nosignboard 無招牌
HOLDINGS LTD.

DIFFERENT DELICACIES FOR DIFFERENT OCCASIONS

ANNUAL REPORT 2020

CORPORATE PROFILE

nosignboard 無招牌 HOLDINGS LTD.

Established in 1981, No Signboard Holdings Ltd. is a leading lifestyle F&B player in Singapore. The Group operates a chain of restaurants under different F&B brands and concepts, namely No Signboard Seafood, Hawker Asian Burger & Buns, Little Sheep Hot Pot and Mom's Touch Korean Chicken & Burger. The Group also owns a beer business which distributes beer brand Draft Denmark in Singapore.

Backed by a track record of over 30 years of quality cuisine and customer focused service, the No Signboard Seafood brand of premium seafood restaurants is one of the leading seafood restaurant chains in Singapore. It is also widely known for its signature White Pepper Crab dish created by its founder Mdm Ong Kim Hoi, which remains as one of its bestselling dishes till today.

In 2018, the Group embarked on a journey to diversify its Restaurant Business by moving into quick service (fast food) restaurants ("QSR") – Korean fried chicken gourmet – Mom's Touch and hot pot restaurants – Little Sheep Hotpot. With a "customer-at-heart" approach, the diversification strategy aims to build up the Group's restaurant portfolio by offering a wider range of consumers with a variety of cuisines to pamper their palates.

A testament to its strong branding, the Group has received numerous 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 successfully listed on the Catalist of the "SGX-ST" on 30 November 2017. For more information, please visit www.nosignboardholdings.com

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CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of No Signboard Holdings Ltd. ("**No Signboard**", "**NSB**" or together with its subsidiaries, the "**Group**"), I would like to present our Annual Report for the financial year ended 30 September 2020 ("**FY2020**").

The year 2020 had been one of the toughest and most challenging year in the history of Singapore by far. The global onset of the coronavirus ("COVID-19") pandemic tested the ability of all members of the business communities to undergo significant adaptations, especially for businesses operating in the Food and Beverage ("F&B") industry. Since the beginning of 2020, the operating environment of the F&B industry remained challenging due to travel restrictions imposed on incoming tourists to Singapore and the elevated safe distancing restrictions mandated by the Singapore Government.

As a preventive measure in response to the spread of COVID-19 in Singapore, the Government established circuit breaker rules on 7 April 2020. These rules included the closure of entertainment venues, malls, retail establishments and tourist attractions, aimed to reduce their respective crowd density in order to remain open while ensuring safety measures were in place. All food establishments were only allowed to offer take-away, drive-thru and delivery of food. Travel bans and restrictions worldwide also further impacted the tourism and F&B industry in Singapore.

Subsequently, three phases of planned reopening were announced on 19 May 2020, namely "Safe Reopening" ("Phase 1"), "Safe Transition" ("Phase 2") and finally "Safe Nation" ("Phase 3"). The latest phase, Phase 3, will last until an effective treatment or vaccine is found to stop the spread of COVID-19, which was approved in December 2020. Phase 1 started on 2 June 2020, while Phase 2 started on 19 June 2020, Phase 3 started on 28 December 2020 with pre-conditions such as the use of 'Trace Together' app, compliance with safe management measures ("SMMs"), and adequate testing capacity.

During Phases 1 and 2, depending on venue capacity and safe distancing measures in place, each dine-in group must be limited to 5 or fewer persons, with at least one-metre spacing between groups. Recently, these measures had been relaxed in Phase 3 to increase the seating capacity to 8 or fewer persons with the same safety distancing rule. For malls, the capacity limit will be increased from 10 square metres per person to eight square metres per person.

Clubbing and karaoke singing under the Government's proposed nightlife pilot programme will be open only to local residents and those with work passes, who must show proof of having taken a COVID-19 test in the last 24 hours before they can enter a joint. There were also further restrictions and guidelines that may be challenging for such establishments under this pilot program to manage and execute well. However, alcohol sales and consumption will still continue to cease at 2230 hours at all restaurants or eateries with alcohol license and night entertainment establishments.

SUSTAINING CORE STRENGTHS

The focus in year 2020 had been one of sustaining our core strengths so as to ensure our Group can seize the opportunities once things gradually resume to pre-COVID 19 conditions – when our borders are opened to tourists and operating restrictions are lifted to maximize our seating capacities in all our restaurants. Without doubt, our operations have been heavily impacted by these conditions as most of our restaurants are located in shopping malls across Singapore and our Draft Denmark beer were mainly distributed in night entertainment venues initially.

Nonetheless, we pressed on as a Group. To remain competitive in the F&B industry, we innovated new menus, focused on food delivery partnerships and expanded our digital marketing, while adhering strictly to circuit breaker rules and guidelines.

In order to protect our customers and comply with safety measures, we stipulated temperature checking, providing information with contact tracing QR codes, allocating an extra person-in-charge per restaurant to ensure all check-ins are recorded, restrict seating arrangements and ensure dining tables are spaced apart according to safe distancing measure.

We took this opportunity during the circuit breaker, to create exciting new menus, such as bento boxes from our seafood restaurant business, home delivery-friendly hotpot sets from our Little Sheep Hotpot restaurants and onboard our business to delivery platforms such as GrabFood, Food Panda and Deliveroo to cater to the convenience and to reach out to our customers. In addition, our marketing efforts have expanded on digital social media platforms such as Facebook and Instagram, on top of our existing website so that our customers are updated on the latest promotions.

From the onset of the pandemic, our focus is to concurrently keep our employees safe whilst remain fully operational. We had arrangements in place to allow our back-office staff to work from home. Our frontline restaurant staff, especially those hired in food preparation had to be registered on Government sites and go through rigorous temperature checks whilst practicing the highest standards of hygiene and sanitization process. We are proud to share that we had zero incidents of COVID-19 cases that originate from our staff or customers at our respective restaurants from our staff or our customers up till 31 December 2020.

KEY MILESTONES IN 2020

Prior to the implementation of the circuit breaker rules in the first quarter of FY2020 ("1Q2020"), our seafood restaurant outlet at Esplanade was temporary closed for approximately 2 months to carry out major renovation works. Today our newly renovated Esplanade outlet has a refreshing new diners' experience with an interesting fusion menu inspired by popular Chinese and Western cuisines while introducing a brand-new dining ambience and concept, improving the presentation of its signature dishes and existing menu via stylish plating upon serving. No Signboard has always stayed true to our traditions and preserving our core values while engaging a customer-oriented approach to pursue culinary excellence.

In support of the frontline workers combating the COVID-19 pandemic in Singapore in March & April 2020, our seafood restaurant outlet in Vivocity donated more than 4,500 meal bentos to the frontline workers at numerous Polyclinics & Singapore General Hospital. Our chefs at our Vivocity outlet have put in their dedication to design and cook a sumptuous bento to thank the frontline workers for their bravery and contributions to our society. Even our founders and backroom staff were also involved in packing the bentos for delivery & words of encouragement were pasted on the boxes.

Despite these positive developments, we had to take difficult decisions in 2020. It is with a heavy heart that the Group had to shut down our seafood restaurant outlet at Clark Quay Central from April 2020 onwards in an effort to manage costs and improve overall operational efficiency.

As we complete another year as a public listed company on the Catalist board of the Singapore Stock Exchange ("SGX") since our listing on 30 November 2017, we have transformed and diversified our business outside of our traditional seafood restaurant business in Singapore.

In October 2019, we entered into China's growing and affluent consumer market with our NSB Kitchen concept in Shanghai. We continued to house popular overseas brands; Little Sheep Hotpot restaurants and Mom's Touch Chicken and Burger restaurants in Singapore. Despite the COVID-19 pandemic, our Group continues to harbour ambitions to grow both restaurant chains.

CHAIRMAN'S STATEMENT

OUTLOOK FOR THE GROUP

Despite a COVID-19 ravaged year, the Department of Singapore Department of Statistics reported on 5 January 2021 ("SDS Report") that total retail sales dipped only 1.9% in November 2020 on a year-on-year basis.[1] However, the smaller year-on-year decline in retail sales was mainly aided by multiple sales events such as Singles' Day (11.11) and Black Friday as well as from new mobile phone launches.

As of November 2020, total F&B sales declined by 22.5% to approximately S$705 million on a year-on-year basis, of which online F&B sales contributed estimated 19.3% of the figure.[1] Online F&B sales registered an average monthly rate of 23.2% (SS$149.3 million) from January to November 2020, as compared to an average monthly rate of 8.7% (S$77.3 million) from January to November 2019.

F&B sales generated by restaurants fell 25.3% year-on-year while F&B sales generated by fast food outlets only decreased by 3.2% year-on-year.[1] The value of F&B sales eroded by 26.5% generating an average monthly value of S$643.7 million from January to November 2020 versus an average monthly value of S$888 million from January to November 2019.[2]

These figures have encouraged us to channel our efforts towards more online F&B sales while competing for a smaller share of the pie for dine-in businesses as the figures seem to suggest that the COVID-19 had changed consumer dining habits. More people cook their meals at home as a result of Singapore's workforce working from home, is supported by stronger sales numbers during the period contributed by supermarkets and hypermarkets as reported in the SDS Report.

Looking ahead into 2021, there are several key factors that might determine the outlook for the F&B industry: (1) number of tourists allowed to travel to Singapore for leisure and business, (2) the availability of the COVID-19 vaccine nationwide, resulting in Singapore as one of the first countries to emerge from all restrictions and safe distancing requirements, (3) the job market, work from home arrangements and income growth in Singapore to sustain more dining outside activities, (4) continual relief packages and support measures from the Singapore Government especially rental rebates and wage support schemes to tide the industry through the recovery period.

Despite an unprecedented economic crisis facing the F&B industry, our Group proactively seeks to manage our cost structure, maintain prudency across all levels, increase our operational efficiency while capitalizing on opportunities to grow our different restaurant brands both locally and into overseas markets once the global pandemic situation improves.

Our Group continues to persevere our core strategy in a transitional period in our Group's history to transform into a larger F&B entity with multiple brands generating multiple revenue streams. Since the 1970s, our Group had survived and emerged from many economic crises affecting Singapore especially in the F&B industry. We have always managed to excel and transform our business to keep up with the changes over the years. We urge our shareholders to exercise patience and have faith in our management's vision to overcome this crisis and propel us into our next era of growth as we seek to enhance shareholder returns in the longer term.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to all our valued customers, vendors and business partners for their unwavering support and trust especially during a COVID-19 year.

I would also like to take this opportunity to thank all my fellow Board members, management and all staff for their hard work, relentless commitment and their contributions to the Group in these tough and challenging times while making adjustments to their work norms.

At the same time, I would like to welcome Mr. Lo Kim Seng who joined our Board as our Lead Independent Director in November 2020. We are looking forward to benefit from his vast experience and legal expertise during his service with the Group.

On behalf of the Board and management, we would like to send our appreciation and best wishes to Mr. Khua Kian Kheng Ivan who stepped down as our Independent Director in September 2020 to focus on his current, future and other commitments.

As our Group continues to persevere our core strategy in a transitional period in our Group's history to transform us into a larger F&B entity with multiple brands generating multiple revenue streams.

Last but not least, I would like to extend my warmest appreciation to our valued shareholders for displaying grit and faith in the strategic direction of the Group despite the difficulties encountered in the F&B industry in 2020 as we work towards generating greater shareholder returns with a longer term and sustainable future.

MR LIM YONG SIM

EXECUTIVE CHAIRMAN AND GROUP CEO
14 JANUARY 2021

Note

1 https://www.singstat.gov.sg/- /media/files/news/mrsnov2020.pdf

2 https://www.singstat.gov.sg/find-data/search-bytheme/ industry/services/latest-data

OUR CORPORATE STRUCTURE

OUR CORPORATE MILESTONES

AUG 2020
Mom's Touch 3rd outlet opened at Eastwood

NOV 2019
Mom's Touch 2nd outlet opened at Esplanade Mall

NOV 2019
Little Sheep Hotpot 2nd outlet opened at Orchard Gateway

OCT 2019
No Signboard Seafood 1st overseas outlet opened at K11 MALL, Shanghai

AUG 2019
Mom's Touch 1st outlet opened at PLQ Mall

DEC 2018
Little Sheep Hotpot 1st outlet opened at One Fullerton

OCT 2018
Awarded Top Brand for Seafood Restaurant category 2018

NOV 2018
Signed a master franchise agreement to expand Mom's Touch - Korean fried chicken gourmet in Singapore and Malaysia

JUN 2018
Entered into the fast food market with a new concept offering "hawker– themed" burgers, wraps and buns

JUN 2018
Secured franchise rights to develop and operate Little Sheep Hotpot restaurant concept in Singapore

JUN 2018
Acquired remaining 20% in Danish Breweries

NOV 2017
Listed on the Catalist board of SGX-ST

2017
Acquired 80% of Danish-style lager beer business Danish Breweries

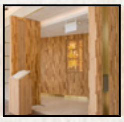
JUN 2016
Awarded Outstanding Brands – Beer 2016

2015
Awarded Singapore's Top F&B Brand for Seafood Category

2009
3rd Premium No Signboard Seafood outlet opened at Clarke Quay

2006
1st full-fledged No Signboard Seafood restaurant at Oasis in Kallang

2004
1st Premium No Signboard Seafood flagship outlet opened at Esplanade



2000
1st full-fledged No Signboard Seafood restaurant at Oasis in Kallang

1990
1st No Signboard Seafood shop at Farrer Park

1970s
Humble beginnings from a stall in Mattar Road Hawker Centre

Our founder's creation of the signature dish, White Pepper Crab

NO SIGNBOARD SEAFOOD RESTAURANTS

With a legacy dating back to the 1970s, our No Signboard Seafood restaurant chain has established a strong brand which anchored us as one of the leading seafood restaurant chains in Singapore. Its humble beginnings started as a seafood hawker stall, without a signage, at the Mattar Road Hawker Centre, and that is how it got its name "无招牌". In 2000, No Signboard Seafood moved into its first fullfledged restaurant at the Oasis in Kallang. In 2004, under the direction and management of our Executive Chairman and CEO, No Signboard Seafood's first premium flagship outlet at Esplanade was birthed.

No Signboard Seafood premium restaurants are widely known for its signature White Pepper Crab dish created by its founder Mdm Ong Kim Hoi, which is one of its bestselling dishes. No Signboard Seafood restaurants are located at prominent and landmark locations with high footfall of local and tourist crowds – Esplandade, Vivocity, Clarke Quay Central and Shanghai's K11 Art Mall.

NO SIGNBOARD SEAFOOD ESPLANADE

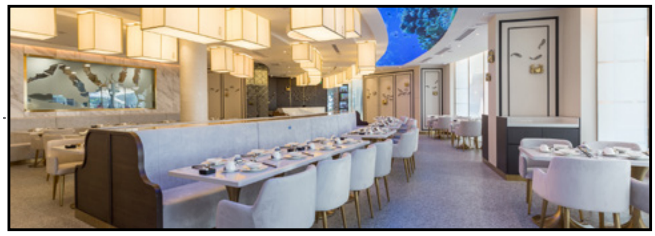
No Signboard Seafood's Esplanade outlet was chosen as the first outlet to launch the newly revamped menu and dining experience due to its iconic location beside the Merlion statue. The menu seeks to infuse traditional Chinese dishes with inspiration from European and Japanese cuisines, combining the best of East and West. No Signboard Seafood's signature dishes, the White Pepper Crab and Chilli Crab will still be featured with stylish new plating to enhance the dining experience.

NO SIGNBOARD SEAFOOD SHANGHAI

In 2019, No Signboard Seafood opened its first overseas outlet at Shanghai's K11 Art Mall. Due to the popularity of its dishes among Chinese tourist in Singapore, No Signboard Seafood decided to bring the authentic flavour of its signature dishes to Shanghai – the White Pepper Crab and Chilli Crab. Shanghai has always been renowned worldwide for their love of eating Chinese mitten crab or also famously known as Shanghai hairy crab as a delicacy during autumn. With a customer-at-heart strategy, No Signboard Seafood customised some of the dishes to suit the Shanghainese taste bud. The opening of the new Shanghai restaurant marks a key milestone for No Signboard Seafood and is part of its geographic expansion plan for its No Signboard Seafood brand.

OUTLETS

SINGAPORE



ESPLANADE MALL
8 Raffles Avenue, #01-14/16 Esplanade, Singapore 039802
Tel: 6336 9959
Since October 2004
4,661 sqf – Max. 180 pax

VIVOCITY
1 Harbourfront Walk #03-02, Vivo City, Singapore 098585
Tel: 6376 9959
Since December 2006
6,393 sqf – Max. 220 pax

CHINA

SHANGHAI K11 ART MALL
Shanghai K11 Art Mall, Huaihai Middle Road, 3F307, Huangpu District, Shanghai, China
Tel: +86 21 5309 9179
Since September 2019
2,362 sqf – Max. 70 pax

OUR BUSINESS

LITTLE SHEEP HOTPOT RESTAURANTS

In June 2018, No Signboard diversified into Singapore's hot pot market through acquiring the franchise rights for a well-known hot pot restaurant brand - 小肥羊火锅 (“**Little Sheep Hotpot**”). The franchise rights allow the Group to develop and operate the Little Sheep Hotpot restaurant concept in Singapore.

Established since 1999 with origins from Inner Mongolia, Little Sheep Hotpot has over 280 outlets across China and the international ma including the USA, Canada, Japan and Cambodia. Of these 280 outlets, 270 of them are franchised. Little Sheep Hotpot is well known for its steaming aromatic soup broth of five flavours, infused with medicinal herbs and food spice ingredients. It has broken the tradition and was the first in the creation of eating boiled mutton, without having to dip any sauce, as it pairs perfectly with grassland reared sheep.

The Group launched its first premium hot pot restaurant, the Little Sheep Hotpot, at One Fullerton in December 2018. In November 2019, the second outlet was opened at Orchard Gateway.

MOM'S TOUCH CHICKEN & BURGER RESTAURANTS

In October 2018, No Signboard signed an exclusive master franchise agreement to expand Mom's Touch, a Korean fried chicken gourmet food chain into Singapore and Malaysia. The master franchise agreement enables the Group to seek expansion on its own or via sub-franchisees.

Based in South Korea, since setting up its first store in 2004, Mom's Touch presently has over 1,100 stores across South Korea and is established in major cities in the USA, Taiwan and Vietnam. Its brand name comes from the simple thought of preparing its food for their patrons, the very heart-warming way a mother prepares for a meal for her family. Its chicken is hand-battered and hand-breaded in the kitchen and marinated with Mom's Touch very own special blend of seasoning for a fuller, tender and juicier taste.

In August 2019, the Group launched the very first Mom's Touch outlet at Paya Lebar Quarter with much fanfare. In November 2019, the second outlet was opened at Esplanade Mall. The Group opened the third outlet at Eastwood in August 2020.

OUTLETS

ONE FULLERTON
1 Fullerton Road #01-05, Singapore 049213
Tel: 6222 9959
Since December 2018
3,810 sqf – Max. 175 pax

ORCHARD GATEWAY
Orchard Gateway, 277 Orchard Road #B1-13,
Singapore 238858
Tel: 6881 9959
Since November 2019
3,156 sqf – Max. 114 pax

OUTLETS

PAYA LEBAR QUARTER
Paya Lebar Quarter #01-37 Paya Lebar Quarter,
Singapore 409057
Since August 2019
1,199 sqf – Max. 45 pax

EASTWOOD CENTRE
20 Eastwood Road #01-03 Eastwood Centre,
Singapore 486442
Since August 2020
2,293 sqf – Max. 50 pax

DANISH BREWERIES

In June 2018, the Group acquired the remaining 20% in Danish Breweries. The acquisition resulted in the Group securing full management control to develop the Beer Business further in a new business direction. Danish Breweries owns its signature Draft Denmark brand. Established since 2014, Draft Demark is well distributed across various outlets in Singapore comprising of pubs, coffee shops, and clubs.

