of Ordinary Resolutions 1, 3, 4 and 5 and the Special Resolution:

- (a) pursuant to Section 161 of the Companies Act and Rules 804, 805(1) and 812(2), of the Catalist Rules, and in consideration of the Subscription Amount of S\$500,000, approval be and is hereby given to the Directors to allot and issue such Subscription Shares to the Investor, representing 75% of the enlarged issued and paid-up share capital of the Company on the Fully Diluted Basis upon the completion of the Proposed Share Subscription Shares Allotment, at the Issue Price, on and subject to the terms and conditions of the Implementation Agreement;
- (b) pursuant to Rule 906(1)(a) of the Catalist Rules, approval be and is hereby given for the allotment and issuance of the Subscription Shares to the Investor pursuant to the Proposed Share Subscription Shares Allotment as an Interested Person Transaction; and
- (c) the Directors and each of them be and are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions

NOTICE OF EXTRAORDINARY GENERAL MEETING

contemplated in this resolution or in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 3: THE PROPOSED CRPS ALLOTMENT AND THE PROPOSED CONVERSION SHARES ALLOTMENT

That, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 4 and 5 and the Special Resolution:

- (a) pursuant to Section 161 of the Companies Act and Rules 804, 805(1) and 812(2), of the Catalist Rules, and in consideration of the Additional Investment Amount, approval be and is hereby given to the Directors to allot and issue such CRPS to be allotted and issued to the Investor at the CRPS Issue Price on and subject to the terms and conditions of the Implementation Agreement;
- (b) pursuant to Rule 906(1)(a) of the Catalist Rules, approval be and is hereby given for the allotment and issuance of the CRPS to the Investor pursuant to the Proposed CRPS Allotment as an Interested Person Transaction; and
- (c) the Directors and each of them be and are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions contemplated in this resolution or in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 4: THE PROPOSED TRANSFER OF CONTROLLING INTEREST

That, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 3 and 5 and the Special Resolution:

- (a) pursuant to Rule 803 of the Catalist Rules, approval be and is hereby given for the Proposed Transfer of Controlling Interest to the Investor upon the completion of the Proposed Subscription Shares Allotment; and
- (b) the Directors and each of them be and are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions contemplated in this resolution or in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 5: THE PROPOSED WHITEWASH RESOLUTION

That, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 3 and 4 and the Special Resolution and the conditions in the Whitewash Waiver dated 26 July 2022 being fulfilled, the Independent Shareholders, do hereby, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the Investor in accordance with Rule 14 of the Code, for all the issued Shares in the capital of the Company, as a result of the allotment and issue of the Subscription Shares, representing 75% of the enlarged issued and paid-up share capital of the Company on the Fully Diluted Basis upon the allotment and issuance of the Subscription Shares to the Investor pursuant to the Proposed Subscription Shares Allotment.

SPECIAL RESOLUTION: THE PROPOSED AMENDMENTS TO THE CONSTITUTION

That, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 3, 4 and 5, with effect from the date of completion of the Proposed Subscription Shares Allotment or such other date to be determined by the Directors of the Company, approval be and is hereby given to:

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (a) amend the Constitution with the Proposed Amendments to the Constitution in the manner set out in Appendix C of the Circular; and
- (b) the Directors and each of them be and are hereby authorised to complete, take such steps and to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the transactions contemplated in this resolution or in the interests of the Company, including without limitation, to negotiate, sign, execute and deliver all documents (if required), and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

SHAREHOLDERS SHOULD NOTE THAT ORDINARY RESOLUTION 1, ORDINARY RESOLUTION 2, ORDINARY RESOLUTION 3, ORDINARY RESOLUTION 4, ORDINARY RESOLUTION 5 AND THE SPECIAL RESOLUTION ARE INTER-CONDITIONAL. IN THE EVENT THAT ANY ONE OF THE FOREGOING RESOLUTIONS IS NOT PASSED, THE OTHER RESOLUTIONS WILL ALSO NOT BE PASSED.