FINANCIAL HIGHLIGHTS

REVENUE ($'M)

13.6

	Revenue ($'M)
FY2020	13.6
FY2019	25.5
FY2018	28.4
FY2017	24.4
FY2016	22.7

AVERAGE SPEND PER CUSTOMER ($)

87

	Average spend per customer ($)
FY2020	87
FY2019	89
FY2018	103
FY2017	104
FY2016	94

GROSS PROFIT[(1)] ($'M) & GROSS PROFIT MARGIN (%)

	Gross profit ($'M)	Gross profit margin (%)
FY2020	8.9	65.4%
FY2019	16.9	66.2%
FY2018	19.4	68.4%
FY2017	18.5	75.7%
FY2016	17.9	78.6%

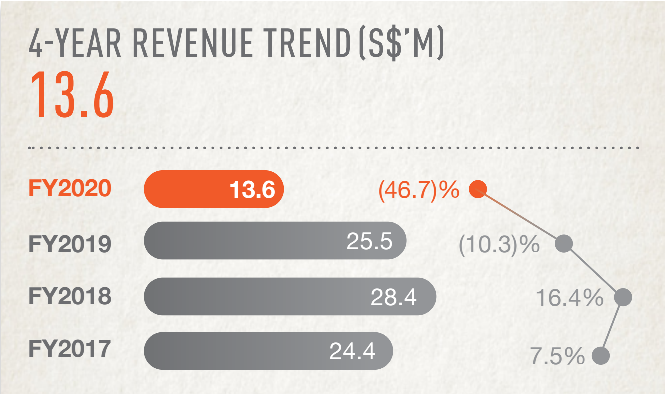
[(1)] For comparison purpose, without consideration of SFRS(I) 16

NORMALISED NET PROFIT[1] ($'M) & NORMALISED NET PROFIT[1] MARGIN (%)

	Normalised net profit ($'M)	Normalised net profit margin (%)
FY2020	(7.8)	(57.8)%
FY2019	(3.8)	(15.0)%
FY2018	3.0	10.5%
FY2017	7.7	31.7%
FY2016	7.8	34.4%

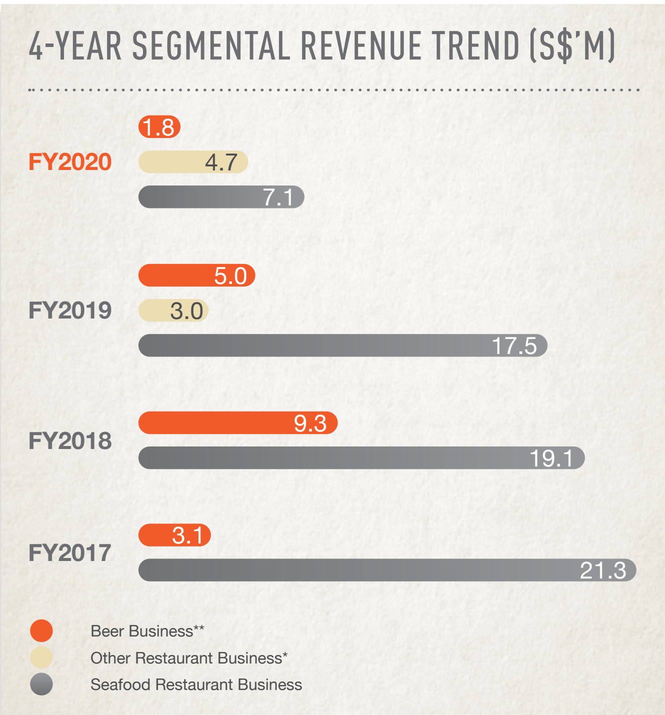
[1] Excludes one-off items – IPO expenses and impairment of goodwill, intangible assets, other assets, plant and equipment and right-of-use assets.

The Group reported lower revenue of S$13.6 million in FY2020 compared S$25.5 million in FY2019 representing a decline of 46.7%. This was mainly a result of (i) the temporary closure of our seafood restaurant outlet at Esplanade for two months due to major renovation work in the first quarter of FY2020 ("1Q2020"); (ii) initial safe distancing measures implemented at all dine-in restaurants in March 2020; (iii) Singapore's official lockdown from 7 April 2020 to 1 June 2020 thereby closing all restaurants and fast food outlets allowing only takeaways and deliveries; (iv) restriction of seating capacity per table to maximum five persons implemented in Phase 1 started on 2 June 2020 to 27 December 2020; (v) travel restrictions and bans imposed on tourists.



Due to an unprecedented economic crisis resulting from the COVID-19 pandemic, the Group's revenue was impacted heavily. As a result, the Group recorded its lowest revenue since its listing on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX") in 2017.

SEGMENTAL FINANCIAL PERFORMANCE



* The first Little Sheep Hotpot restaurant was opened in December 2018, , therefore FY2019's figures only contained ten-months of revenue from Little Sheep Hotpot. The first Mom's Touch Chicken and Burger restaurant was opened in August 2019, therefore FY2019's figures only contained two-months of revenue from Mom's Touch.

** The beer business only included four-months of revenue following its acquisition by the Group in June 2017.

The Group's seafood restaurant business continued to be the key revenue driver, contributing 52.3% of the Group's total revenue in FY2020 as compared to 68.5% in FY2019. The other restaurant business contributed 34.5% of the Group's total revenue in FY2020 compared to 11.8% in FY2019, as the Group only started operating the Little Sheep Hotpot restaurants and Mom's Touch Chicken and Burger restaurant in FY2019*. The Group's beer business contributed 13.2% of the Group's total revenue in FY2020, decrease from 19.6% in FY2019 as night entertainment venues were closed while timing for alcohol sales, marketing and crowd activities were restricted during Singapore's lockdown and circuit breaker phases.

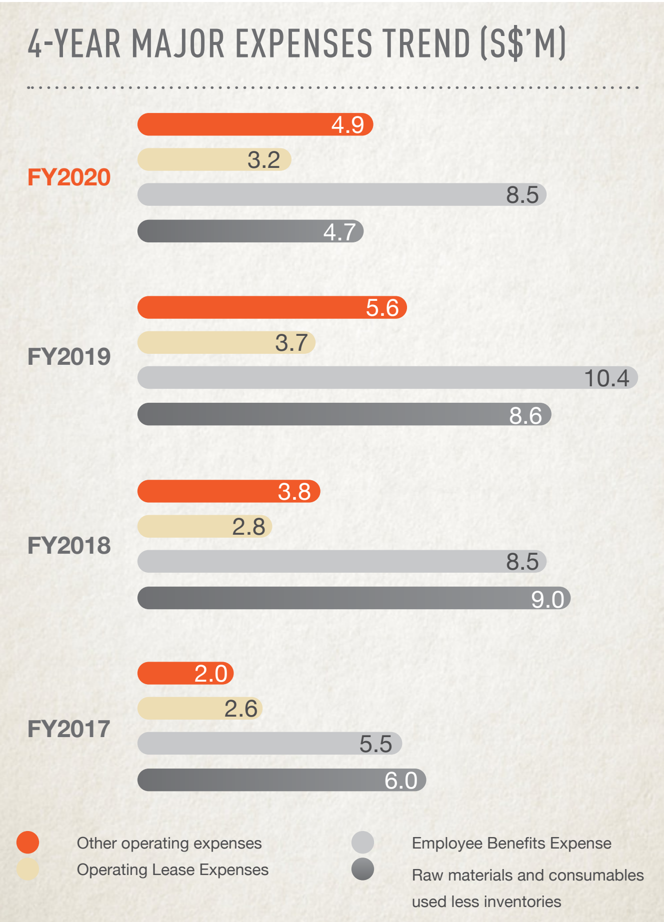
As a result of the regulations and restrictions imposed by authorities during the COVID-19 pandemic in Singapore and the temporary closure of two months at the Esplanade outlet for major renovation works, the seafood restaurant business' revenue contribution declined by 59.4% from S$17.5 million in FY2019 to S$7.1 million in FY2020. The Little Sheep Hotpot restaurants contributed 19.8% to the Group's total revenue in FY2020 (FY2020: S$2.7 million), representing an increase from 8.1% in FY2019 (FY2019: 2.0 million) mainly attributed to the Group launching its second Little Sheep Hotpot restaurant in November 2019. The Group's beer business revenue contribution declined by 64.0% from S$5.0 million in FY2019 to S$1.8 million in FY2020 mainly due to significantly lower sales generated because of the COVID-19 business conditions and situation in Singapore for alcohol sales.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE BY COUNTRY

(IN S$'000)	FY2020	%	FY2019	%
Singapore	12,639.1	92.7	25,482.5	99.9
Shanghai, China	988.8	7.3	5.3	0.1
	13,627.9		25,487.8	

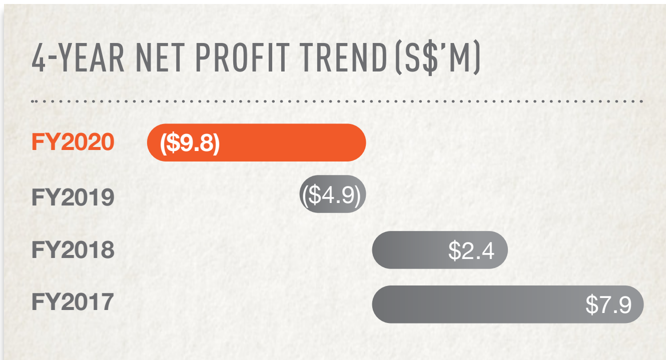
The Group's first overseas seafood restaurant outlet since its listing in 2017 was launched in Shanghai, China in October 2019. Despite a COVID-19 ravaged year, Shanghai contributed to 7.3% of the Group's total revenue, generating approximately S$1.0 million for the Group. Singapore continued to be the Group's main revenue driver, contributing 92.7% of the total revenue.



Group expenses for raw materials and consumables used less inventories declined 44.3% in FY2020 to S$4.7 million from S$8.6 million in FY2019 inline with the decline in sales revenue. Employee benefit expenses dipped 18.1% from S$10.4 million in FY2019 to S$8.5 million in FY2020. The Group is in an expansion mode since 2017, thereby increasing its manpower from 110 employees in FY2017 to 145 employees in FY2020.

Notwithstanding the SFRS(I)16, The Group's operating lease expense decreased by 13.5% from S$3.7 million in FY2019 to S$3.2 million in FY2020 due to a one-off rental concession given by the landlords as a result of the COVID-19 stimulus package in Singapore. The Group had increased its restaurant portfolio from only three seafood restaurants in FY2017 to two seafood restaurants, two Little Sheep Hotpot restaurants and three Mom's Touch Chicken and Burgers fast food restaurant, totalling seven restaurants in FY2020. Other operating expenses including corporate expenses were reduced by 12.6% to S$4.9 million in FY2020 versus S$5.6 million in FY2019. The Group's business has grown much since FY2017, thereby incurring more expenses over the years. Depreciation for FY2020 increased by $4.4 million mainly due to adoption of SFRS(I) 16.[1]

The Group had benefited from rental rebates from the landlords, waiver and rebate on foreign worker levy, and local wage subsidies provided by the stimulus packages from the Government of Singapore. From the second stimulus package, companies in the F&B industry are eligible to apply for the Jobs Support Scheme ("JSS") where the government will provide a 50% wage offset for the first S$4,600 in monthly wages from October 2019 and 30% wage offset for the first S$4,600 in monthly wages from September 2020 until August 2021. The Group is also entitled to a waiver of all foreign worker levies for April and May 2020 and a two-month rebate of levies paid in 2020.



The Group incurred a loss after tax of S$9.8 million in FY2020, widening from S4.9 million in FY2019. The Group had embarked on an expansion phase in FY2019 with the multiple openings of its other restaurant business outlets and the seafood restaurant outlet in Shanghai, China, while the losses in FY2020 were mainly attributed to the COVID-19 impact as elaborated in earlier paragraphs.

1 Refer to Section 5 of the Full Year Financial Statement for the year ended 30 September 2020 or Page XX of the Annual Report 2020

BALANCE SHEET SUMMARY

(S$'M)	FY2017	FY2018	FY2019	FY2020
Assets				
Total Current Assets	18.8	26.9	18.4	15.1
Total Non-Current Assets	6.6	2.4	4.3	8.6
Total Assets	25.4	29.3	22.7	23.7
Liabilities				
Total Current Liabilities	8.3	7.4	5.5	11.1
Total Non-Current Liabilities	0.4	0.2	0.3	5.8
Total Liabilities	8.7	7.6	5.8	16.9
Equity				
Total Equity	16.7	21.8	16.9	6.8

Current assets declined from $18.4 million as at 30 September 2019 ("FY2019") to $15.1 million as at 30 September 2020 ("FY2020"), mainly due to the decrease in cash and bank balances, which has been utilised for the renovation of the seafood restaurant at Esplanade, setup of the second hotpot restaurant and the first seafood restaurant in Shanghai, China and for working capital purposes.

Non-current assets more than doubled from $4.3 million as at FY2019 to $8.6 million as at FY2020. This was mainly due to an increase in the Rights-of-Use ("ROU") assets of $4.8 million and additions to fixed assets resulting from the expansion of the restaurants and the renovation of the Esplanade seafood restaurant outlet respectively.

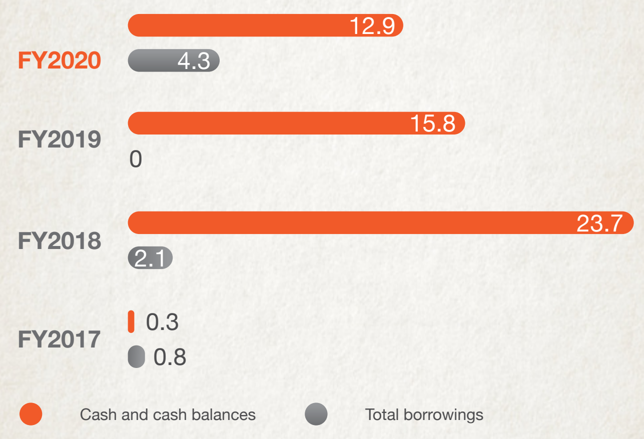
Current liabilities rose from $5.5 million as at FY2019 to $11.1 million as at FY2020 mainly due to increase in lease liabilities arising from the adoption of SFRS(I) 16.[1]

The increase in non-current liabilities from $0.3 million as at FY2019 to $5.8 million as at FY2020 was because of lease liabilities arising from the adoption of SFRS(I) 161 and a long-term bank borrowing of $2.8 million.

As a result of higher accumulated losses of S$17.7 million as of FY2020 (FY2019: S$7.6 million), total equity decreased to S$6.8 million as of FY2020 (FY2019: S$16.9 million). Net Asset Value ("NAV") per share also declined from 3.76 Singapore cents as of FY2019 to 1.86 Singapore cents as of FY2020.

Despite a challenging and tough operating environment as of FY2020, the Group has continued to maintain a net cash position since FY2018. The Group registered a net cash position of S$8.6 million as of FY2020 as compared to S$15.8 million as of FY2019.

4-YEAR CASH AND DEBT POSITIONS (S$'M)



CASH FLOW STATEMENT SUMMARY (S$'M)

	FY2017	FY2018	FY2019	FY2020
Operating Activities				
Net cash used in operating activities	4.8	2.1	-1.3	-0.7
Investing Activities				
Net cash used in investing activities	-6.0	1.4	-4.4	-2.2
Financing Activities				
Net cash used in financing activities	0.8	20.0	-2.1	-0.1
Net increase/ decrease in cash and cash equivalents	-0.4	23.4	-7.9	-2.9
Cash and cash equivalents at beginning of year	0.7	0.3	23.7	15.8
Cash and cash equivalents at end of year	0.3	23.7	15.8	12.9

The Group's net cash flows used in operating activities in FY2020 amounting to $0.7 million is mainly attributable to working capital usage for restaurant and beer business, and expansion in hotpot and seafood restaurants.

Net cash used in investing activities amounted to $2.2 million in FY2020, mainly arising from the purchase of plant and equipment.

Net cash used in financing activities amounted to $0.1 million in FY2020, mainly due to the payment of lease liabilities which is offset by an increase in bank borrowings.

As at 30 September 2020, the Group's cash and cash equivalents stood at $12.9 million.

CORPORATE INFORMATION

REGISTERED OFFICE

Company Registration No: 201715253N
10 Ubi Crescent
#05-76 Ubi Techpark
Singapore 408564
Tel: (65) 6749 9959
Fax: (65) 6749 7768

WEBSITE

www.nosignboardholdings.com

BOARD OF DIRECTORS

MR LIM YONG SIM (LIN RONGSEN)
Executive Chairman and Chief Executive Officer

MS LIM LAY HOON (LIN LIYUN)
Chief Operating Officer and Executive Director

MR LO KIM SENG
Lead Independent Director

MR LEOW CHUNG CHONG YAM SOON
Independent Director

MR TAY CHUN LENG ROBERT
Independent Director

AUDIT COMMITTEE

MR LEOW CHUNG CHONG YAM SOON (CHAIRMAN)
MR LO KIM SENG
MR TAY CHUN LENG ROBERT

REMUNERATION COMMITTEE

MR LO KIM SENG (CHAIRMAN)
MR LEOW CHUNG CHONG YAM SOON
MR TAY CHUN LENG ROBERT

NOMINATING COMMITTEE

MR TAY CHUN LENG ROBERT (CHAIRMAN)
MR LEOW CHUNG CHONG YAM SOON
MR LO KIM SENG

COMPANY SECRETARIES

MS ONG BENG HONG

MS LEE YUAN

SPONSOR

RHT CAPITAL PTE. LTD.
6 Raffles Quay,
#24-02, Singapore 048580

INDEPENDENT AUDITORS

ERNST & YOUNG LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

PARTNER-IN-CHARGE: Adrian Koh
(Appointed with effect from
the financial year ended
September 30, 2020)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

RHT CORPORATE ADVISORY PTE. LTD.
30 Cecil Street,
#19-08 Prudential Tower
Singapore 049712

LIM YONG SIM (LIN RONGSEN) ("SAM LIM")

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Appointed on 1 June 2017

Sam joined the Group in 1998 and spearheaded its development and expansion over the past two decades, leading the No Signboard Seafood business from its humble roots to the premium seafood restaurant chain it is today. Sam is responsible for (i) the formulation of the overall business and corporate policies and strategies of the Group; (ii) oversight of the management of the business and operations of the Group; and (iii) leading the Group's business development strategy and efforts.

LIM LAY HOON (LIN LIYUN) ("LIM LAY HOON")

CHIEF OPERATING OFFICER AND EXECUTIVE DIRECTOR

Appointed on 6 November 2017

Lay Hoon is responsible for overseeing the day to day operations of the Group and reports to our Chief Executive Officer. Lay Hoon also directly oversees the management and operations of the Restaurant Business. Lay Hoon was briefly involved in the tourism industry before joining the family business in 1993 in a management capacity. She has been involved in the management of the Group for over 20 years, and together with Sam, has been instrumental in the Group's development and success.

LO KIM SENG

LEAD INDEPENDENT DIRECTOR

Appointed on 11 November 2020

Mr Lo Kim Seng is currently a Director of Bayfront Law LLC. His practice areas includes capital markets, mergers and acquisitions, corporate and commercial law, serving primarily Singapore listed companies. Mr Lo is admitted as an Advocate and Solicitor of Singapore and holds Master of Laws degrees from both National University of Singapore and London University. He was a trainer in the Corporate Governance Module of the Listed Company Directors Programme organized by the Singapore Institute of Directors. Mr Lo is currently an Independent Director of CFM Holdings Limited.

LEOW CHUNG CHONG YAM SOON ("PAUL LEOW")

INDEPENDENT DIRECTOR

Appointed on 6 November 2017

Paul is currently an audit partner at Ecovis Assurance LLP. Paul has more than 20 years of accounting and financial audit experience. He is a practising member of the Institute of Singapore Chartered Accountants (ISCA). He is also a Fellow Chartered Association of Certified Accountants, UK and Certified Public Accountants, USA.

TAY CHUN LENG ROBERT ("ROBERT TAY")

INDEPENDENT DIRECTOR

Appointed on 6 November 2017

Robert is a cluster Director (Modern Services Division) of the Infocomm Media Development Authority Singapore (IMDA). Robert graduated from King's College London with a Bachelor of Laws in 1998. Robert was admitted as a barrister of Lincoln's Inn in 1999, and was admitted as an advocate and solicitor of the High Court of Singapore in 2004. Mr Tay has over 15 years' experience in legal and executive positions.

The directors' present directorships, other than those held in the Company, as at 30 September 2020 and the preceding three years in other listed companies are as follows:-

NAME	PRESENT DIRECTORSHIP	PAST DIRECTORSHIP
Sam Lim	–	–
Lim Lay Hoon	–	–
Lo Kim Seng	CFM Holdings Limited	–
Paul Leow	Fragrance Group Limited Asian Healthcare Specialists limited	–
Robert Tay	–	–

KEY MANAGEMENT

LOK PEI SAN
GROUP CHIEF FINANCIAL OFFICER

Ms Lok was appointed as the Group Chief Financial Officer on 30 September 2019. In her role as the Group Chief Financial Officer, she is responsible for the corporate finance and treasury, shared services, reporting, tax, legal and risk management functions across our businesses. She is also actively involved in formulating policies and strategies for the Group.

Ms Lok held various senior positions with both listed and private companies. Prior to joining the Group, she was the Corporate Controller at Zuellig Pharma Regional office. Before that, she was the Chief Financial Officer at dnata Singapore Pte Ltd and Goodpack Limited, a company listed on the Main Board of SGX-ST.

Ms Lok graduated from National Technological University with a Bachelor of Accountancy and is a Chartered Accountant of Singapore (CA Singapore).

FINANCIAL CONTENTS

The Board of Directors ("**Board**" or "**Directors**") of No Signboard Holdings Ltd. ("**Company**") is committed to high standards of corporate governance and has adopted the principles set out in the Code of Corporate Governance 2018 ("**Code**") which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited's ("**SGX-ST**").

This report describes the corporate governance practices adopted by the Company for the financial year ended 30 September 2020 ("**FY2020**"). The Company has complied substantially with the requirements of the Code and will continue to review its practices on an ongoing basis. It has provided an explanation for any deviation from the Code, where applicable.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Directors are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. The Board has an internal code of conduct and ethics, aims to set an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company and guidelines on the same are generally set out in the employee handbook of the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Provision 1.1 of the Code

The Company is headed by an effective Board, comprising individuals with diversified backgrounds and who collectively brings with them a wide range of experience, to lead and control the Group. The Board is responsible for the overall business and management of the Group, and to protect and enhance the long-term value and returns for its shareholders. The Board's roles include:

1) providing entrepreneurial leadership and approving board policies, corporate strategies, key operational initiatives, financial objectives of the Group and monitoring the performance of Management;
2) reviewing the financial results of the Group and financial reporting;
3) establishing a framework of effective internal controls and evaluating the adequacy of internal controls and risk management;
4) ensuring the Group's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct and ethics;
5) approving the nomination of directors and appointment of key personnel;
6) approving annual budgets, major funding, investments, divestment proposals and monitoring operations;
7) approving the remuneration packages for the Board and key executives;
8) identifying key stakeholder groups and ensuring accurate, adequate and timely reporting to and communication with shareholders; and
9) assuming the role for the satisfactory fulfilment of social responsibilities of the Group.

Provision 1.1 of the Code

All Directors exercise due diligence and independent judgment and are obliged to act in good faith and make objective decisions in the best interests of the Company. Certain functions have been delegated by the Board to three main Board Committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, "**Board Committees**"), which operate under clearly defined terms of reference and they play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees are reviewed on a regular basis to ensure their continued relevance. The Chairman of the Board Committees reports the outcome of the Board Committees meetings to the Board.

Provisions 1.1 and 1.4 of the Code

Matters that are specifically reserved for the full Board to decide include: Provision 1.3 of the Code

1) business strategy and planning and financial performance of the Company;
2) establishment and maintenance of risk management and effective internal control system, including opening and closing of bank accounts, limits of authority for transactions;
3) material financial commitments (including guarantees and indemnities to third parties in the ordinary course of business), acceptance of banking facilities;
4) significant acquisition and disposal of assets/business and incorporation of any subsidiary or other form of related entities;
5) entering into any joint ventures or partnerships or any other profit sharing agreement;
6) identifying key stakeholder groups and establishment of shareholder communication policy, such as investor relations programme;
7) calling of shareholders' meetings;
8) disclosure of information and announcements;
9) review and approval of financial results and annual budget;
10) appointment of new directors and sub-committees;
11) approval of terms of reference of sub-committees and codes of best practices;
12) proposal relating to remuneration of the Board;
13) appointment and cessation of executive management and company secretary; and
14) formulating sustainability policies and programs and setting the Company's values and standards.

Provision 1.5 of the Code

The Board will conduct scheduled meetings on a quarterly basis to review and deliberate on the key activities and business strategies of the Group, including reviewing and approving acquisitions, financial performance, and to endorse the release of the quarterly and annual financial results. Ad-hoc meetings will be held where necessary, to address significant issues. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions. Where expedient, Board meetings will be held by way of teleconference or video conference, which is permitted by the Constitution of the Company.

The following table sets out the attendance of each Director at the Board and Board Committee meetings held during FY2020:

	BOARD		AC		NC		RC	
NAME OF DIRECTORS	**NO. OF MEETINGS**		**NO. OF MEETINGS**		**NO. OF MEETINGS**		**NO. OF MEETINGS**	
	HELD	**ATTENDED**	**HELD**	**ATTENDED**	**HELD**	**ATTENDED**	**HELD**	**ATTENDED**
Lim Yong Sim (Lin Rongsen) ("**Mr Sam Lim**")	7	6	6*	6*	1*	1*	1*	1*
Lim Lay Hoon (Lin Liyun) ("**Ms Lim Lay Hoon**")	7	7	6*	6*	1*	1*	1*	1*
Khua Kian Kheng Ivan ("**Mr Ivan Khua**")[1]	7	7	6	6	1	1	1	1
Leow Chung Chong Yam Soon ("**Mr Paul Leow**")	7	7	6	6	1	1	1	1
Tay Chun Leng Robert ("**Mr Robert Tay**")	7	7	6	6	1	1	1	1
Mr Lo Kim Seng[2]	0	0	0	0	0	0	0	0

Notes:
* By invitation.
1) Mr Ivan Khua resigned as a director of the Company on 23 September 2020.
2) Mr Lo Kim Seng was appointed as a director of the Company on 11 November 2020.

The NC considers that the multiple board representations held presently by the Directors and/or their other principal commitments do not impede their performance in carrying out their duties to the Company and it is not necessary at this juncture to put a maximum limit on the number of listed company board representations. Accordingly, the NC is satisfied that currently the Directors have been able to devote sufficient time and attention to the affairs of the Group and that they are able to satisfy their duties as Directors to the Company. Provision 1.5 of the Code

Upon joining the Board, all Directors were provided with an orientation to familiarise them with the Group's business, operations and the relevant regulations and governance requirements. Directors who do not have prior experience as director of a public listed company in Singapore have undergone courses held by the Singapore Institute of Directors to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore. Provision 1.2 of the Code

The Company adopts a policy whereby Directors are encouraged to request further explanation, briefings or informal discussion on any aspect of the Group's operations or business issues from Management. The Directors will also be briefed on new updates in the requirements of the SGX-ST, Companies Act or other regulations/ statutory requirements from time to time. Annually, the external auditors update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group. Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of Directors' duties, responsibilities and obligations. Where appropriate, the Company will also fund the Directors' attendance at any training program. The Directors have open invitations to visit the Group's operating facilities to enable them to obtain a better perspective of the business and to enhance their understanding of the Group's operations.

The Board as a whole is updated regularly on the latest corporate governance, listing practices, risk management matters and key changes to the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board and Committee members.

Upon appointment of each Director, the Company issued a letter of appointment to the Director, setting out the Director's duties and obligations.

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Provision 1.6 of the Code

The Board has separate and independent access to the Management. Requests for information from the Board are dealt with promptly by the Management and the Management will provide all Directors with Board/Board Committee reports prior to the respective meetings. As a general rule, papers on specific subjects are sent to the Board in advance and are issued, where possible, in a timely manner to enable the Directors to obtain further explanations where necessary so that they are adequately informed prior to the meetings. Amongst others, the report provides information on the Company's performance, financial position and prospects. Provision 1.7 of the Code

The Directors have separate and independent access to the Joint Company Secretaries and external advisors (where necessary). The Joint Company Secretaries or her representative(s) administer attends and prepares all Board and Board Committee meetings. The Joint Company Secretaries are responsible for ensuring that procedures are followed and that the Company has complied with the relevant requirements of the Companies Act and all other rules and regulations that are applicable to the Company. The appointment and removal of the Joint Company Secretaries is a matter for consideration by the Board as a whole. Provision 1.7 of the Code

Each member of the Board may seek professional advice, subject to the approval of the Chairman, in furtherance of their duties and the costs of obtaining such professional advice will be borne by the Company.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of the Annual Report, the Board comprises five (5) Directors, three (3) of whom are Independent Directors as at FY2020. The composition of the Board and Board Committees are as follows:

NAME OF DIRECTOR	BOARD MEMBERSHIP	AC	NC	RC
Mr Sam Lim	Executive Chairman and Chief Executive Officer ("**CEO**")	–	–	–
Ms Lim Lay Hoon	Chief Operating Officer ("**COO**") and Executive Director	–	–	–
Mr Lo Kim Seng[1]	Independent Director	Member	Member	Chairman
Mr Paul Leow	Independent Director	Chairman	Member	Member
Mr Robert Tay	Independent Director	Member	Chairman	Member

Note:
1 Mr Lo Kim Seng was appointed as an Independent Director of the Company on 11 November 2020.

As the Chairman of the Board ("**Chairman**") and CEO of the Company is the same person, the Independent Directors comprise majority of the Board, which is in compliance with Provision 2.2 of the Code. As Independent Directors make up more than half of the Board, no individual or group is able to dominate the Board's decision-making process. Provisions 2.2 and 2.3 of the Code

The independence of each Independent Director is reviewed by the NC. The criteria for independence are determined based on the definition as provided in the Code. The independence of each Director is assessed and reviewed at least annually by the NC. In its deliberation as to the independence of a Director, the NC takes into account examples of relationships as set out in the Code. The Board considers an Independent Director as one who has no relationship with the Company, its related companies, its 10% Shareholders or officers that could interfere or be reasonably perceived to interfere with the exercise of the Directors' independent judgement of the Group's affairs. The NC has reviewed, determined and confirmed the independence of each Independent Director. Provisions 2.1 and 4.4 of the Code

The background of each director is set out in the "Board of Directors" section of this Annual Report. None of the directors are related to one another except for Mr Sam Lim and Ms Lim Lay Hoon who are siblings. The Board comprises Directors with a broad range of commercial experience including expertise in food and beverage industry. Together, they bring a wide range of expertise, technical and management skills and relevant experience to the Group. The Board is of the view that with a majority of the Directors being independent, there is a strong independent element on the Board. This is to ensure that there is effective representation for shareholders and issues of strategy, performance and resources are fully discussed and examined to take into account long-term interests of shareholders, employees, customers, suppliers and the industry in which the Group conducts its business. Provision 2.4 of the Code

There are no Independent Directors who have served on the Board beyond nine years from the date of his first appointment.

The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations to cast its net as wide as possible for the right candidate. The NC determines the selection criteria in consultation with the Board and identifies candidates with the appropriate expertise and experience for the appointment as new director. The NC will shortlist candidates for interview before nominating the most suitable candidate to the Board for approval. Provision 4.3 of the Code

The size and composition of the Board is reviewed from time to time by the NC to ensure that the size of the Board is conducive for effective discussion and there is sufficient diversity without interfering with efficient decision-making. The NC also review and ensure that the Board has an appropriate balance of independent directors. The Board is of the view that the current board size and composition is appropriate, taking into account the nature and scope of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. Provision 2.4 of the Code

The Board is of the view that power is not unduly concentrated in the hands of one individual nor is there any compromised accountability and independent decision-making as all major decisions and policy changes are conducted through the respective Board Committees, all of which are chaired by the Independent Directors. Provision 2.4 of the Code

The Board is committed to ensuring diversity on the Board including but not limited to appropriate balance and mix of skills, knowledge, experience, age and the core competencies of accounting or finance, legal and regulatory, business or management experience, and strategic planning to foster constructive debate. The Board, taking into account the views of the NC, considers that the Directors provide an appropriate balance and diversity of skills, experiences and knowledge of the Company that will provide effective governance and stewardship for the Group. Provision 2.5 of the Code

To facilitate a more effective review of Management and/or on a need basis, the Independent Directors communicate on an ad-hoc basis without the presence of the Management and Executive Directors to review any matters that may be raised privately.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr Sam Lim is the Executive Chairman of the Board and also the CEO of the Company. The Board recognises the Code's recommendation that the Chairman and the CEO should be separate persons to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. Deviated from provision 3.1 of the Code

The Board is of the view that accountability and independence have not been compromised despite the Chairman and CEO being the same person. With the majority of the Board comprising Independent Directors, the Board is of the view that there is sufficient element of independence and adequate safeguards against a concentration of power in one single person. All decisions of the Board are based on collective decision-making without any individual or small group of individuals influencing or dominating the decision making process. In addition, the NC and Board is of the view that given the current Group structure and business scope, Mr Sam Lim, the founder of the Company, is in the best position to lead the Board as Executive Chairman and the split of roles of the Chairman and CEO would not be meaningful.

As Chairman, Mr Sam Lim leads the Board and bears responsibility for the workings of the board of directors, the governance process of the board of directors, scheduling board meetings and setting the board meeting agenda. The Chairman reviews most board papers before they are presented to the board of directors and ensures that board members are provided with adequate and timely information. Provision 3.2 of the Code

In his role as CEO, Mr Sam Lim is responsible for (i) the formulation of the overall business and corporate policies and strategies of the Group; (ii) oversight of the management of the business and operations; and (iii) leading the Group's business development strategy and efforts.

In view that the Chairman is not independent, the Board has appointed Mr Lo Kim Seng as the Lead Independent Director and he is available to Shareholders where they have concerns which contact through the channels of the Executive Chairman and CEO and/or Executive Director has failed to resolve such concerns or where it is inappropriate to do so. Provision 3.3 of the Code

Where necessary, the Independent Directors will hold discussions separately without the presence of the other directors. The Lead Independent Director will lead these discussions and provide feedback to the Executive Chairman after such discussions. In the absence of the Chairman or if there is a conflict of interest, the Lead Independent Director, will assume the role of Chairman.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills to enable the Board to make effective decisions.

During FY2020, Mr Ivan Khua, a member of the NC, had resigned as a director of the Company on 23 September 2020. Mr Lo Kim Seng was appointed as a director of the Company and member of the NC on 11 November 2020. Provision 4.2 of the Code

The NC comprises three independent directors, namely, Mr Robert Tay Chun Leng (Chairman of the NC), Mr Paul Leow Chung Chong Yam Soon and Mr Lo Kim Seng. Provision 4.2 of the Code

The scope and responsibilities of the NC include:- Provision 4.1 of the Code

1) identifying, reviewing and recommending candidates for nomination for appointment and reappointment of Directors, key management personnel and the members of the various committees;
2) reviewing the Board structure, size and composition and making recommendations to the Board with regard to any adjustments that are deemed necessary;
3) reviewing the strength and assessing the effectiveness of the Board as a whole;
4) determining on an annual basis the independent status of Directors;
5) deciding whether or not a director is able to and has been adequately carrying out his duties as a director of the Company, particularly when he has multiple board representations;
6) overseeing the management, training and professional development and succession planning of the Group;
7) develop a process for evaluation of the performance of the Board, its committees and the Directors and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how our Board has enhanced long-term shareholders' value;
8) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; and
9) the review of training and professional development programmes for the Board and its directors.

The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In identifying suitable candidates for the appointment of new Directors, the NC will consider all relevant channels to recruit any new candidates including referrals, use of the service of external advisors to facilitate a search and also consider candidates with the appropriate qualifications and working experience from internal or external sources. The NC will evaluate the suitability of the nominee or candidate based on his/her qualifications, business and related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board. The NC will then recommend their nominations to the Board for consideration. When new Directors are appointed, the NC also ensures that they are aware of their duties and obligations. The Board is also advised by the Sponsor on the appointment of directors as required under Catalist Rule 226(2)(d). Provision 4.5 of the Code

The NC will review the composition of the Board and its Board Committees annually to ensure that the Board has the appropriate mix of expertise and experience to enable the Management to benefit from a diverse perspective of issues that are brought before the Board. The Board, taking into account the scope and nature of the operations of the Group, is of the view that its current size and the composition of the Board and its Board Committees are appropriate to meet the Company's objectives and facilitates effective decision-making.

Pursuant to Regulations 117 and 118 of the Constitution of the Company, at least one-third of the Directors shall retire by rotation at every annual general meeting ("**AGM**") and a retiring director shall be eligible for re-election. Mr Robert Tay and Mr Paul Leow will be retiring by rotation and have both indicated to the Board that they will not be seeking re-election at the forthcoming AGM. Accordingly, Mr Robert Tay and Mr Paul Leow will cease to be Directors of the Company on the close of the forthcoming AGM.

Pursuant to Regulation 122 of the Constitution of the Company, Mr Lo Kim Seng, who was appointed on 11 November 2020 shall retire and shall be eligible for re-election at the forthcoming AGM.

Each member of the NC shall abstain from voting on any resolutions in respect to his re-nomination as a Director.

The NC determines the independence of Directors annually in accordance with the guidelines set out in the Code and is of the opinion that the Board is able to exercise objective judgment on corporate affairs independently and that the Board's decision-making process is not dominated by any individual or small group of individuals. The NC considers that the multiple board representations held presently by the directors and/or their other principal commitments do not impede their performance in carrying out their duties to the Company and it is not necessary at this juncture to put a maximum limit on the number of listed company board representations. The Board has considered and is satisfied that each of them is able to and has adequately carried out his duties as a director of the Company.

Provision 4.4 of the Code

Currently, the Company does not have alternate directors.

The key information regarding Directors such as academic and professional qualifications, Board Committees served, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other major appointments, whether the appointment is executive or non-executive are set out on page 38 and 39 of this Annual Report.

Provision 4.5 of the Code

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Performance evaluation of the Board, Board Committees and individual directors is aimed at giving directors an opportunity to gauge their effectiveness individually and collectively. It also helps to ensure continual improvement in the Board's decision-making process as it provides a benchmark by which future performance can be measured.

Provision 5.1 of the Code

The Board has a formal process for assessing the effectiveness of the Board as a whole with objective performance criteria, the Board Committees and contribution of each individual Director to the effectiveness of the Board. The NC conducted an assessment of the functions and effectiveness of the Board as a whole, assessment of the Board Committees, assessment on each individual Director to the effectiveness of the Board and assessment of the contribution by the Chairman in FY2020. The assessment report was reviewed by the Board and the recommendations were discussed with a view to improve the overall effectiveness of the Board. The NC is of the view that the performance of the Board as a whole has been satisfactory. No external facilitator was engaged in the evaluation process.

Provision 5.2 of the Code

Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

During FY2020, Mr Ivan Khua, the chairman of the RC, had resigned as a director of the Company on 23 September 2020. Mr Lo Kim Seng was appointed as a director of the Company and chairman of the RC on 11 November 2020.

The RC comprises three independent directors, namely, Mr Lo Kim Seng (Chairman of the RC), Mr Paul Leow and Mr Robert Tay. Provision 6.2 of the Code

The RC's responsibilities include: Provision 6.1 of the Code

1) recommending a framework of remuneration for the Board and key executives; and
2) reviewing and recommending to the Board the remuneration packages and terms of employment of the CEO, senior executives of the Group and employees who are related to Executive Directors and controlling shareholders.

There is a formal and transparent procedure for fixing the remuneration packages of individual directors. No Director is involved in deciding his own remuneration. In addition to the RC's responsibilities as stated above, the RC is also responsible for reviewing and recommending to the Board, the remuneration packages for all directors, taking into account the current market circumstances and the need to attract directors of experience and good standing.

The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. The RC engaged Korn Ferry as independent remuneration consultants in FY2020 to review the remuneration of the Executive Directors. Provision 6.4 of the Code

In reviewing the service contracts of the Executive Director and key management personnel, the RC will review the Company's obligations arising in the event of termination of these service contracts, to ensure that such service contracts contain fair and reasonable termination clauses which commensurate with industry norms and their past contributions. The RC aims to be fair and avoid rewarding poor performance. Provision 6.3 of the Code

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

As part of its review, the RC will cover all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, shares and benefits-in-kind. The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director when determining remuneration packages. The RC and the Board are of the view that the remuneration of the Directors is adequate but not excessive in order to attract, retain and motivate them to run the Company successfully. Provision 7.3 of the Code

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company. Provision 7.1 of the Code

Independent Directors have no service contracts. Separate service agreements were entered with the CEO and COO for an initial period of three years, which are renewable thereafter unless otherwise terminated by either party giving not less than six months' notice in writing to the other. The service agreement became effective on 30 November 2017.