By Order of the Board
NO SIGNBOARD HOLDINGS LTD.

Lim Yong Sim
Executive Chairman and Chief Executive Officer

Singapore
8 November 2022

Notes:

General

1. Pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the EGM is being convened, and will be held, by electronic means and shareholders will not be allowed to attend the EGM in person. However, the alternative arrangement has been provided to allow the shareholders to participate and vote at the EGM via electronic means. The Company may be required to change its EGM arrangements at short notice. Shareholders should check the Company's announcements on SGXNet for the latest updates on the status of the EGM, if any.
2. Printed copies of this Notice will not be sent to shareholders. Instead, this Notice will be sent to members by electronic means via publication on the Company's corporate website at the URL <http://www.nosignboardholdings.com/> and the following website that is set up for the purposes of the EGM at the URL: <https://conveneagm.com/sg/nosignboardEGM>. This Notice will also be made available on the SGXNET website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Alternative arrangements are instead put in place to allow shareholders to participate in the EGM by:
 - (a) attending, asking questions and communicating via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in Note 4 below;
 - (b) submission of questions in advance of or "live" at the EGM. Please refer to Notes 8 to 10 below for further details; and
 - (c) voting by proxy at the EGM or by voting 'live' if attending the EGM by electronic means. Please refer to Notes 11 to 17 below for further details.

Participation in the EGM via live webcast or live audio feed

4. A shareholder of the Company or their corporate representatives (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the EGM through a "live" webcast via mobile phone, tablet or computer ("**Live Webcast**"). Shareholders will also be able to ask questions and communicate 'live'. In order to do so, the member must pre-register by 10.00 a.m. on 27 November 2022 ("**Registration Deadline**"), at the following URL: <https://conveneagm.com/sg/nosignboardEGM> ("**NSB EGM Website**"), to create an account. Corporate shareholders must also submit the Corporate Representative Certificate to shareregistry@incorp.asia, in addition to the registration procedures as set out above, by the Registration Deadline, for verification purpose.
5. Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email on their authentication status and will be able to access the Live Webcast using the account created.
6. Shareholders who have registered by the Registration Deadline in accordance with paragraph 4 above but do not receive an email response by 12:00 p.m. on 29 November 2022 may contact the Company for assistance at the following email address: support@conveneagm.com, with the following details included: (1) the member's full name; and (2) his/her/its identification/ registration number.

Submission of questions in advance of or "live" at the EGM

7. Non-SRS holders whose shares are registered under Depository Agents ("DAs") must also contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the EGM proceeding.
8. A shareholder of the Company may also submit questions relating to the resolutions to be tabled for approval at the EGM or the Company's businesses and operations in advance of, or "live" at, the EGM. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received no later than 5.00 p.m. on 15 November 2022, by posting its responses via SGXNET and the Company's website by 10.00 a.m. on 24 November 2022 or "live" at the EGM for the relevant questions received during the EGM. The Company will publish the minutes of the EGM on SGXNET and the Company's website within one month after the date of EGM and the minutes will include the responses to the questions referred to above.
9. To do so, all questions must be submitted no later than 5.00 p.m. on 15 November 2022 through any one of the following means:
 - (a) via the NSB EGM Website;
 - (b) in physical copy by depositing the same at the registered office of the Company at 10 Ubi Crescent #03-02 Ubi Techpark, Singapore 408564; or
 - (c) by email to IR@nosignboardseafood.com.

If the questions are deposited in physical copy at the registered office of the Company or sent via email, and in either case not accompanied by the completed and executed Proxy Form (as defined below), the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/ registration number for verification purposes, failing which the submission will be treated as invalid.