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. Provision 7.2 of the Code

The Service Agreement of the Executive Directors each contains a non-competition clause, which is binding on him/her during the period of his/her employment with the Group and for a period of one year after the expiry or termination of his/her employment. This shall not prevent the CEO and COO from holding equity interests, not exceeding 5% of the total issued shares, directly or indirectly, in any company the shares of which are quoted on a stock exchange nor shall he/she or any of his/her associates, participate or are involved in the management of such company.

The Company's long term incentive plans includes the No Signboard ESOS ("**ESOS**") and the No Signboard PSP ("**PSP**"). One of the key objectives of these incentive plans is to provide employees an opportunity to participate in the equity of the Company and to enhance its competitive edge in attracting, recruiting and retaining talented key management personnel and employees. The Company believes that the share based plans, as long term incentive schemes will align the interests of its employees with those of its shareholders. No Options have been granted under the ESOS scheme. Provision 8.3 of the Code

The Company does not have contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel. The Executive Director and CEO and key management personnel owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors and CEO and key management personnel in the event of such breach of their fiduciary duties.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The following tables show a breakdown of the remuneration of Directors and key management personnel for FY2020. Provision 8.1 of the Code

Directors' Remuneration

REMUNERATION BAND & NAME OF DIRECTORS	SALARY	BONUS	DIRECTORS' FEES	TOTAL
$700,000 to below $800,000				
Mr Sam Lim	92%	8%	–	100%
$400,000 to below $500,000				
Ms Lim Lay Hoon	93%	7%	–	100%
Below $250,000				
Mr Ivan Khua[1]	–	–	100%	100%
Mr Paul Leow	–	–	100%	100%
Mr Robert Tay	–	–	100%	100%
Mr Lo Kim Seng[2]	–	–	Nil	Nil

Notes:

1) Mr Ivan Khua resigned as a director of the Company on 23 September 2020.

2) Mr Lo Kim Seng was appointed as a director of the Company on 11 November 2020.

Top five Key Management Personnel (who are not Directors or CEO)

REMUNERATION BAND & NAME OF TOP 5 KEY MANAGEMENT PERSONNEL	SALARY	BONUS	INCENTIVE AND OTHER BENEFITS	TOTAL
$250,000 to below $500,000				
Ms Lok Pei San	98%	2%	–	100%
Below $250,000				
Tay Yu Mien Mandy	93%	3%	4%	100%
Loh Sze Chin Vincent[1]	86%	0%	14%	100%
Chew Yao Chung	89%	3%	8%	100%
Tan Shu Fern	88%	2%	11%	100%

Note:
1) Mr Loh Sze Chin Vincent ceased to be a key management personnel on 16 September 2020.

The RC ensures that the remuneration package of employees related to Executive Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities. The aim of the RC is to motivate and retain such executives and ensure that the Group is able to attract the best talent in the market in order to maximise shareholders' value.

Employees related to Mr Sam Lim, Executive Chairman and CEO of the Company and Ms Lim Lay Hoon, Executive Director and COO, whose remuneration exceeded $100,000 during FY2020, were as follows:

Provision 8.2 of the Code

NAME	RELATIONSHIP TO CEO AND COO
Mr Sam Lim	Sibling
Ms Lim Lay Hoon	Sibling

Details of the remuneration paid or payable to the immediate family member of Directors or CEO of the Company in FY2020 are set out below:

NAME OF IMMEDIATE FAMILY MEMBER	SALARY %	BONUS %	INCENTIVE AND OTHER BENEFITS %	TOTAL %
$700,000 to below $800,000				
Mr Sam Lim	92%	8%	–	100%
$400,000 to below $500,000				
Ms Lim Lay Hoon	93%	7%	–	100%

Save for the above disclosure, the Company does not have any employee who is an immediate family member of a Director or the CEO whose remuneration in FY2020 exceeded $100,000.

For FY2020, the aggregate total remuneration paid to the top 5 key management personnel (who are not Directors or the CEO) amounted to $829,640.

In view of confidentiality of the remuneration policies of the Company, the Board is of the opinion that it is in the best interests of the Group to disclose the remuneration of its Directors and key management personnel in salary bands. Deviated from Provision 8.3 of the Code

ACCOUNTABILITY AND AUDIT

The results and other relevant information on the Company are disseminated via SGXNet and are also available on the Company's website at www.nosignboardseafood.com.

In presenting the quarterly announcement of the results, the Board aims to provide shareholders with a balanced and comprehensible assessment of the Group's performance, financial positions and prospects on a quarterly basis.

To enable the Board to fulfill its responsibilities, management reports are made available regularly to all the Directors that include updates on the performance of the Company and all its subsidiaries. The Management is accountable to the Board and the Board is accountable to shareholders.

On 6 August 2018, the SGX-ST had issued the amendments to the Catalist Rules following the Code. With reference to the amendments to the Catalist Rules and Code, the Board and Board Committees had reviewed, revised and adopted the changes to the Board Committees' terms of reference to ensure their continued relevance.

Management maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of periodic and full year financial statements of the Group. This allows the Board to monitor the Group's performance and position as well as the Management's achievements of the goals and objectives determined and set by the Board.

The Board takes adequate steps to ensure compliance with legislative and statutory requirements, and observes obligations of continuing disclosure under the Catalist Rules. The Management reviews and provides relevant compliance reports for the Board's approval. For issues relating to the Group's business development, the Board also provides the Shareholders with periodic updates and reports through announcements where necessary.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders

The Board is responsible for the overall internal controls framework and acknowledges that the system of internal controls is designed to manage, rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational, compliance and information technology risks, and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss and that Shareholders' investments and the Group's assets are safeguarded. The Board will commission an annual internal control audit to review and take appropriate steps to strengthen the Group's overall system of internal controls. Provision 9.1 of the Code

The Board and Management assume the responsibility of the risk management function. Management is responsible for designing, implementing and monitoring the risk management and internal control systems. Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews significant policies and procedures and highlight significant matters to the Board.

In performing its functions, the AC:

a) had full access to and assistance of the Management and the discretion to invite any director and executive officer to attend its meetings;
b) had been given reasonable resources to enable it to discharge its functions properly; and
c) had the express powers to conduct or authorise investigation into any matters within its terms of reference.

The Group will engage an independent internal audit firm to independently review the Group's internal controls and practices as and when deemed required. During the FY2020 the Company has appointed Foo Kon Tan Advisory Services Pte Ltd to carry out an independent internal audit review on the Group's key operational processes in Singapore based on the approved internal audit plans.

The Company's external auditors, Messrs Ernst & Young LLP, has also in the course of their annual statutory audit, carried out a review of the effectiveness of the Company's material internal controls over financial reporting as laid out in their audit plans. Material non-compliance and internal control weaknesses noted during their audit, and the auditors' recommendations, are reported to the AC.

The Board, through the AC, will annually review the adequacy and effectiveness of the Company's risk management and internal control systems including financial, operational, compliance and information technology controls, to ensure risk management and internal controls are in place. In this aspect, the AC reviews the audit plans, and the findings of the auditors and ensures that the Group follows up on auditors' recommendations raised, if any, during the audit process. The AC guides management to check and ensure the adequacy of the internal controls.

For the financial year under review, the CEO, COO and Chief Financial Officer have provided assurance to the Board that the financial records of the Company have been properly maintained and the financial statements for FY2020 give a true and fair view of the operations and finances, material information relating to the Company were disclosed on a timely basis for the purposes of the preparation of the financial statements and an effective risk management and internal control system has been put in place. Provision 9.2 of the Code

Based on the internal controls and risk management framework established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management, various Board Committees and the Board, the Board, with the concurrence of the AC, are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks and those related to information technology systems and risk management systems are adequate and effective for FY2020, pursuant to Catalist Rule 1204(10).

AUDIT COMMITTEE

Principle 10: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

During FY2020, Mr Ivan Khua, a member of the AC, had resigned as a director of the Company on 23 September 2020. Mr Lo Kim Seng was appointed as a director of the Company and member of the AC on 11 November 2020. Provision 10.2 of the Code

The AC comprises three independent directors, namely, Mr Paul Leow (Chairman of the AC), Mr Lo Kim Seng and Mr Robert Tay.

The AC is established to assist the Board with discharging its responsibility of safeguarding the Group's assets, maintaining adequate accounting records, and developing and maintaining effective systems of risk management and internal controls. The Board is of the opinion that at least 2 members of the AC possess the necessary accounting or related financial management qualifications, expertise and experience in discharging their duties.

No former partner or director of the Company's existing auditing firm or auditing corporation, within a period of 12 months from the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation, is appointed to the AC. Provision 10.3 of the Code

The principal responsibilities of the AC include:

1) recommending to the Board of Directors the external auditors to be nominated, and approving the compensation of the external auditors. It also reviews the scope and results of the audit, its cost-effectiveness, and the independence and objectivity of the external auditors;

   Provision 10.1(d) of the Code

2) reviewing with the external auditors and Management, the significant risks or exposures that exist and the steps Management have taken to manage such risks to the Company;

3) reviewing with the Chief Financial Officer and external auditors at the completion of the full year financial results:

   Provision 10.1(c) of the Code

   a) audit issues of the Group;

   b) any significant findings and recommendations of the external auditors together with Management's responses thereto;

   c) the external auditors' evaluation of the system of internal controls and reporting to the Board on the adequacy and effectiveness of the internal controls;

      Provision 10.1(c) of the Code

   d) the external auditors' reports;

   e) the assistance given by Management and the staff of the Company to the external auditors, including any concerns encountered during the course of audit;

   f) interested person transactions ("**IPTs**") falling within the scope of Chapter 9 of the Listing Manual;

4) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

   Provision 10.1(b) of the Code

5) reviewing quarterly results and full year financial statements for submission to the Board for its approval;

6) considering legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies and reports received from regulators; and

   Provision 10.1(a) of the Code

7) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

   Provision 10.1(f) of the Code

Minutes of the AC meetings are submitted to the Board for its information and review. To create an environment for open discussion on audit matters, the AC meets with the external auditors and internal auditors, without the presence of Management, at least once a year. The AC has met with the external auditors and internal auditors, without the presence of the Management during FY2020.

Provision 10.5 of the Code

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or key management personnel to attend the meetings and has reasonable resources to enable it to discharge its functions. The external auditors have unrestricted access to the AC.

The AC will assess the independence of the external auditors annually. The aggregate amount of fees paid to the external auditors of the Group for FY2020 was $236,000/- of which $52,000/- was for non-audit services. The AC is satisfied that the nature and extent of such non-audit services would not prejudice the independence and objectivity of the external auditors.

The AC is satisfied that the external auditors of the Company, Messrs Ernst & Young LLP ("**EY**"), an auditing firm registered with the Accounting and Corporate Regulatory Authority, are independent and that they had also provided a confirmation of their independence to the AC. The AC had assessed the external auditors of the Company based on factors such as performance, adequacy of resources and experience of their audit engagement partners and audit team assigned to the Group's audit as well as the size and complexity of the Group. For FY2020, the Company confirms that it is in compliance with Catalist Rules 712 and 715 in relation to the appointment of audit firms for the Group. No former partner or director of the Company's existing auditing firm has acted as a member of the AC.

Provision 10.1(e) of the Code

The existing auditors of the Company, EY was appointed as the external auditors of the Company since the last AGM held on 29 May 2020 until the conclusion of the forthcoming AGM. In view of the above considerations, the AC has recommended to the Board the re-appointment of EY as the Group's external auditors for the ensuing year.

The AC considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with Management and the external auditors have been included as Key Audit Matters ("**KAM**") in the Independent Auditors' Report for FY2020 from pages 48 to 49 of this Annual Report. In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of estimates and key assumptions used. The AC reviewed the KAM and concurred with the external auditors and the Management on their assessment, judgements and estimates on the significant matters reported in the KAM.

The AC is kept updated on new changes to the accounting and financial reporting standards by the external auditors during the year.

WHISTLE-BLOWING POLICY

The Company has put in place a whistle-blowing policy, whereby employees and any other persons may, in confidence, raise concerns about possible improprieties on matters of financial reporting or other matters. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. The follow-up action to be taken will depend on the nature of the concern. Some concerns may be resolved by agreed action without the need for independent investigation.

Provision 10.1(f) of the Code

The Company shall maintain the confidentiality of the whistleblower(s) to the fullest extent reasonably practicable within the legitimate needs of the law and any ensuing evaluation or investigation. Complainant(s) who make a report in good faith will be protected from reprisals, victimisation or harassment.

As of the date of this Annual Report, there were no reports received through the whistle blowing mechanism.

INTERNAL AUDIT

The Company has appointed Messrs Foo Kon Tan Advisory Pte Ltd as the Company's internal auditors for the purposes of reviewing the effectiveness of the Company's material internal controls. The role of the internal auditors is to assist the AC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high risk areas.

The AC approves the engagement, discontinuation, evaluation and compensation of its outsourced internal auditors. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel including access to the AC. The internal auditors report directly to the AC although they also report administratively to the CEO.

Provision 10.4 of the Code

The internal auditors, Messrs. Foo Kon Tan Advisory Services Pte Ltd meets the standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC has reviewed the internal audit programme, the scope and results of internal audit procedures and is satisfied that the outsourced internal audit function is independent, effective and adequately qualified (given, inter alia, its adherence to Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors) resourced and has appropriate standing in the Company to discharge its duties, pursuant to Catalist Rule 1204(10C).

The AC also reviews, at least annually, the adequacy and effectiveness of the internal audit function.

SHAREHOLDER RIGHTS

Principle 11: Companies should treat all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

In line with the continuous obligations of the Company under the Catalist Rules and the Companies Act, Chapter 50, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet. The Company does not practice selective disclosure.

Shareholders are informed of general meetings through the announcements released to the SGXNet and notices contained in the annual report or circulars sent to all Shareholders. The notice of AGM is also advertised in a prominent newspaper. Shareholders are also informed on the procedures for the poll voting at general meetings.

All Shareholders are entitled to attend and participate in the general meetings. If any Shareholders are unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. In line with the amendments to the Companies Act, Chapter 50 of Singapore, corporate Shareholders of the Company who are "relevant intermediaries" as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore, are allowed to appoint more than two proxies to attend and vote on their behalf at general meetings.

The Company's AGMs are the principal forums for dialogue with shareholders. Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay appraised of the Group's strategies and growth plans. Notices of the meetings will be advertised in newspapers in Singapore and announced via the SGXNet. All resolutions will be voted by way of poll and announcement of the detailed results of the general meetings will be published on the same day and the Company has adopted electronic polling for the AGM.

Provision 11.1 of the Code

Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each separate issue at the meeting.

Provision 11.2 of the Code

The Company has not amended its Constitution to provide for absentee voting methods at general meetings of Shareholders, which call for elaborate and costly implementation of a foolproof system for the purposes of authentication of shareholder identity and related security issues, the need for which does not arise presently.

Deviated from Provision 11.4 of the Code

The Chairmen of the Board Committees will be present and available to address questions relating to the work of their respective board committees at general meetings. Shareholders are given the opportunity to air their views and ask Directors, Management and External auditors questions regarding the Company. The Company will make use of general meetings as a forum to gather views and address shareholders' concerns.

Provision 11.3 of the Code

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting and responses from the Board and Management thereto. These minutes are published on the Company's corporate website as soon as practicable.

Provision 11.5 of the Code

The Company currently does not have a fixed dividend policy. The Board would consider establishing a dividend policy when appropriate. In considering the payment of dividend, the Board shall consider factors such as the Company's profits, cash flows, working capital and capital expenditure requirements, investment plans and other factors that the Board may deem relevant. No dividend is declared for FY2020 as the Group has not generated profit attributable to owners of the Company for FY2020.

Deviated from Provision 11.6 of the Code

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

In line with the provisions under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of the Annual Report for FY2020, Notice of AGM and Proxy Form will be despatchd to Shareholders for the forthcoming AGM on 29 January 2021.

The Company believes in regular and timely communication with shareholders as part of its organisational development to build systems and procedures. Information is disseminated to shareholders on a timely and non-selective basis through:

- annual reports that are prepared and issued to all shareholders within the mandatory period;
- public announcements via the SGXNet;
- press releases; and
- the Company's website at www.nosignboardseafood.com which the shareholders can access information on the Group.

The Company does not practise selective disclosure. Price sensitive information is first publicly released before the Company meets with any group of investors or analysts. Generally, all shareholders of the Company will receive the annual report with notice of AGM by post and published in the newspapers within the mandatory period, which is held within four months after the close of the financial year.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. Although the Company does not have an investor relations policy, the Company has engaged Financial PR Pte. Ltd. as the Group's investor relations firm ("**IR**") who will focus on facilitating communications with shareholders, analysts and media on a regular basis, to attend to their queries or concerns as well as to keep the investing public apprised of the Group's corporate developments and financial performance.

Deviated from Provisions 12.1 and 12.2 of the Code

To enable shareholders to contact the Company easily, the contact details of the IR personnel are set out in the corporate information page of the Annual Report as well as on the Company's website. The IR personnel have procedures in place for responding to investors' queries as soon as applicable. We provide financial performance and business development updates to the investment community through one-to-one meetings, analysts briefings, conference calls, corporate day events and media interviews.

Provision 12.3 of the Code

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. Through regular stakeholder engagement, the Company identifies and reviews material issues that are most relevant and significant to the company and its stakeholders. For external stakeholders, priority is given to issues important to the society and applicable to the Company. The Company ensures that there are regular and up-to-date communication about the Company's corporate social responsibility ("**CSR**") policies and activities to its stakeholders and there are appropriate feedback mechanisms to monitor and evaluate how the Company is doing and explore new possibilities stimulated by stakeholder responses. The Company views its sustainability report as being a critical component of this continuous cycle of communication and evaluation.

Provision 13.1 of the Code

Stakeholders of the Company include, but are not limited to, the future generation, employees, customers, suppliers and the community. The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during the year are set out in the company's Sustainability Report which will be published on SGXNET by February 2021.

Provision 13.2 of the Code

The Company maintains a corporate website at www.nosignboardseafood.com to communicate and engage with stakeholders. Please also refer to the Sustainability Report for further details on the Company's approach on stakeholders engagement.

Provision 13.3 of the Code

DEALINGS IN SECURITIES

The Company has adopted an internal Code of Best Practices on Securities Transactions to provide guidance to its officers with regard to dealings in the securities of the Company in compliance with principles of Catalist Rule 1204(19).

In general, officers are encouraged to hold shares in the Company but are prohibited from dealing in shares:

- in the period commencing two weeks before the announcement of the quarterly financial results or one month before the announcement of the financial statements of the financial year, as the case may be, and ending on the date of the announcement of the relevant results.

- at any time while in possession of price-sensitive information.

Directors and employees are expected not to deal in the Company's securities on short-term considerations and to observe insider trading laws at all times. All senior managers of the Company are required to notify their dealings in the Company's shares within two market days of transaction.

INTERESTED PERSON TRANSACTIONS ("IPTS")

The Company has adopted an internal policy in respect of any transaction with interested person and has set out the procedures for review and approval of the Company's IPTs to ensure they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Catalist Rule 920.

The aggregate value of interested person transactions entered into during year under review is as follows:

NAME OF INTERESTED PERSON	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL PERIOD UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN S$100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN S$100,000)
GuGong Pte. Ltd.	$162,129[1]	Not applicable

Note:

(1) During the year, the Company and Group had a payable of $162,129 as rental expense to GuGong Pte. Ltd. ("**GuGong**") for the lease of its corporate office and outlet.

MATERIAL CONTRACTS

Save for the interested persons transactions as disclosed in this Annual Report, there are no material contracts of the Company or its subsidiaries involving the interest of any director or controlling shareholder of the company subsisting at the end of FY2020.

USE OF PROCEEDS

The Company raised total net proceeds of approximately $19.3 million from the offering of 65,734,500 invitation shares comprises 15,734,500 new shares and 50,000,000 vendor shares, of which 2,500,000 invitation shares were available to the public for subscription and/or purchase and 63,234,500 invitation shares were by way of placement, in November 2017. The Company utilised the proceeds as follows:

	ALLOCATION OF NET PROCEEDS (AS DISCLOSED IN THE OFFER DOCUMENT) $'000	REVISED ALLOCATION OF NET PROCEEDS $'000	NET PROCEEDS UTILISED AS AT 31 DECEMBER 2020 $'000	BALANCE OF NET PROCEEDS AS AT 31 DECEMBER 2020 $'000
Purpose				
Development for the Beer Business	10,000	2,267	(2,267)	-
Establishing new chains of restaurants	5,000	7,000	(7,000)	-
Development of Ready Meal Business	2,000	-	-	-
General working purposes	2,300	10,033	(2,300)	7,733
	19,300	19,300	(11,567)	7,733

OTHERS

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

NON-SPONSOR FEES

There were no non-sponsor fees paid/payable to the Company's Sponsor for FY2020.

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

NAME OF DIRECTOR	ACADEMIC/ PROFESSIONAL QUALIFICATIONS	BOARD APPOINTMENT EXECUTIVE/ NON-EXECUTIVE	BOARD COMMITTEES AS CHAIRMAN OR MEMBER	DIRECTORSHIP DATE FIRST APPOINTED	DATE OF LAST RE-ELECTION	DIRECTORSHIPS IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS	PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS OVER THE PRECEDING 3 YEARS
Sam Lim	–	Executive Chairman and Chief Executive Officer	Chairman of the Board	1 June 2017	31 January 2019	Nil	Nil
Lim Lay Hoon	–	Executive Director and Chief Operating Officer	Board Member	6 November 2017	29 May 2020	Nil	Nil
Lo Kim Seng	• Advocate & Solicitor of Singapore	Lead Independent Director	Chairman of the Remuneration Committee, member of the Audit Committee and Nominating Committee	11 November 2020	N/A	• CFM Holdings Limited • Bayfront Law LLC	Morgan Lewis Stamford LLC

NAME OF DIRECTOR	ACADEMIC/ PROFESSIONAL QUALIFICATIONS	BOARD APPOINTMENT EXECUTIVE/ NON-EXECUTIVE	BOARD COMMITTEES AS CHAIRMAN OR MEMBER	DIRECTORSHIP DATE FIRST APPOINTED	DATE OF LAST RE-ELECTION	DIRECTORSHIPS IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS	PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS OVER THE PRECEDING 3 YEARS
Paul Leow	• Practising Member, ISCA • Fellow Member of the ACCA, United Kingdom • Certified Public Accountants, Colorado State, Board of Accountancy, USA.	Independent Director	Board Member, Chairman of the Audit Committee and Member of the Nominating Committee and Remuneration Committee	6 November 2017	31 January 2019	• Fragrance Group Limited • Asian Healthcare Specialists Limited	Nil
Robert Tay	• Bachelor of Laws from King's College London • Barrister of Lincoln's Inn • Admission as Advocate and Solicitor of the High Court of Singapore	Independent Director	Board Member, Chairman of the Nominating Committee and Member of the Audit Committee and Remuneration Committee	6 November 2017	31 January 2018	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Mr Lo Kim Seng, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

DETAILS	NAME OF DIRECTOR LO KIM SENG
Date of Appointment	11 November 2020
Date of last re-appointment (if applicable)	N.A.
Age	59
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Lo Kim Seng for re-appointment as Lead Independent Director of the Company. The Board has reviewed and concluded that Mr Lo Kim Seng possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. The NC and the Board has recommended the re-election of Mr Lo Kim Seng as an Independent Director of the Company after taking into account his experience and ability to contribute to the Group.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Remuneration Committee, member of the Audit Committee and Nominating Committee.
Professional qualifications	• Advocate & Solicitor of Singapore
Working experience and occupation(s) during the past 10 years	April 2018 to present: Director, Bayfront Law LLC March 2013 to March 2018: Director, Morgan Lewis Stamford LLC 2004 to February 2013: Director, Duane Morris and Selvam LLP
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	Nil

DETAILS	NAME OF DIRECTOR LO KIM SENG
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	**Past (for the last 5 years)** Morgan Lewis Stamford LLC **Present** CFM Holdings Limited (Independent Director) Bayfront Law LLC

The general statutory disclosures of the Directors are as follows:

a.	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b.	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c.	Whether there is any unsatisfied judgment against him?	No
d.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

DETAILS		NAME OF DIRECTOR LO KIM SENG
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h.	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—	No
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No

DETAILS	NAME OF DIRECTOR LO KIM SENG
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Information required **Disclosure applicable to the appointment of Director only.**	
Any prior experience as a director of an issuer listed on the Exchange?	Yes
If yes, please provide details of prior experience.	Mr Lo Kim Seng has been a Non-Executive Independent Director of CFM Holdings Limited, a company listed on the SGX-ST, since 16 January 2004
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N/A

DIRECTORS' STATEMENT

The directors are pleased to present statement to the members together with the audited consolidated financial statements of No Signboard Holdings Ltd. (the "Company") and its subsidiary companies (collectively the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2020.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

DIRECTOR

The directors of the Company in office at the date of this statement are:

Lim Yong Sim (Lin Rongsen)
Lim Lay Hoon (Lin Liyun)
Lo Kim Seng (Appointed on 11th November 2020)
Leow Chung Chong Yam Soon
Tay Chun Leng Robert (Zheng Chunling Robert)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	SHAREHOLDINGS REGISTERED IN THE NAME OF DIRECTORS		SHAREHOLDINGS IN WHICH DIRECTORS ARE DEEMED TO HAVE INTEREST	
NAME OF DIRECTOR AND COMPANY IN WHICH INTEREST ARE HELD	**AT BEGINNING OF THE YEAR**	**AT END OF THE YEAR**	**AT BEGINNING OF THE YEAR**	**AT END OF THE YEAR**
No Signboard Holdings Ltd.				
(The Company)				
(Ordinary shares)				
Lim Yong Sim (Lin Rongsen)	–	–	346,378,475	346,378,475
Leow Chung Chong Yam Soon	100,000	100,000	–	–
Tay Chun Leng Robert (Zheng Chunling Robert)	–	–	100,000	100,000
GuGong Pte. Ltd.				
(Ultimate holding company)				
(Ordinary shares)				
Lim Yong Sim (Lin Rongsen)	515,000	515,000	–	–
Lim Lay Hoon (Lin Liyun)	35,000	35,000	–	–

By virtue of Section 7 of the Singapore Companies Act, Mr Lim Yong Sim (Lin Rongsen) is deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares of the Company at 21 October 2020 were the same as at 30 September 2020.

SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

DIRECTORS' STATEMENT

AUDIT COMMITTEE

The Audit Committee of the Company, consisting all non-executive directors, is chaired by Mr Leow Chung Chong Yam Soon, an independent director, and includes Mr Tay Chun Leng Robert (Zheng Chunling Robert), an independent director, and Mr Lo Kim Seng, an independent director. The Audit Committee has met six times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(a) the audit plan and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's financial and operating results and accounting policies;

(c) the audit plan of the external auditors;

(d) the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and the external auditor's report on those financial statements;

(e) the quarterly, half-yearly and annual announcements on the results and financial position of the Company and the Group;

(f) the co-operation and assistance given by the management to the Group's external and internal auditors; and

(g) the appointment or re-appointment of the external and internal auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

AUDITOR

Ernst & Young LLP has expressed their willingness to accept re-appointment as auditor.

On behalf of the directors

Lim Yong Sim (Lin Rongsen)
Director

Lim Lay Hoon (Lin Liyun)
Director

Singapore
14 January 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of No Signboard Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to Note 35 to the financial statements which discloses an ongoing CAD investigation on the Company's Executive Chairman and Chief Executive Officer ("CEO"). In 2019, the Commercial Affairs Department of the Singapore Police Force ("CAD") commenced an investigation concerning the abortive share buyback executed by the Company's CEO, who was put on arrest and on bail on reasonable suspicion that sections 197 and 218 of the Securities and Futures Act Chapter 289 might have been breached. The CAD's investigation is still ongoing as at the date of this report. The Board of Directors and management have assessed that this matter is not expected to have significant impact on the accompanying financial statements.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Going concern assessment

The Group incurred a net loss of $9.8 million and net cash outflows of $2.9 million during the financial year ended 30 September 2020. As disclosed in Note 32(e) to the financial statements, the COVID-19 pandemic has affected the business of the Group, resulting in the deterioration of earnings and cashflows of the Group, and may continue to significantly disrupt the business activities of the Group. The prolonged result of which may materially affect the Group's ability to generate sufficient cash flows from operations.

The consolidated financial statements have been prepared on a going concern basis. Management's assessment of the Group's ability to generate sufficient operating cash flows and availability of sufficient funds for its operations amidst the disruptions caused by the COVID-19 pandemic are important considerations in our assessment of the appropriateness of the going concern assumption used in the preparation of the financial statements. As management's going concern assessment is a significant aspect of our audit, we have identified this as a key audit matter.

We obtained an understanding of management's going concern assessment, taking into consideration the current business environment to corroborate our review of the key assumptions used by management. In our assessment, we considered past, current and anticipated changes in the business and economic environment and the effects of COVID-19 pandemic. We evaluated the reasonableness of the key assumptions, such as revenue projections, and timing of significant cash flows used in the forecasts as approved by the Board, and taking into consideration the Group's plans on return of operations to normalcy using different possible scenarios. We also performed sensitivity analyses on management's sales recovery assumptions, operating costs and potential changes in COVID-19 related grants to assess the potential headroom on the Group's cash flows.

We assessed the adequacy of the disclosure in relation to the above in Note 32(e) to the financial statements.

Impairment of right-of-use assets, plant and equipment and intangible assets of seafood restaurants and other restaurants business

At 30 September 2020, the carrying value of the Group's right-of-use assets, plant and equipment and intangible assets were $4,756,005, $3,063,455 and $564,971 which represents 20.1%, 12.9% and 2.4% respectively of the Group's total assets. The Group has business segments in the management and operation of seafood restaurants and other restaurants. All the restaurant outlet operations were impacted by the COVID-19 pandemic and incurred loss in the current financial year. Accordingly, management identified that the related right-of-use assets, plant and equipment and intangible assets of these outlets have indicators of impairment and performed impairment tests to determine their recoverable values. Based on the outcome of the impairment tests, the Group has recognised an impairment charge of $1,286,352 and $586,452 to the right-of-use assets and plant and equipment, respectively, of the seafood restaurants and other restaurants business.

As disclosed in Note 12, Note 9 and Note 8, management determined the recoverable amounts of these outlets' right-of-use assets, plant and equipment and intangible assets based on value in use calculations, which require management to apply judgements and make assumptions on estimates supporting underlying projected cashflows.

Given that the magnitude of the carrying amounts of these assets are significant to the Group; heightened level of estimation uncertainty associated with current market condition and the significant management judgement involved, we consider this to be a key audit matter.

KEY AUDIT MATTERS (CONT'D)

Impairment of right-of-use assets, plant and equipment and intangible assets of seafood restaurants and other restaurants business (cont'd)

As part of our audit, we obtained an understanding of management's impairment assessment process, including the method and the reasonableness of the key assumptions used to determine the recoverable amounts, in particular focusing on key assumptions such as sales growth rates and discount rates. In our assessment and sensitivity analyses, we considered past, current and anticipated changes in the business and economic environment. We assessed the sales recovery assumptions and growth rates by comparing them to recent performance of the outlets and available external industry data based on conditions prevailing at the reporting date. We engaged our internal valuation specialists to assess reasonableness of the discount rates. We also performed sensitivity analyses on management's sales recovery assumptions, growth and discount rates in terms of the timing of the Group's plans on return of operations to normalcy using different possible scenarios

We reviewed the adequacy of the disclosures made on the impairment of right-of-use assets, plant and equipment and intangible assets in Note 12, Note 9 and Note 8 to the financial statements.

Accounting for upfront sponsorship, volume rebates and promotional support

The Group enters into contracts with customers in the beer business segment with upfront sponsorship, volume rebates and promotional support expenses. Other assets, accruals for volume rebates and upfront sponsorship and contract liabilities on promotional support expenses amount to $136,642, $288,564 and $271,153 respectively.

Management applies judgement in ascertaining the nature and classification of the upfront sponsorship, volume rebates and promotional support expenses and in determining whether these should be presented net against revenue or as expenses, estimating the amount to be accrued as at year end and assessing the carrying and recoverable amounts of the other assets (upfront sponsorship). Given the level of estimation uncertainty associated and the management judgement involved, accordingly, we consider this to be a key audit matter.

We read the contracts with customers, inquired and obtained an understanding of management's assessment in determining the appropriate accounting treatment. We assessed the appropriateness of the accounting treatment and classification of the upfront sponsorship, volume rebates and promotional support based on our understanding of their nature and purpose. We performed analytical procedures and tested the accuracy and completeness of the calculation of the accruals with reference to the underlying contracts with customers, invoices and other supporting documents on a sample basis. We tested, on a sample basis, the amortisation and the carrying and recoverable amounts of the other assets.

The judgement and key sources of estimation uncertainty on the classification and recognition of upfront sponsorship, volume rebates and promotional support is disclosed in Note 3 to the financial statements, and further information related to upfront sponsorship, volume rebates and promotional support is provided in Notes 10, 15 and 16 to the financial statements.

Impairment of amounts due from subsidiaries

As at 30 September 2020, the carrying amount of the Company's amounts due from subsidiaries amounted to $2,778,865 representing 15.3% of the Company's total assets. Management performed impairment assessment on these amounts and recognised expected credit loss allowances amounting to $3,494,965 for the financial year. Due to the magnitude of these receivables, estimation uncertainty associated with the current market condition and the significant management judgement involved, we consider this to be a key audit matter.

We obtained an understanding of the Company's processes and controls for identifying and monitoring of the amounts due from subsidiaries. We evaluated the reasonableness of management's estimate of the future repayment by the subsidiaries by considering the subsidiaries' financial position, nature of business, current economic conditions as well as management's assessment of the subsidiaries' business plans. We assessed the reasonableness of the loss rates applied by management taking into consideration the facts and circumstances surrounding these receivables and other relevant information. We reviewed the adequacy of disclosures made on the impairment of amounts due from subsidiaries in Note 13 to the financial statements.

OTHER MATTER

The financial statements of the Group for the year ended 30 September 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 11 May 2020.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Koh.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
14 January 2021

STATEMENTS OF FINANCIAL POSITION
As at 30 September 2020

	NOTE	GROUP		COMPANY	
		2020	2019	2020	2019
		$	$	$	$
ASSETS					
Current assets					
Cash and bank balances	4	12,921,780	15,792,071	11,658,583	15,231,736
Trade and other receivables	5	1,153,213	1,584,079	718,325	387,166
Amount due from subsidiaries	13	–	–	2,778,865	3,912,153
Inventories	6	479,518	516,640	60,617	69,650
Grant receivables	19	380,086	–	283,218	–
Other assets	10	136,642	482,027	–	–
Total current assets		15,071,239	18,374,817	15,499,608	19,600,705
Non-current assets					
Other receivables	5	193,857	1,065,163	–	489,040
Goodwill	7	–	–	–	–
Intangible assets	8	564,971	633,451	–	–
Plant and equipment	9	3,063,455	2,535,334	1,188,392	541,294
Right-of-use assets	12	4,756,005	–	1,425,503	–
Other assets	10	–	44,171	–	–
Investment in subsidiaries	11	–	–	100,105	100,105
Total non-current assets		8,578,288	4,278,119	2,714,000	1,130,439
Total assets		23,649,527	22,652,936	18,213,608	20,731,144

	NOTE	GROUP		COMPANY	
		2020	2019	2020	2019
		$	$	$	$
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings – current portion	14	1,465,528	–	1,465,528	–
Trade and other payables	15	5,216,427	4,603,257	2,527,257	3,001,685
Contract liabilities	16	271,153	626,733	–	–
Lease liabilities	12	3,264,757	–	1,523,439	–
Amount due to holding company	13	10,047	44,021	5,264	44,021
Provisions	17	265,341	170,223	223,897	133,274
Deferred grant income	19	556,181	–	388,628	–
Income tax payable		17,093	17,093	–	–
Total current liabilities		11,066,527	5,461,327	6,134,013	3,178,980
Non-current liabilities					
Provisions	17	150,808	271,403	38,808	161,327
Lease liabilities	12	2,811,945	–	302,156	–
Loans and borrowings	14	2,812,500	–	2,812,500	–
Total non-current liabilities		5,775,253	271,403	3,153,464	161,327
Equity					
Share capital	18	25,181,005	25,181,005	25,181,005	25,181,005
Capital reserve	20	(695,938)	(695,938)	2,063,751	2,063,751
Accumulated losses		(17,661,580)	(7,549,435)	(18,318,625)	(9,853,919)
Translation reserve	20	(15,740)	(15,426)	–	–
Total equity		6,807,747	16,920,206	8,926,531	17,390,837
Total liabilities and equity		23,649,527	22,652,936	18,213,608	20,731,144

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 September 2020

	NOTE	GROUP 2020 $	GROUP 2019 $
Revenue	21	13,627,913	25,487,809
Other income	22	1,905,207	395,571
Raw materials and consumables used		(4,799,332)	(8,616,470)
Changes in inventories		82,858	12,645
Employee benefits expense		(8,515,109)	(10,390,784)
Rental income		1,521,477	–
Rental expenses		(752,012)	(3,731,620)
Depreciation and amortisation expense		(5,622,978)	(1,223,267)
Impairment of goodwill and intangible assets		–	(264,399)
Impairment of plant and equipment	9	(586,452)	(764,749)
Impairment of right-of-use assets	12	(1,286,352)	–
Impairment of other assets		(94,457)	(8,921)
Other operating expenses	24	(4,913,154)	(5,620,152)
Finance costs	23	(385,973)	(32,008)
Loss before income tax	27	(9,818,364)	(4,756,345)
Income tax expense	25	(21,154)	(95,164)
Loss for the year, representing loss attributable to the owners of the Company		(9,839,518)	(4,851,509)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(314)	(15,550)
Total comprehensive loss for the year, representing total comprehensive loss attributable to the owners of the Company		(9,839,832)	(4,867,059)
Basic and diluted loss per share (cents)	29	(2.13)	(1.05)

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

GROUP	SHARE CAPITAL $	CAPITAL RESERVE $ NOTE 20	TRANSLATION RESERVE $ NOTE 20	ACCUMULATED LOSSES $	TOTAL $
Balance at 1 October 2019	25,181,005	(695,938)	(15,426)	(7,549,435)	16,920,206
Effects of adoption of SFRS (I) 16	–	–	–	(272,627)	(272,627)
Balance at 1 October 2019 (restated)	25,181,005	(695,938)	(15,426)	(7,822,062)	16,647,579
Total comprehensive loss for the year:					
Loss for the year	–	–	–	(9,839,518)	(9,839,518)
Other comprehensive loss	–	–	(314)	–	(314)
	–	–	(314)	(9,839,518)	(9,839,832)
Balance at 30 September 2020	25,181,005	(695,938)	(15,740)	(17,661,580)	6,807,747
Balance at 1 October 2018	25,181,005	(695,938)	124	(2,697,926)	21,787,265
Total comprehensive loss for the year:					
Loss for the year	–	–	–	(4,851,509)	(4,851,509)
Other comprehensive loss	–	–	(15,550)	–	(15,550)
	–	–	(15,550)	(4,851,509)	(4,867,059)
Balance at 30 September 2019	25,181,005	(695,938)	(15,426)	(7,549,435)	16,920,206

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 September 2020

COMPANY	SHARE CAPITAL	CAPITAL RESERVE	ACCUMULATED (LOSSES)/ PROFITS	TOTAL
	$	$	$	$
Balance at 1 October 2019	25,181,005	2,063,751	(9,853,919)	17,390,837
Effects of adoption of SFRS (I) 16	–	–	(145,091)	(145,091)
Balance at 1 October 2019 (restated)	25,181,005	2,063,751	(9,999,010)	17,245,746
Loss for the year, representing total comprehensive loss for the year	–	–	(8,319,615)	(8,319,615)
Balance at 30 September 2020	25,181,005	2,063,751	(18,318,625)	8,926,131
Balance at 1 October 2018	25,181,005	2,063,751	4,726	27,249,482
Loss for the year, representing total comprehensive loss for the year	–	–	(9,858,645)	(9,858,645)
Balance at 30 September 2019	25,181,005	2,063,751	(9,853,919)	17,390,837

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2020

	NOTE	GROUP 2020 $	GROUP 2019 $
Operating activities			
Loss before income tax		(9,818,364)	(4,756,345)
Adjustments for:			
Depreciation and amortisation expenses		5,622,978	1,223,267
Allowance for expected credit losses	5	377,434	13,544
(Gain)/loss on disposal of plant and equipment		(24,196)	75
Impairment of other assets		94,457	8,921
Write-off of inventories	27	39,124	73,064
Write-off of plant and equipment		13,105	–
Impairment loss on goodwill and intangible assets		–	264,399
Impairment loss on plant and equipment		586,452	764,749
Impairment loss on right-of-use assets		1,286,352	–
Loss on lease termination		27,852	–
Foreign exchange differences		3,865	(15,550)
Interest income	22	(61,283)	(113,743)
Interest expense	23	385,973	32,008
Operating cash flows before movements in working capital		(1,466,251)	(2,505,611)
Increase in trade and other receivables		544,650	990,128
Decrease in inventories		(2,002)	(85,736)
Decrease in trade and other payables		392,203	1,602,331
Contract liabilities		(355,580)	(443,723)
Decrease in amount due to holding company		(33,974)	(58,393)
Decrease/(increase) in other assets		295,100	(34,939)
Increase in provisions		(25,477)	(194,972)
Cash used in operations		(651,331)	(730,915)
Income tax paid		(21,154)	(616,966)
Net cash used in operating activities		(672,485)	(1,347,881)
Investing activities			
Purchase of plant and equipment	A	(2,279,919)	(3,223,900)
Deposits for purchase of plant and equipment		–	(398,722)
Proceeds from disposal of plant and equipment		25,162	–
Payment for intangibles - franchisee fee		–	(684,813)
Amount due to a former director of subsidiary for the acquisition of non-controlling interest in a subsidiary in prior year		–	(240,000)
Interest received	21	61,283	113,743
Net cash used in investing activities		(2,193,474)	(4,433,692)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2020

	NOTES	GROUP 2020 $	GROUP 2019 $
Financing activities			
Proceeds from bank borrowings		4,320,830	–
Repayment of bank borrowings		(42,802)	(2,054,046)
Repayment of lease liabilities		(3,896,387)	–
Interest paid in relation to lease liabilities		(341,838)	–
Interest paid in relation to bank borrowings		(44,135)	(32,008)
Net cash used in financing activities		(4,332)	(2,086,054)
Net decrease in cash and cash equivalents		(2,870,291)	(7,867,627)
Cash and cash equivalents at beginning of the year		15,792,071	23,659,698
Cash and cash equivalents at end of the year	4	12,921,780	15,792,071

Note A

	GROUP 2020 $	GROUP 2019 $
Purchase of plant and equipment (Note 9)	(2,647,161)	(3,428,954)
Less non-cash movement:		
Provision for reinstatement costs (Note 17)	27,368	110,076
Deposit for purchase of plant and equipment	–	94,978
Payables to suppliers of plant and equipment (Note 15)	339,874	–
	(2,279,919)	(3,223,900)

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

1. CORPORATE INFORMATION

No Signboard Holdings Ltd. (the "Company") was incorporated on 1 June 2017 in the Republic of Singapore with its principal place of business and registered office at 10 Ubi Crescent, #05-76 Ubi Techpark, Singapore 408564.