How to submit questions "live" at the EGM

10. Shareholders and Investors may submit textual questions "live" at the EGM in the following manner:
 - (a) Shareholders or where applicable, their appointed proxy(ies) and Investors who have preregistered and are verified to attend the EGM can ask questions relating to the resolutions tabled for approval at the EGM "live" at the EGM, by typing in and submitting their questions through the "live" ask-a-question function via the audio-visual webcast platform during the EGM within a certain prescribed time limit.
 - (b) Shareholders who wish to appoint a proxy(ies) (other than the Chairman of the EGM) to ask questions "live" at the EGM on their behalf must, in addition to completing and submitting an instrument appointing a proxy(ies), ensure that their proxy(ies) pre-register separately via the registration link that will be sent to the appointed proxy(ies) via email by the EGM service provider, Convene SG, upon verification of the Proxy Form(s).
 - (c) Shareholders (including SRS Investors) or, where applicable, their appointed proxy(ies) must access the EGM proceedings via the "live" audio-visual webcast in order to ask questions "live" at the EGM, and will not be able to do so via the audio-only stream of the EGM proceedings.
 - (d) The Company will, during the EGM itself, address as many substantial and relevant questions (which are related to the resolutions to be tabled for approval at the EGM) which have not already been addressed prior to the EGM, as well as those received "live" at the EGM itself, as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

Live Voting

11. Shareholders or their duly appointed proxy(ies) (other than the Chairman of the Meeting) attending the EGM by electronic means will be able to participate by voting "live" at the EGM.

Submission of Instrument appointing a proxy(ies) to vote, or vote "live", at the EGM

12. Shareholders who wish to exercise their voting rights at the EGM may:
 - (a) (where such shareholders are individuals) vote "live" via electronic means at the EGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the EGM)[#] to vote "live" via electronic means at the EGM on their behalf. For the avoidance of doubt, SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the EGM) to vote "live" at the EGM on their behalf; or
 - (b) (where such shareholders are individuals or corporates) appoint the Chairman of the EGM as their proxy to vote on their behalf at the EGM.
 - i. Shareholders (including SRS investors) and, where applicable, appointed proxy(ies), who wish to vote "live" at the EGM must first pre-register at the NSB EGM Website via the URL: <https://conveneagm.com/sg/nosignboardEGM>.
 - ii. Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment for that resolution will be treated as invalid.
13. A member who is not a Relevant Intermediary, entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend, speak and vote in his/ her stead at the EGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company. The accompanying proxy form for the EGM may be accessed via the NSB EGM Website, the Company's corporate website at the URL: <http://www.nosignboardholdings.com/home.html>, and will also be made available on the SGXNET website at the URL <https://www.sgx.com/securities/companyannouncements>.
14. A member who is a relevant intermediary may appoint one or more proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

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15. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
- (a) in the electronic format accessible on the NSB EGM Website;
 - (b) if submitted by post, be lodged at the office of the Company's Share Registrar at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (c) if submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia.
- in either case by no later than the Registration Cut-Off Time.
- In the case of submission of the Proxy Form other than via the NSB EGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
- Members are strongly encouraged to submit completed proxy forms electronically either through the NSB EGM Website or via email to the Company's Share Registrar.
16. In the case of submission of the Proxy Form other than via the NSB EGM Website, the instrument appointing a proxy or proxies must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.
17. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") and wishes to vote, should approach their respective SRS Operators to submit their votes to appoint the Chairman of the Meeting as their proxy, at least 7 working days before the EGM.
18. A Depositor's name must appear on the Depository Register maintained by The Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.
19. "Relevant Intermediary" means
- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
20. By pre-registering for the Live Webcast, submitting a Proxy Form appointing the proxy(ies) and/or representative(s) to vote at the EGM and/or any adjournment thereof, and/ or submitting questions relating to the resolutions to be tabled for approval at the EGM or the Company's businesses and operations, a member of the Company
- (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
 - (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
 - (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

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

EXTRAORDINARY GENERAL MEETING

IMPORTANT:
A member will not be able to attend the Extraordinary General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it may :
(a) (where the member is an individual) vote "live" via electronic means at the Extraordinary General Meeting, or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Extraordinary General Meeting) to vote "live" via electronic means at the Extraordinary General Meeting on his/her/its behalf; or
(b) (where the member is an individual or a corporate) appoint the Chairman of the Extraordinary General Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting. In appointing the Chairman as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.