The Company was admitted to the Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 November 2017.

The principal activity of the Company is the management and operation of food & beverage outlets and investment holding.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Singapore dollars ("SGD" or "$").

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 October 2019. Except for the impact arising from the adoption of SFRS(I) 16 *Leases* and Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions as described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

<u>SFRS(I) 16 *Leases*</u>

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17. Therefore, SFRS(I) 16 does not have an impact for leases where the Group is the lessor.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 October 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 October 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 CHANGES IN ACCOUNTING POLICIES (CONT'D)

SFRS(I) 16 *Leases* *(cont'd)*

The Group has lease contracts for office premises, restaurants premises and office equipment. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. Refer to Note 2.20 Leases for the accounting policy prior to 1 October 2019.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.20 Leases for the accounting policy beginning on and after 1 October 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 October 2019:

- Right-of-use assets of $7,872,091 were recognised and presented separately in the statement of the financial position;
- Lease liabilities of $8,144,718 were recognised;
- The net effect of these adjustments of $272,627 had been adjusted to accumulated losses. Comparative information is not restated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 CHANGES IN ACCOUNTING POLICIES (CONT'D)

The lease liabilities as at 1 October 2019 can be reconciled to the operating lease commitments as of 30 September 2019, as follows:

	GROUP
	$
Operating lease commitments at 30 September 2019	11,836,273
Less:	
Commitments relating to short-term leases	(61,800)
Lease payments relating to leases that commence subsequent to 1 October 2019	(2,899,170)
	8,875,303
Weighted average incremental borrowing rate at 1 October 2019	3.73%
Discounted operating lease commitments, representing lease liabilities recognised at 1 October 2019	8,144,718

Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions

The Group adopted Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions that is effective for annual periods beginning on or after 1 June 2020. Earlier application is permitted.

As a practical expedient, the amendment to SFRS(I) 16 allows a lessee to elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this standard if the change were not a lease modification.

The Group has applied the practical expedient to all rent concessions that meet the conditions set out. The amount of rent concessions recognised in the profit or loss are disclosed in Note 12.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 *STANDARDS ISSUED BUT NOT YET EFFECTIVE*

The Group has not adopted the following standards and applications applicable to the Group that have been issued but not yet effective:

DESCRIPTION	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to Illustrative Examples, Implementation Guidance and SFRS(I) Practice Statements	1 January 2020
Amendments to SFRS(I) 3 *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 10 & SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 *BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS*

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS (CONT'D)

(a) Basis of consolidation (cont'd)

- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owner of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owner of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

(b) Business combinations and goodwill

i. Entities under common control

The Group is one involving entities under common control. Accordingly, the consolidated financial statements have been accounted for using the principles of merger accounting where financial statement items of the merged entities for the relevant years in which the common control combination occurs are included in the consolidated financial statement of the Group as if the combination had occurred from the date when the merged entities first came under the control of the group of shareholders acting in concert.

The results of subsidiaries acquired or disposed of during the financial year are included in the statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this may result in the non-controlling interests having a deficit balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS (CONT'D)

(b) Business combinations and goodwill (cont'd)

i. Entities under common control (cont'd)

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

ii. Other acquisitions

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method.

The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement year adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement year adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*, or SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS (CONT'D)

(b) Business combinations and goodwill (cont'd)

ii. Other acquisitions (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS (I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the financial year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement year, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement year is the year from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

In the Company's separate financial statements, investment in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS (CONT'D)

(b) Business combinations and goodwill (cont'd)

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent year.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

2.5 PLANT AND EQUIPMENT

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Construction in progress represents plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of plant and equipment when completed and ready for intended use. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Motor vehicles	-	5 years
Furniture and fittings	-	3 years
Renovation	-	3 to 5 years
Kitchen equipment and utensils	-	3 years

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONT'D)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.7 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(a) Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets (cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the “other income” line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “other income” or “other operating expenses” line item.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets (cont'd)

Derecognition of financial assets (cont'd)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing short term loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income" or "other operating expenses" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial liabilities and equity instruments (cont'd)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.8 IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

Significant increase in credit risk (cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet the following criteria are generally not recoverable.

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers a financial asset in default when contractual payments are more than 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Advances to related companies are assessed for expected credit losses on an individual basis);

- Past-due status;

- Nature, size and industry of debtors; and

- External credit ratings where available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

Measurement and recognition of expected credit losses (cont'd)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises all cost of purchase and overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.10 INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised. Each year, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Trademark

The trademark was acquired in a business combination in June 2017. The useful life of trademark is estimated to be indefinite based on the Group's analysis of relevant factors and there is no foreseeable limit to the period over which the trademarks are expected to generate net cash flows.

Franchise Licenses

The franchise licenses are amortised on a straight-line basis over their estimated useful lives of between 5 to 10 years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.12 OTHER ASSETS

Other assets pertain to the upfront sponsorship provided by the Group to their customers based on the agreed contractual terms. The amount is amortised to profit or loss based on the period as stipulated in the contract.

2.13 GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the years necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the year in which they become receivable.

2.14 REVENUE RECOGNITION

The Group recognises revenue from the following major sources:

- Sale of food and beverages in restaurant business;
- Sale of live seafood;
- Sale of beverages in beer business; and
- Franchise fee income.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when customer obtains control of the good or service.

<u>Sale of food and beverages in restaurant business</u>

Revenue from sale of food and beverage is recognised at a point in time when control of the food and beverage has been transferred, being at the point the customer purchases the food and beverage at the respective outlets or restaurants. Payment of the transaction price is due immediately at the point the customer purchases the food and beverage and there is no right of return.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 REVENUE RECOGNITION (CONT'D)

Sale of live seafood

The revenue of the Group arising from sale of live seafood is recognised at a point in time. Revenue from these sales is recognised when customer acceptance has been obtained, which is the point of time when the goods are delivered based on the agreed shipping terms and the location specified by the customers, and when the customer has the ability to direct the use of these goods and obtain substantially all of the remaining benefits of these goods.

Sale of beverages in beer business

The Group sells beer directly to customers and wholesaler or through its distributors who act as the agent.

For sales directly to customers and wholesaler, the revenue is recognised at point in time when the goods are delivered based on the agreed shipping terms and the location specified by the customers and wholesaler, and when the customer and wholesaler has the ability to direct the use of these goods and obtain substantially all of the remaining benefits of these goods.

For sales through distributors, revenue is recognised at a point in time when the distributors have delivered the goods to customers based on the agreed shipping terms and the location specified by the customers. For advance billings and payments received, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customers. Variable consideration is typically constrained and is included in the transaction only to the extent that it is highly probable that a significant reversal in the cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The upfront sponsorship is amortised to profit or loss as a reduction against revenue based on the period as stipulated in the contracts. The Group also made payments to customers in relation to selling initiatives for volume rebates which are netted off against revenue. Promotional support are given by the Group for promotional and marketing initiatives to develop the Group's brand and are accumulated over the contract period as a contract liability and correspondingly netted off against revenue.

Service charges

Revenue from service charges is recognised at point in time upon sale of food and beverage, when services have been performed.

Franchise fee income

Franchise fee charged for the use of continuing right granted by the agreement, or for other services provided during the year of the agreement, are recognised as income over time as the services are rendered or the right used.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 EMPLOYEE BENEFITS

(a) Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2.16 BORROWINGS COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.17 TAXES

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred taxation is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 TAXES (CONT'D)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 FOREIGN CURRENCY TRANSACTIONS

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. As at each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of translation reserve.

2.19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and bank balances, which are subject to insignificant risks of changes in value.

2.20 LEASES

These accounting policies are applied on and after the initial application date of SFRS (I) 16, 1 October 2019:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 LEASES (CONT'D)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

	Years
Restaurant premises	2 to 5 years
Office equipment	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the remaining lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

These accounting policies are applied before the initial application date of SFRS (I) 16, 1 October 2019:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 LEASES (CONT'D)

Short-term leases and leases of low-value assets (cont'd)

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognised as expenses in the years in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.21 FAIR VALUE

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.22 SEGMENT INFORMATION

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is focused on the seafood restaurants, other restaurants and beer businesses which form the basis of identifying the operating segments of the Group under SFRS(I) 8 Operating Segments. The aggregated seafood restaurants, other restaurants and beer businesses are therefore the Group's reportable segments.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *JUDGMENTS MADE IN APPLYING ACCOUNTING POLICIES*

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification and recognition of upfront sponsorship, volume rebates and promotional support

As incentives for customers to sustain business with the Group, the Group enters into contracts with customers with upfront sponsorship, volume rebates and promotional support.

Management exercises judgement in ascertaining the nature and classification of the upfront sponsorship, volume rebates and promotional support. The upfront sponsorship is amortised to profit or loss as a reduction against revenue based on the period as stipulated in the contracts. The Group also made payments to customers in relation to selling initiatives for volume rebates which are netted off against revenue. Promotional support are given by the Group for promotional and marketing initiatives to develop the Group's brand and are netted off against revenue.

The Group's other assets, accruals for volume rebates and upfront sponsorship and contract liabilities on promotional support expenses amounted to $136,642, $288,564 and $271,153 (2019: $526,198, $579,512 and $337,955) respectively as at 30 September 2020.

3.2 *KEY SOURCES OF ESTIMATION UNCERTAINTY*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over their estimated useful lives. The Group reviews the estimated useful lives of the plant and equipment at the end of each reporting period. Management has assessed and determined the useful lives of plant and equipment to be 3 to 5 years. The carrying amount of the Group's plant and equipment as at 30 September 2020 was $3,063,455 (2019: $2,535,334). Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

3.2 *KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)*

Recognition of upfront sponsorship, volume rebates and promotional support

Management exercises judgement in assessing the carrying and recoverable amounts of the other assets (upfront sponsorship) as well as the estimated amount to be accrued for volume rebates and promotional support.

The Group's other assets, accruals for volume rebates and upfront sponsorship and contract liabilities on promotional support expenses amount to $136,642, $288,564 and $271,153 (2019: $526,198, $579,512 and $337,955) respectively as at 30 September 2020.

Provision for expected credit losses of trade and other receivables

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of the Group's trade and other receivables as at 30 September 2020 was $1,149,741 (2019: $1,801,820).

Impairment of investments and recoverability of amounts due from subsidiaries

The Company assesses whether there are any indicators of impairment for the recoverable amounts of its investments in and recoverability of receivables in subsidiaries. The recoverable amount is determined by an estimation of the value in use of the subsidiaries. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from these subsidiaries and determine a suitable discount rate to calculate the present value of those cash flows. Forecasts of future cash flows are based on management's estimate of expected revenue growth. Based on management's estimates, there was no impairment losses (2019: $1,780,000) recognised as at 30 September 2020.

In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default as well as loss upon default. Based on management's estimates, loss allowances amounting to $3,494,965 (2019: $8,387,947) has been made as at 30 September 2020.

The carrying amount of the investments in and recoverability of amounts due from subsidiaries in the Company's financial statements at the end of the reporting period are disclosed in Notes 11 and 13 to the financial statements respectively.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

3.2 *KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)*

Impairment of right-of-use assets, plant and equipment and intangible assets of seafood restaurants and other restaurants business

The Group assesses whether there are any indicators of impairment for right-of-use assets, plant and equipment and intangible assets at the end of each reporting period. Right-of-use assets, plant and equipment and intangible assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. This requires an estimation of the recoverable amounts of the cash generating units which is determined based on the higher of fair value less cost to sell ("FVLCTS') and value-in-use ("VIU") methods.

In particular, management assesses impairment of right-of-use assets, plant and equipment and intangible assets of seafood restaurants and other restaurants business by considering factors such as the market and economic environment in which the cash generating units operate and the economic performance of these assets. The Group has recognised an impairment charge of $1,286,352 and $586,452 to the right-of-use assets and plant and equipment, respectively, of the seafood restaurants and other restaurants business for the financial year ended 30 September 2020 (2019: $nil and $764,749).

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit, including estimating the revenue growth rate for the restaurants and using a suitable discount rate in order to calculate the present value of the cash flows.

4. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2020	2019	2020	2019
	$	$	$	$
Cash at bank	12,900,959	10,705,579	11,655,729	10,169,191
Fixed deposit	–	5,029,900	–	5,029,900
Cash on hand	20,821	56,592	2,854	32,645
Cash and bank balances	12,921,780	15,792,071	11,658,583	15,231,736

In 2019, the fixed deposit of the Group and the Company bore interest at 1.73% per annum and for a tenure of 3 months.

The Group has unutilised banking facilities of S$1,000,000 that is available for use as at 30 September 2020.

5. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2020	2019	2020	2019
	$	$	$	$
Trade receivables:				
Third parties	534,549	658,423	8,134	223,597
Related parties A, B and C (Note 33)	15,478	12,370	6,900	12,370
	550,027	670,793	15,034	235,967
Less: Loss allowances	(394,591)	(17,157)	–	–
	155,436	653,636	15,034	235,967
GST recoverable	–	21,596	49,333	–
	155,436	675,232	64,367	235,967
Other receivables:				
Third parties	47,147	40,000	37,121	5,000
Refundable security deposits	947,158	1,108,184	586,626	602,866
Deposit for purchase of plant and equipment	–	398,722	–	–
Prepayments	197,329	427,104	30,211	32,373
	1,191,634	1,974,010	653,958	640,239
Less: Non- current portion				
Refundable security deposits	(193,857)	(666,441)	–	(489,040)
Deposit for purchase of plant and equipment	–	(398,722)	–	–
	(193,857)	(1,065,163)	–	(489,040)
Current portion	1,153,213	1,584,079	718,325	387,166

5. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables

The average credit period on sale of food, beverages and live seafood is 11 days (2019: 15 days). No interest is charged on the outstanding balance.

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

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

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

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with SFRS(I) 9:

	GROUP	
	LIFETIME ECL (CREDIT-IMPAIRED)	
	2020	2019
	$	$
Balance as at 1 October	17,157	3,613
Charge for the year	377,434	13,544
Balance as at 30 September	394,591	17,157

Other receivables

For purpose of impairment assessment, the other receivables is considered to have low credit risk as the amount has not past due and there has been no significant increase in the risk of default on the other receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operates, in estimating the probability of default of each financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management determines its other receivables is subject to immaterial credit loss.

6. INVENTORIES

	GROUP		COMPANY	
	2020	2019	2020	2019
	$	$	$	$
At cost				
Raw material and consumables	306,500	294,216	29,626	41,983
Liquor and beverages	173,018	222,424	30,991	27,667
	479,518	516,640	60,617	69,650

7. GOODWILL

	GROUP
	$
Cost:	
At 1 October 2018, 30 September 2019 and 2020	3,443,083
Accumulated impairment:	
At 1 October 2018, 30 September 2019 and 2020	3,443,083
Carrying amount:	
At 30 September 2020	–
At 30 September 2019	–

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (“CGUs”) that are expected to benefit from the business combination. The carrying amount of goodwill has been allocated to the beer business.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

In 2018, the Group reviewed the recoverability of the goodwill and as the beer business had not performed to the levels expected by the management of the Company, the Group restructured the beer business. Accordingly, the goodwill acquired in a business combination in June 2017 was fully impaired as at 30 September 2018.

8. INTANGIBLE ASSETS

GROUP	TRADEMARK	FRANCHISE LICENSES	TOTAL
	$	$	$
Cost:			
At 1 October 2018	620,000	301,560	921,560
Additions	–	684,813	684,813
At 30 September 2019, 1 October 2019 and 30 September 2020	620,000	986,373	1,606,373
Accumulated amortisation:			
At 1 October 2018	–	2,285	2,285
Additions	–	86,238	86,238
At 30 September 2019 and 1 October 2019	–	88,523	88,523
Additions	–	68,480	68,480
At 30 September 2020	–	157,003	157,003
Accumulated impairment:			
1 October 2018	620,000	–	620,000
Impairment loss recognised for the year	–	264,399	264,399
At 30 September 2019, 1 October 2019 and 30 September 2020	620,000	264,399	884,399
Carrying amount:			
At 30 September 2020	–	564,971	564,971
At 30 September 2019	–	633,451	633,451

The intangible asset - franchise license are amortised over its useful lives of 5 to 10 years (2019: 5 to 10 years). The amortisation expense has been included in the line item “depreciation and amortisation expense” in profit or loss.

During the financial year, management identified an impairment indicator for the other restaurants business which is not profitable. The Group carried out a review of the recoverable amount on the intangible asset – franchise licenses and an impairment loss of $nil (2019: $264,399) was recognised as at 30 September 2020.

9. PLANT AND EQUIPMENT

GROUP	MOTOR VEHICLES	FURNITURE AND FITTINGS	RENOVATION	KITCHEN EQUIPMENT AND UTENSILS	CONSTRUCTION IN PROGRESS	TOTAL
	$	$	$	$	$	$
Cost						
At 1 October 2018	292,028	1,444,863	1,823,559	424,009	218,934	4,203,393
Transfer	–	31,360	45,000	–	(76,360)	–
Additions	–	565,403	1,902,232	774,021	187,298	3,428,954
Disposals	–	(150,403)	(38,211)	–	–	(188,614)
At 30 September 2019 and 1 October 2019	292,028	1,891,223	3,732,580	1,198,030	329,872	7,443,733
Transfer	–	–	180,000	–	(180,000)	–
Additions	108,501	180,675	1,609,291	626,607	122,087	2,647,161
Disposals	–	(81,069)	–	–	–	(81,069)
Write-offs	–	(90,219)	(409,869)	(136,392)	–	(636,480)
At 30 September 2020	400,529	1,900,610	5,112,002	1,688,245	271,959	9,373,345
Accumulated depreciation						
At 1 October 2018	145,991	682,819	1,706,511	416,839	–	2,952,160
Depreciation for the year	59,043	472,829	487,195	117,962	–	1,137,029
Disposals	–	(150,328)	(38,211)	–	–	(188,539)
At 30 September 2019 and 1 October 2019	205,034	1,005,320	2,155,495	534,801	–	3,900,650
Depreciation for the year	54,928	293,806	879,433	287,512	–	1,515,679
Disposals	–	(80,103)	–	–	–	(80,103)
Write-offs	–	(87,894)	(399,089)	(136,392)	–	(623,375)
Exchange differences	347	223	1,709	559	–	2,838
At 30 September 2020	260,309	1,131,352	2,637,548	686,480	–	4,715,689

9. PLANT AND EQUIPMENT (CONT'D)

GROUP	MOTOR VEHICLES	FURNITURE AND FITTINGS	RENOVATION	KITCHEN EQUIPMENT AND UTENSILS	CONSTRUCTION IN PROGRESS	TOTAL
	$	$	$	$	$	$
Accumulated impairment						
At 1 October 2018	18,427	224,573	–	–	–	243,000
Impairment loss recognised for the year	–	218,890	456,470	89,389	–	764,749
At 30 September 2019 and 1 October 2019	18,427	443,463	456,470	89,389	–	1,007,749
Impairment loss recognised for the year	–	77,502	341,663	167,287	–	586,452
At 30 September 2020	18,427	520,965	798,133	256,676	–	1,594,201
Carrying amount						
At 30 September 2020	121,793	248,293	1,676,321	745,089	271,959	3,063,455
At 30 September 2019	68,567	442,440	1,120,615	573,840	329,872	2,535,334

9. PLANT AND EQUIPMENT (CONT'D)

COMPANY	MOTOR VEHICLES	FURNITURE AND FITTINGS	RENOVATION	KITCHEN EQUIPMENT AND UTENSILS	CONSTRUCTION IN PROGRESS	TOTAL
	$	$	$	$	$	$
Cost						
At 1 October 2018	148,028	714,205	1,551,724	422,319	142,574	2,978,850
Additions	–	109,296	258,358	69,815	7,298	444,767
At 30 September 2019 and 1 October 2019	148,028	823,501	1,810,082	492,134	149,872	3,423,617
Additions	–	72,858	945,182	175,810	90,092	1,283,942
Write-offs	–	(87,119)	(396,009)	(136,392)	–	(619,520)
Disposals	–	–	–	–	(3,649)	(3,649)
At 30 September 2020	148,028	809,240	2,359,255	531,552	236,315	4,084,390
Accumulated depreciation and impairment losses						
At 1 October 2018	109,199	638,851	1,441,378	415,148	–	2,604,576
Depreciation for the year	29,609	93,887	131,440	22,811	–	277,747
At 30 September 2019 and 1 October 2019	138,808	732,738	1,572,818	437,959	–	2,882,323
Depreciation for the year	9,220	68,459	357,007	64,840	–	499,526
Write-offs	–	(87,119)	(396,009)	(136,392)	–	(619,520)
Impairment loss for the year	–	30,022	85,944	17,703	–	133,669
At 30 September 2020	148,028	744,100	1,619,760	384,110	–	2,895,998
Carrying amount						
At 30 September 2020	–	65,140	739,495	147,442	236,315	1,188,392
At 30 September 2019	9,220	90,763	237,264	54,175	149,872	541,294

9. PLANT AND EQUIPMENT (CONT'D)

The assessment for impairment is based on cash generating units ("CGUs") comprising the seafood restaurants, other restaurants and beer business.

The impairment of plant and equipment in both 2020 and 2019 represents the write-down of the carrying values of certain plant and equipment in the seafood restaurants, other restaurants and beer business to their recoverable amounts.

In 2020, in light of the COVID-19 pandemic, the deterioration of its earnings and closure of outlets led to indicators of impairment on the plant and equipment relating to the seafood restaurants and other restaurants.

In 2019, the closure of other restaurants and the loss-making beer business led to indicators of impairment on the related plant and equipment.

For the current financial year, the recoverable amounts of plant and equipment relating to restaurant outlets with indicators of impairment were determined based on value-in-use calculations using cash flow projections approved by management. The pre-tax discount rate applied to the cash flows projections ranges between 9.0% to 15.6%.

In 2019, the recoverable amounts of the relevant assets relating to restaurant outlets that were closed and beer business which is not profitable have been determined based on fair value less cost of disposal, which is based on the recent market prices of assets with similar age and obsolescence. During the financial year, management recognised an impairment loss on the Group's and Company's plant and equipment of $586,452 and $133,669 respectively (2019: $764,749 and $nil).

10. OTHER ASSETS

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

11. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2020	2019
	$	$
Unquoted equity shares, at cost	1,880,105	1,880,105
Less: Impairment loss	(1,780,000)	(1,780,000)
	100,105	100,105

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries of the Company are as follows:

NAME OF SUBSIDIARIES	DATE AND COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST AND VOTING POWER HELD	
			2020	2019
Danish Breweries Pte. Ltd.[a]	6 June 2014, Singapore	Import and export, and general wholesale trading of beer and liquor	100%	100%
Draff Beer Pte. Ltd.[a]	22 May 2017, Singapore	Dormant	100%	100%
Singapore Chilli Crab Pte. Ltd.[a]	31 August 2017, Singapore	Dormant	100%	100%
Tao Brewery Pte. Ltd.[a]	22 March 2017, Singapore	Investment holding	100%	100%
NSB Restaurants Pte. Ltd.[a]	20 March 2018, Singapore	Investment holding	100%	100%
Hawker QSR Pte. Ltd.[a]	20 March 2018, Singapore	Restaurants	100%	100%
NSB Global Franchise Management Pte. Ltd.[a]	14 February 2018, Singapore	Investment holding	100%	100%
NSB Franchisees Pte. Ltd.[a]	14 February 2018, Singapore	Investment holding	100%	100%

11. INVESTMENT IN SUBSIDIARIES (CONT'D)

NAME OF SUBSIDIARIES	DATE AND COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF OWNERSHIP INTEREST AND VOTING POWER HELD	
			2020	2019
NSB Hotpot Pte. Ltd.[a]	14 February 2018, Singapore	Restaurants	100%	100%
NSB-IP Holdings Pte. Ltd.[a]	22 November 2018, Singapore	Dormant	100%	100%
NSB Central Kitchen Pte. Ltd.[a]	30 November 2018, Singapore	Food caterer	100%	100%
NSB Crab Factory Pte. Ltd.[a]	30 November 2018, Singapore	Investment holding	100%	100%
NSB Crab Factory (China) Pte. Ltd.[a]	30 November 2018, Singapore	Investment holding	100%	100%
Lion F&B Management Shanghai Co., Ltd [b]	30 January 2019, The People's Republic of China	Restaurants	100%	100%
NSB-Mom's Touch Pte. Ltd.[a]	8 October 2018, Singapore	Restaurants	100%	100%
NSB Mom's Touch Sdn Bhd. [b]	13 December 2018, Malaysia	Dormant	100%	100%

(a) Audited by Ernst & Young LLP, Singapore.

(b) Not required to be audited by the laws of its country of incorporation. These foreign subsidiaries are not considered significant as defined under Clause 718 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Information about the composition of the Group is as follows:

PRINCIPAL ACTIVITIES	NUMBER OF WHOLLY-OWNED SUBSIDIARIES	
	2020	2019
	$	$
Import and export, and general wholesale trading of beer and liquor	1	1
Restaurants	4	4
Food caterer	1	1
Investment holding	6	6
Dormant	4	4
	16	16

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for restaurant premises and office equipment used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of restaurant outlets with lease terms of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

GROUP	RESTAURANT PREMISES	OFFICE EQUIPMENT	TOTAL
	$	$	$
Cost			
At 30 September 2019 and 1 October 2019	–	–	–
Effects of adopting SFRS(I) 16	11,505,479	39,584	11,545,063
At 1 October 2019 (restated)	11,505,479	39,584	11,545,063
Additions	4,267,909	23,932	4,291,841
Termination	(2,602,547)	–	(2,602,547)
At 30 September 2020	13,170,841	63,516	13,234,357
Accumulated depreciation and impairment loss			
At 30 September 2019 and 1 October 2019	–	–	–
Effects of adopting SFRS(I) 16	3,658,046	14,926	3,672,972
At 1 October 2019 (restated)	3,658,046	14,926	3,672,972
Charge for the year	4,023,615	15,204	4,038,819
Impairment loss	1,283,252	3,100	1,286,352
Termination	(519,791)	–	(519,791)
At 30 September 2020	8,445,122	33,230	8,478,352
Net carrying amount			
At 30 September 2020	4,725,719	30,286	4,756,005

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

COMPANY	RESTAURANT PREMISES	OFFICE EQUIPMENT	TOTAL
	$	$	$
Cost			
At 30 September 2019 and 1 October 2019	–	–	–
Effects of adopting SFRS(I) 16	6,831,428	39,584	6,871,012
At 1 October 2019 (restated) and 30 September 2020	6,831,428	39,584	6,871,012
Accumulated depreciation and impairment loss			
At 30 September 2019 and 1 October 2019	–	–	–
Effects of adopting SFRS(I) 16	2,888,021	14,926	2,902,947
At 1 October 2019 (restated)	2,888,021	14,926	2,902,947
Charge for the year	2,052,108	10,416	2,062,524
Impairment loss	476,938	3,100	480,038
At 30 September 2020	5,417,067	28,442	5,445,509
Net carrying amount			
At 30 September 2020	1,414,361	11,142	1,425,503

The assessment for impairment is based on cash generating units ("CGUs") comprising the seafood restaurants, other restaurants and beer business.

The impairment of right-of-use assets in the current financial year represents the write-down of their carrying values in the seafood restaurants, other restaurants and beer business to their recoverable amounts.

In 2020, in light of the COVID-19 pandemic, the deterioration of its earnings and closure of outlets led to indicators of impairment on the right-of-use assets relating to the seafood restaurants and other restaurants.

During the financial year, the recoverable amounts of the right-of-use assets have been determined on the basis of their value in use. The pre-tax discount rate applied to the cash flows projections ranges between 9% to 15.6%.

During the financial year, management recognised an impairment loss on the Group's and Company's right-of-use assets of $1,286,352 and $480,038 respectively.

Termination

Termination relates to the early termination of leases of restaurant premises during the financial year.

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	GROUP $
At 30 September 2019 and 1 October 2019	–
Effects of adopting SFRS(I) 16	8,144,718
At 1 October 2019 (restated)	8,144,718
Additions	4,291,840
Accretion of interest	341,838
Payments	(4,238,225)
Termination	(2,463,469)
At 30 September 2020	6,076,702
Current	3,264,757
Non-current	2,811,945
At 30 September 2020	6,076,702

	COMPANY $
At 30 September 2019 and 1 October 2019	–
Effects of adopting SFRS(I) 16	4,113,156
At 1 October 2019 (restated)	4,113,156
Accretion of interest	122,919
Rent concession	(1,028,255)
Payments	(1,382,225)
At 30 September 2020	1,825,595
Current	1,523,439
Non-current	302,156
At 30 September 2020	1,825,595

The maturity analysis of lease liabilities is disclosed in Note 32.

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The following are the amounts recognised in profit or loss:

	NOTE	GROUP 2020 $
Depreciation of right-of-use assets		4,038,819
Interest on lease liabilities	23	341,838
Impairment of right-of-use assets		1,286,352
Rental (income)/expenses:		
- Rental expense on short-term leases and leases of low-value assets		528,332
- Variable lease payments		223,680
- Rental concessions (included in rental expenses)		(1,521,477)
- Rental concessions (included in other income)		184,217
Total amount recognised in profit or loss		5,081,761

The Group had total cash outflow for leases of $4,990,237 in the financial year ended 30 September 2020.

The Group has several lease contracts that include extension and termination options. These options, whose prices are based on revised rates to be determined at the date of exercise, are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

13. AMOUNT DUE FROM/(TO) HOLDING COMPANY AND SUBSIDIARIES

(a) Amount due to holding company

The Company is a subsidiary of GuGong Pte. Ltd., which is also the Company's ultimate holding company. The director, Lim Yong Sim (Lin Rongsen) is the majority shareholder of the ultimate holding company.

The amount due to holding company is unsecured, non-interest bearing and repayable on demand.

(b) Amount due from subsidiaries

	COMPANY	
	2020 $	2019 $
Amount due from subsidiaries – non-trade	14,661,777	12,300,100
Less: Loss allowances	(11,882,912)	(8,387,947)
	2,778,865	3,912,153

13. AMOUNT DUE FROM/(TO) HOLDING COMPANY AND SUBSIDIARIES (CONT'D)

(b) Amount due from subsidiaries (cont'd)

$2,620,403 of amount due from subsidiaries is unsecured and bears interest at 3.72% per annum (2019: $2,627,009). The remaining amount due from subsidiaries of $12,041,374 is unsecured, interest-free and repayable on demand (2019: $9,673,091).

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

	COMPANY	
	LIFETIME ECL (CREDIT-IMPAIRED)	
	2020	2019
	$	$
Balance as at 1 October	8,387,947	–
Charge for the year	3,494,965	8,387,947
Balance as at 30 September	11,882,912	8,387,947

14. LOANS AND BORROWINGS

	GROUP
	2020
	$
Bank loans	4,278,028
Current portion	1,465,528
Non-current portion	2,812,500
	4,278,028

The Group has the following principal bank loans:

(i) Loan amounting to $3,000,000 was drawn down in May 2020. The loan is unsecured, is repayable in 48 equal monthly instalments commencing in June 2021 and is expected to be repayable in full by May 2025. The loan bears interests of 2% per annum.

(ii) Loan amounting to $1,278,028 was drawn down in February 2020. The loan is unsecured, repayment commenced in September 2020 and is expected to be repayable in full by February 2023. The loan bears interests of SIBOR + 2% per annum.

The Group is required to maintain a tangible net worth of more than $10,000,000 as at the end of the reporting period. As at 30 September 2020, the Group breached the covenant as its tangible net worth amounted to $6,807,747. The principal amount of $1,278,028 was presented as a current liability as at 30 September 2020.

The bank had not requested for immediate repayment of the outstanding loan amount as at the date when these financial statements were authorised for issue.

14. LOANS AND BORROWINGS (CONT'D)

Reconciliations of liabilities arising from financing activities

	1 OCTOBER 2019 $	FINANCING CASH FLOWS (i) $	NON-CASH CHANGES ACCRETION OF INTERESTS $	NON-CASH CHANGES ACQUISITIONS AND TERMINATIONS $	30 SEPTEMBER 2020 $
Loans and borrowings	–	4,233,893	44,135	–	4,278,028
Lease liabilities	8,144,718	(4,238,225)	341,838	1,828,371	6,076,702

	1 OCTOBER 2018 $	FINANCING CASH FLOWS (i) $	NON-CASH CHANGES ACCRETION OF INTERESTS $	NON-CASH CHANGES OTHERS $	30 SEPTEMBER 2019 $
Loans and borrowings	2,054,046	(2,086,054)	32,008	–	–

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

15. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2020 $	2019 $	2020 $	2019 $
Trade payables:				
Third parties	721,255	1,189,844	240,873	898,802
GST payable	69,574	–	–	175,503
Other payables:				
Third parties	1,948,257	880,758	1,027,001	626,022
Payables to suppliers of plant and equipment	339,874	–	253,708	–
Accruals for volume rebates	165,340	165,080	–	–
Accruals for upfront sponsorship	123,224	414,432	–	–
Accruals	793,056	539,111	182,032	286,469
Accrued employee benefits expense	1,031,723	1,379,313	820,838	1,000,661
Amount due to related party B (Note 33)	22,846	20,491	2,355	–
Deposits	200	1,700	200	1,700
Others	1,078	12,528	250	12,528
	5,216,427	4,603,257	2,527,257	3,001,685

The average credit period is 74 days (2019: 49 days). No interest is charged on outstanding balances.

16. CONTRACT LIABILITIES

	GROUP	
	2020	2019
	$	$
Advance billings and payments [i]	–	288,778
Promotional support [ii]	271,153	337,955
	271,153	626,733

[i] This relates to advance billings and payments received for goods delivered to customers in future periods. A contract liability is recognised for revenue relating to the sales of beverages in beer business at the time of the initial sales transaction and is recognised at point in time when goods are delivered to customers.

[ii] Promotional support is accumulated over the contract period as a contract liability and is considered as a reduction of revenue over the contract

The amount of revenue recognised in the current reporting period which relates to brought-forward contract liabilities is $288,778 (2019: $568,068).

17. PROVISIONS

	GROUP		COMPANY	
	2020	2019	2020	2019
	$	$	$	$
Provision for employee leave entitlement	117,378	170,223	101,378	133,274
Provision for reinstatement cost (Note(a))	298,771	271,403	161,327	161,327
Less: Non-current portion:				
Provision for reinstatement cost	(150,808)	(271,403)	(38,808)	(161,327)
Current portion	265,341	170,223	223,897	133,274

17. PROVISIONS (CONT'D)

(a) Provision for reinstatement cost

	GROUP		COMPANY	
	2020	2019	2020	2019
	$	$	$	$
Provision for reinstatement cost	298,771	271,403	161,327	161,327
Less: non-current	(150,808)	(271,403)	(38,808)	(161,327)
	147,963	–	122,519	–
At beginning of year	271,403	199,538	161,327	161,327
Additions	38,144	110,076	–	–
Utilisation	(10,776)	(38,211)	–	–
At end of year	298,771	271,403	161,327	161,327

The provision for reinstatement cost is an estimation to reinstate the Group's leased premises to their original state upon expiry of the lease. These amounts have not been discounted for the purpose of measuring the provision for reinstatement cost because the effect is insignificant.

18. SHARE CAPITAL

	GROUP AND COMPANY			
	2020	2020	2019	2019
	NUMBER OF ORDINARY SHARES	$	NUMBER OF ORDINARY SHARES	$
Issued and paid-up:				
At beginning and end of the financial year	462,392,475	25,181,005	462,392,475	25,181,005

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividend as and when declared by the Company.

19. GRANT RECEIVABLES AND DEFERRED GRANT INCOME

Grant income receivable consists of amounts receivable under the jobs support scheme funded by the Singapore Government.

Deferred grant income arises from the jobs support scheme funded by the Singapore Government.

20. RESERVES

Capital reserve

On 19 June 2018, the Group entered into an agreement to acquire the remaining 20% shareholdings from its non-controlling shareholder, who is also the former director of a subsidiary, Danish Breweries Pte Ltd, subsequently increasing its ownership interest and voting rights from 80% to 100%.

The capital reserve of the Group represents effects of changes in ownership interests in subsidiary when there is no change in control.

Translation reserve

The translation reserve represents exchange differences relating to the translation from the functional currency of the Group's foreign subsidiary into Singapore dollars.

21. REVENUE

	GROUP	
	2020	2019
	$	$
Restaurant business		
Sale of food and beverages	11,004,691	18,613,941
Service charges	763,207	1,768,362
Sale of live seafood (Note 33)	65,091	97,418
	11,832,989	20,479,721
Beer business		
Sale of beverages	1,794,924	5,008,088
	13,627,913	25,487,809
Timing of revenue recognition		
At a point in time	13,627,913	25,487,809

22. OTHER INCOME

	GROUP	
	2020	2019
	$	$
Government grant and credit schemes	1,472,937	92,003
Foreign currency exchange adjustment gain	–	10,336
Franchise fee income (Note 33)	144,000	144,000
Interest income	61,283	113,743
Rental concessions	184,217	–
Others	42,770	35,489
	1,905,207	395,571

Government grant and credit schemes comprise mainly grant income received by the Group under Jobs Support Scheme, Wage Credit Scheme and Temporary Credit Scheme.