This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 21 November 2022.

I/We*, _____ (Name) NRIC/Passport No./Co. Registration No.* _____

of _____ (Address)

being a member/members* of No Signboard Holdings Ltd. (the "Company") hereby appoint:

| Name | Email Address [^] | NRIC/Passport No. | Proportion of Shareholdings | |
|---------|----------------------------|-------------------|-----------------------------|-----|
| | | | No. of Shares | (%) |
| Address | | | | |

and/or (delete as appropriate)

| Name | Email Address [^] | NRIC/Passport No. | Proportion of Shareholdings | |
|---------|----------------------------|-------------------|-----------------------------|-----|
| | | | No. of Shares | (%) |
| Address | | | | |

[^] Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website which is accessible from the URL: <https://conveneagm.com/sg/nosignboardEGM> in order to access the "live" audio-visual webcast or "live" audio-only stream of the Extraordinary General Meeting proceedings.

the Chairman of the Extraordinary General Meeting ("EGM") of the Company, as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf and at the EGM of the Company to be held on 30 November 2022 at 10.00 a.m. and at any adjournment thereof.

I/We* direct my/our proxy/proxies* to vote for or against, or abstain from voting on the Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

| | For** | Against** | Abstain** |
|---|-------|-----------|-----------|
| Ordinary Resolution 1 To approve the Proposed Share Consolidation | | | |
| Ordinary Resolution 2 To approve the Proposed Subscription Shares Allotment | | | |
| Ordinary Resolution 3 To approve the Proposed CRPS Allotment and the Proposed Conversion Shares Allotment | | | |
| Ordinary Resolution 4 To approve the Proposed Transfer of Controlling Interest | | | |
| Ordinary Resolution 5 To approve the Proposed Whitewash Resolution | | | |
| Special Resolution To approve the Proposed Amendments to the Constitution | | | |

* Delete where inapplicable.

** If you wish to exercise all your votes "For", "Against" or "Abstain" the resolution, please insert [√] within the relevant box provided. Alternatively, please indicate the number of Shares as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2022.

Signature(s) of Member(s) or, Common Seal of Corporate Shareholder

| Total Number of Shares held | |
|-----------------------------|--|
| CDP Register | |
| Register of Members | |

PROXY FORM

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. A member will not be able to attend the EGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it may:
 - (a) (where the member is an individual) vote "live" via electronic means at the EGM or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the EGM)* to vote "live" via electronic means at the EGM on his/her/its behalf; or

For the avoidance of doubt, SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the EGM) to vote "live" at the EGM on their behalf.
 - (b) (where the member is an individual or corporate) appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

3. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his stead at the EGM. Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
4. A member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" shall have the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
5. A proxy need not be a member of the Company.
6. Subject to paragraph (7) below, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
7. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes at least 7 working days before the EGM, i.e. by 10.00 a.m. on 21 November 2022.
8. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) in the electronic format accessible on <https://conveneagm.com/sg/nosignboardEGM> ("NSB EGM Website");
 - (b) if submitted by post, be lodged at the office of the Company's Share Registrar at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or
 - (c) if submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia.

in either case by no later than 10.00 a.m. on 27 November 2022, being 72 hours before the time appointed for the EGM.

In the case of submission of the Proxy Form other than via the NSB EGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Members are strongly encouraged to submit completed Proxy Forms electronically either through the NSB EGM Website or via email to the Company's Share Registrar.

9. The instrument appointing a proxy(ies) must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of its authorised officer(s) or its attorney duly authorised. Where the instrument appointing a proxy(ies) is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
10. Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manners:
 - (a) by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
11. The Company shall be entitled to reject the Proxy Form if it is incomplete or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the EGM as proxy). In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.