23. FINANCE COSTS

	GROUP	
	2020	2019
	$	$
Interest expense on bank loans	44,135	32,008
Interest on lease liabilities	341,838	–
	385,973	32,008

24. OTHER OPERATING EXPENSES

	GROUP	
	2020	2019
	$	$
Loss allowances	377,434	13,544
Marketing and advertising expenses	430,896	810,672
Cleaning supplies and services	112,395	169,393
Commission	514,690	482,045
General supplies	150,321	225,413
Professional fees	1,737,354	1,626,941
Repair and maintenance	218,244	165,548
Travelling expenses	39,919	193,711
Communications	23,629	35,756
Printing and stationery	67,699	70,416
Insurance	39,597	25,506
Donations	2,000	14,262
Utilities expenses	409,860	633,122
Freight charges	126,111	156,878
Distribution expenses	139,943	523,616
Others	523,062	473,329
	4,913,154	5,620,152

25. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 30 September 2020 and 2019 are:

	GROUP	
	2020	2019
	$	$
Current income tax:		
Under provision in respect of prior years	21,154	95,164
	21,154	95,164

Relationship between tax expense and accounting loss

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 30 September 2020 and 2019 is as follows:

	GROUP	
	2020	2019
	$	$
Loss before income tax	(9,818,364)	(4,756,345)
Income tax calculated at 17%	(1,669,122)	(808,579)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(90,177)	(17,162)
Non-allowable items	1,358,401	323,827
Under provision of current tax in respect of prior years	21,154	95,164
Deferred tax benefits not recognised	387,902	500,449
Others	12,996	1,465
	21,154	95,164

As at 30 September 2020, the Group has tax losses of approximately $5,225,000 (2019: $2,943,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of Singapore.

26. SEGMENT INFORMATION

	REVENUE		NET (LOSS)/PROFIT	
GROUP	2020	2019	2020	2019
	$	$	$	$
Seafood Restaurant business	7,132,109	17,464,151	(938,028)	4,299,491
Other Restaurant business	4,700,880	3,015,570	(1,196,652)	(2,115,504)
Beer business	1,794,924	5,008,088	(1,044,552)	(1,663,576)
	13,627,913	25,487,809	(3,179,232)	520,411
Impairment of other assets			(94,457)	–
Impairment of goodwill and intangible assets			–	(264,399)
Impairment of plant and equipment			(586,452)	(764,749)
Impairment of right-of-use assets			(1,286,352)	–
Other operating expenses			(1,274,583)	(1,358,786)
Corporate office expenses			(3,072,598)	(2,970,557)
Finance costs			(385,973)	(32,008)
Interest income			61,283	113,743
Loss before tax			(9,818,364)	(4,756,345)
Income tax expense			(21,154)	(95,164)
Loss after tax			(9,839,518)	(4,851,509)

26. SEGMENT INFORMATION (CONT'D)

	GROUP	
	2020	2019
	$	$
Segment assets		
Seafood Restaurant business	15,712,200	17,073,566
Other Restaurant business	7,235,114	3,729,111
Beer business	702,213	1,850,259
	23,649,527	22,652,936
Segment liabilities		
Seafood Restaurant business	10,725,944	3,185,125
Other Restaurant business	5,328,508	735,018
Beer business	770,235	1,795,494
	16,824,687	5,715,637
Unallocated liabilities	17,093	17,093
	16,841,780	5,732,730

GROUP	DEPRECIATION AND AMORTISATION EXPENSE		CAPITAL EXPENDITURE	
	2020	2019	2020	2019
	$	$	$	$
Seafood Restaurant business	3,158,108	277,747	1,516,128	723,289
Other Restaurant business	2,324,718	662,020	1,144,353	3,204,378
Beer business	140,152	283,500	13,680	186,100
At end of year	5,622,978	1,223,267	2,674,161	4,113,767

Reportable segment

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

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

26. SEGMENT INFORMATION (CONT'D)

Geographical information

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

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

	GROUP	
	SALES REVENUE BY GEOGRAPHICAL MARKET	
	2020	2019
	$	$
Singapore	12,639,075	25,482,534
People's Republic of China	988,838	5,275
	13,627,913	25,487,809

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

	GROUP	
	NON-CURRENT ASSETS	
	2020	2019
	$	$
Singapore	8,451,045	3,999,597
People's Republic of China	127,243	278,522
	8,578,288	4,278,119

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

Information about major customers

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

27. LOSS BEFORE INCOME TAX

The following expense items have been included in arriving at loss before income tax:

	GROUP	
	2020	2019
	$	$
Employment benefits - directors of the Company:		
Salary and allowances	1,310,860	1,320,000
Cost of defined contribution plans	34,680	24,480
Key management remuneration other than directors:		
Salary and allowances	767,306	435,645
Cost of defined contribution plans	61,986	41,515
Cost of defined contribution plans included in employee benefits expenses	519,850	745,994
Cost of inventories recognised as expense	4,716,474	8,603,825
Write-off of inventories	39,124	73,064
Auditor's remuneration:		
Audit fees to auditors of the Company	184,000	170,000
Non-audit fees to auditors of the Company	52,000	50,800
Depreciation and amortisation expenses:		
Amortisation of intangible assets (Note 8)	68,480	86,238
Depreciation of plant and equipment (Note 9)	1,515,679	1,137,029
Depreciation of right-of-use assets (Note 12)	4,038,819	–
	5,622,978	1,223,267
Rental (income)/expenses:		
Minimum lease payments under operating leases	–	3,192,028
Rental expense on short-term leases and leases of low-value assets	528,332	–
Variable lease payments	223,680	539,592
Rental concessions	(1,521,477)	–
	(769,465)	3,731,620

The Audit Committee had reviewed the non-audit services provided by the auditors, Ernst & Young Singapore and was of the opinion that these services would not affect the independence of the auditors.

28. OPERATING LEASE ARRANGEMENTS

The Group as a lessee

Operating lease commitments

Operating lease payments represent rentals payable by the Group for restaurants outlets, storage space and office premises. Leases are negotiated for two to four years and rentals are fixed for two to four years.

As at 30 September 2019, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2019
	$
Within one year	4,497,451
Within two to five years	7,338,822
	11,836,273

Contingent rental for the Group payable at certain percentage of monthly gross turnover has been excluded from the minimum lease rental commitments above.

As at 30 September 2019, included in the operating lease commitment above, $139,800 and $444,000 represented outstanding commitments under non-cancellable operating lease with related company and related party A as disclosed in Note 33(a).

As disclosed in Note 2.2, the Group has adopted SFRS(I) 16 on 1 October 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the balance sheet as at 30 September 2020, except for short-term and low-value leases.

29. LOSS PER SHARE

The basic loss per share is calculated based on the loss attributable to owners of the Company for each reporting period and the weighted average number of ordinary shares of 462,392,475 (2019: 462,392,475).

The fully diluted loss per share and basic loss per share are the same because there are no dilutive shares.

30. COMMITMENTS AND CONTINGENT LIABILITIES

Banker's guarantee

	GROUP	
	2020	2019
	$	$
Banker's guarantee issued in respect of leases	747,246	861,877

Bankers' guarantees are issued by the banks in favour of the Group as security in lieu of rental deposits provided to the lessors of the Group's restaurants outlets.

31. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:

	GROUP		COMPANY	
	2020	2019	2020	2019
	$	$	$	$
Financial assets				
At amortised cost:				
Trade and other receivables	1,149,741	1,801,820	638,781	843,833
Cash and bank balances	12,921,780	15,792,071	11,658,583	15,231,736
Amount due from subsidiaries	–	–	2,778,865	3,912,153
Total	14,071,521	17,593,891	15,076,229	19,987,722
Financial liabilities				
At amortised cost:				
Loans and borrowings	4,278,028	–	4,278,028	–
Trade and other payables	5,146,653	4,601,557	2,527,057	2,824,482
Amount due to holding company	10,047	44,021	5,264	44,021
Lease liabilities	6,076,702	–	1,825,595	–
Total	15,511,430	4,645,578	8,635,944	2,868,503

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

To manage liquidity risk, the Group monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents and secured committed funding facilities from financial institutions. In assessing the adequacy of these adequacy of these funding facilities, management reviews its working capital requirements regularly.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

(a) Liquidity risk (cont'd)

	1 YEAR OR LESS $	1 TO 5 YEARS $	TOTAL $
Group			
2020			
Financial assets			
At amortised cost:			
Trade and other receivables	955,885	193,856	1,149,741
Cash and bank balances	12,921,780	–	12,921,780
Total undiscounted financial assets	13,877,665	193,856	14,071,521
Financial liabilities			
At amortised cost:			
Loans and borrowings	1,601,919	2,848,542	4,450,461
Trade and other payables	5,146,653	–	5,146,653
Amount due to holding company	10,047	–	10,047
Lease liabilities	3,400,232	2,262,428	5,662,660
Total undiscounted financial liabilities	10,158,851	5,110,970	15,269,821
Total net undiscounted financial assets/(liabilities)	3,718,814	(4,917,114)	(1,198,300)

	1 YEAR OR LESS $	1 TO 5 YEARS $	TOTAL $
Group			
2019			
Financial assets			
At amortised cost:			
Trade and other receivables	1,135,379	666,441	1,801,820
Cash and bank balances	15,792,071	–	15,792,071
Total undiscounted financial assets	16,927,450	666,441	17,593,891
Financial liabilities			
At amortised cost:			
Trade and other payables	4,601,557	–	4,601,557
Amount due to holding company	44,021	–	44,021
Total undiscounted financial liabilities	4,645,578	–	4,645,578
Total net undiscounted financial assets/(liabilities)	12,281,872	666,441	12,948,313

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

(a) Liquidity risk (cont'd)

	1 YEAR OR LESS $	1 TO 5 YEARS $	TOTAL $
Company			
2020			
Financial assets			
At amortised cost:			
Trade and other receivables	638,781	–	638,781
Cash and bank balances	11,658,583	–	11,658,583
Amount due from subsidiaries	2,778,865	–	2,778,865
Total undiscounted financial assets	15,076,229	–	15,076,229
Financial liabilities			
At amortised cost:			
Loans and borrowings	1,601,919	2,848,542	4,450,461
Trade and other payables	2,527,057	–	2,527,057
Amount due to holding company	5,264	–	5,264
Lease liabilities	1,565,274	306,705	1,871,979
Total undiscounted financial liabilities	5,699,514	3,155,247	8,854,761
Total net undiscounted financial assets/(liabilities)	9,376,715	(3,155,247)	6,221,468

	1 YEAR OR LESS $	1 TO 5 YEARS $	TOTAL $
Company			
2019			
Financial assets			
At amortised cost:			
Trade and other receivables	354,793	489,040	843,833
Cash and bank balances	15,231,736	–	15,231,736
Amount due from subsidiaries	3,912,153	–	3,912,153
Total undiscounted financial assets	19,498,682	489,040	19,987,722
Financial liabilities			
At amortised cost:			
Trade and other payables	2,824,482	–	2,824,482
Amount due to holding company	44,021	–	44,021
Total undiscounted financial liabilities	2,868,503	–	2,868,503
Total net undiscounted financial assets/(liabilities)	16,630,179	489,040	17,119,219

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

(a) Liquidity risk (cont'd)

Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables, amount due from subsidiaries and amount due to holding company approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of the other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The Group and the Company does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar agreements.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

The Group's current credit risk grading framework comprises the following categories:

CATEGORY	DESCRIPTION	BASIS FOR RECOGNISING EXPECTED CREDIT LOSSES (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

(b) Credit risk (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

GROUP	NOTE	INTERNAL CREDIT RATING	12-MONTH OR LIFETIME ECL	GROSS CARRYING AMOUNT $	LOSS ALLOWANCE $	NET CARRYING AMOUNT $
2020						
Trade receivables	5	(i)	Lifetime ECL (simplified approach)	550,027	(394,591)	155,436
Other receivables	5	Performing	12-month ECL	994,305	–	994,305
				1,544,332	(394,591)	1,149,741
2019						
Trade receivables	5	(i)	Lifetime ECL (simplified approach)	670,793	(17,157)	653,636
Other receivables	5	Performing	12-month ECL	1,148,184	–	1,148,184
				1,818,977	(17,157)	1,801,820

COMPANY	NOTE	INTERNAL CREDIT RATING	12-MONTH OR LIFETIME ECL	GROSS CARRYING AMOUNT $	LOSS ALLOWANCE $	NET CARRYING AMOUNT $
2020						
Trade receivables	5	(i)	Lifetime ECL (simplified approach)	15,034	–	15,034
Other receivables	5	Performing	12-month ECL	623,747	–	623,747
Amount due from subsidiaries	13	In default	Lifetime ECL	14,661,777	(11,882,912)	2,778,865
				15,300,558	(11,882,912)	3,417,646
2019						
Trade receivables	5	(i)	Lifetime ECL (simplified approach)	235,967	–	235,967
Other receivables	5	Performing	12-month ECL	607,866	–	607,866
Amount due from subsidiaries	13	In default	Lifetime ECL	10,428,039	(8,387,947)	2,040,092
Amount due from subsidiaries	13	Performing	12-month ECL	1,872,061	–	1,872,061
				13,143,933	(8,387,947)	4,755,986

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

(b) Credit risk (cont'd)

(i) For trade receivables, the Group and the Company has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group and the Company determines the expected credit losses on these items estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 5 includes further details on loss allowance for these trade receivables.

For purpose of impairment assessment, as there has been significant increase in the risk of default on the amount owing from subsidiaries since initial recognition, the loss allowance is measured at an amount equal to lifetime expected credit losses (ECL). In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default as well as loss upon default. Based on management's estimates, loss allowances amounting to $3,494,965 (2019: $8,387,947) has been made.

In 2019, for purpose of impairment assessment, $1,872,061 of amount due from subsidiaries are considered to have low credit risk as the timing of payment is controlled by the holding company taking into account cash flow management within the holding company's group of companies and there has been no significant increase in the risk of default on these receivables since initial recognition. Accordingly, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL) and management determines that these receivables are subject to immaterial credit losses.

The Group has cash balances placed with reputable banks. In 2020, the Group has no significant concentration of credit risk as trade receivables are spread over a broad base of customers. In 2019, the Group has concentration of credit risk as 77% of its trade receivables are due from 3 major customers with each customer exceeding 5% of the total trade receivables.

(c) Interest rate risk

The Group's exposure to interest rate risks relate mainly to its bank loans of $4,278,028 (2019: $nil). The Group currently does not use any derivative financial instruments to manage its exposure to changes in interest rates.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss for the year ended 30 September 2020 would increase/decrease by approximately $6,400 (2019: $nil) respectively. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

(d) Foreign currency risk

The Group and the Company undertake certain transactions denominated in foreign currency hence exposes to exchange rate fluctuation arise.

The carrying amounts of the monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies at the end of respective reporting periods are as follows:

	ASSETS		LIABILITIES	
GROUP	**2020**	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
United States dollar ("US dollar")	190,420	674,815	–	11,766
COMPANY				
United States dollar ("US dollar")	106,409	590,805	–	–

The Group operates principally in Singapore and is mainly exposed to US dollar.

Foreign currency sensitivity

The following table details the Group's and the Company's sensitivity to a 5% increase and decrease in Singapore dollar against the US dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss and/or equity.

	2020	**2019**
	$	**$**
Group		
US dollar:		
If Singapore dollar weakens against US dollar	9,521	33,152
If Singapore dollar strengthens against US dollar	(9,521)	(33,152)
Company		
US dollar:		
If Singapore dollar weakens against US dollar	5,320	29,540
If Singapore dollar strengthens against US dollar	(5,320)	(29,540)

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

(e) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowing and equity attributable to owners of the Company, comprising of share capital and reserves.

The Group's overall strategy with regards to capital management remains unchanged from prior year.

As at 30 September 2020, the Group incurred a net loss of $9.8 million and net cash outflows of $2.9 million during the financial year. The Group's current assets exceeded its current liabilities by $4,004,712 (2019: $12,913,490). As at the date of this report, the Group has drawn down on credit facilities of $2,000,000. The Group has remaining available uncommitted credit facilities of $1,000,000. Based on management's cash flow forecast for the next twelve months, the Group will maintain sufficient cash and cash equivalents via internally generated cash flows and available credit facilities to finance their activities and pay their debts as and when they fall due. Accordingly, management has assessed that the Group, with the financing facilities made available by its Bankers, will have sufficient financial resources to enable the Group to continue as a going concern for at least the next twelve months from end of the reporting period.

33. RELATED PARTY TRANSACTIONS

(a) Significant related party transactions

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	GROUP	
	2020	**2019**
	$	**$**
Holding company		
- Rental expenses	(161,500)	(190,800)
Related parties		
- Sale of live seafood to related parties A and B	65,091	97,418
- Sale of beer to related party A	6,144	–
- Purchase of live seafood from related party A	–	(6,284)
- Franchise fee income from related party A	144,000	144,000
- Rental expense to related party A	(144,000)	(144,000)
- Rental expense to related party B	–	(23,550)
- Purchase of food from related party C	(400)	–
- Sale of beer to related party C	16,752	–

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

Related party B: San Bistro Pte. Ltd. [Company owned by director - Lim Yong Sim (Lin Rongsen)].

Related party C: MA2 Pte. Ltd. [Company 51% owned by Gugong Pte Ltd].

33. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Group.

The directors and other members of key management are considered as key management personnel of the Group.

	GROUP	
	2020	2019
	$	$
Short-term benefits	2,078,166	1,755,645
Post-employment benefits	96,666	65,995
	2,174,832	1,821,640

34. SGX REGULATIONS'S ("SGX REGCO") DIRECTIVE

As set out in our announcements and the annual report for the financial year ended 30 September 2019, the Independent Reviewer's report was issued 29 April 2020. On the same day, SGX RegCo announced that it will review the Independent Reviewer's report for possible breaches of the listing rules, Rule 415 for Catalist issuer on reporting of financial statements.

SGX RegCo has informed the Company on 12 August 2020 that the review has been completed. The Company noted the findings by SGX Regco, and this included the payment of a compostion sum, which was paid by the Company, as settlement for the matter.

Accordingly, the Board of Directors and management affirmed that there is no material impact on the financial statements, and no adjustments to the financial statements is required.

35. INVESTIGATION BY THE COMMERCIAL AFFAIRS DEPARTMENT OF THE SINGAPORE POLICE FORCE

On 29 April and 2 May 2019, the Company announced that it was requested by the Commercial Affairs Department of the Singapore Police Force ("CAD") to assist in an investigation in relation to matters concerning the abortive share buy-back executed on 31 January 2019 by the Company's Executive Chairman and Chief Executive Officer ("CEO"). The Company is fully cooperating with the CAD in its investigations. As part of the Company's co-operation, from 24 April 2019 to 26 April 2019, the CAD was provided access to and was given copies of documents in connection with the abortive sharebuyback pursuant to Section 35 of the Criminal Procedure Code. No files or records or equipment belonging to the Group have been seized by CAD.

At a further interview with the CAD on 30 April 2019, the CEO was informed that he was put on arrest and on bail on reasonable suspicion that sections 197 and 218 of the Securities and Futures Act Chapter 289 may have been breached.

As at the reporting date of the financial statements, the CAD's investigation is still ongoing. The Board of Directors and management have obtained legal advice and assessed that the CAD investigation is not expected to have significant impact on the operations of the Group and the Company and on the Group's and Company's financial statements for the year ended 30 September 2020.

36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 September 2020 were authorised for issue in accordance with a resolution of the directors on 14 January 2021.

Class of Shares	: Ordinary share
No. of Shares (excluding treasury shares and subsidiary holdings)	: 462,392,475
Voting rights	: One vote per share
No. of treasury shares and percentage	: Nil
No. of subsidiary holdings held and percentage	: Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	2	0.14	100	0.00
100 - 1,000	130	9.10	115,700	0.03
1,001 - 10,000	612	42.86	2,933,500	0.63
10,001 - 1,000,000	664	46.50	62,519,900	13.52
1,000,001 AND ABOVE	20	1.40	396,823,275	85.82
TOTAL	1,428	100.00	462,392,475	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	GUGONG PTE LTD	346,378,475	74.91
2	DBS NOMINEES (PRIVATE) LIMITED	9,297,300	2.01
3	UOB KAY HIAN PRIVATE LIMITED	5,422,000	1.17
4	OCBC SECURITIES PRIVATE LIMITED	4,921,400	1.06
5	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,193,400	0.69
6	ESTATE OF LAM CHOON SEN DAVID @ LAM KWOK KWONG, DECEASED	3,071,500	0.66
7	RAFFLES NOMINEES (PTE.) LIMITED	2,837,800	0.61
8	CHUA ENG HOCK	2,637,000	0.57
9	ANG YEE LIM	2,572,100	0.56
10	GOI SENG HUI	2,474,900	0.54
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,600,200	0.35
12	YEO NAK KEOW	1,546,400	0.33
13	PHILLIP SECURITIES PTE LTD	1,536,200	0.33
14	TENG TECK SENG	1,512,000	0.33
15	LIM TIEN LOCK CHRISTOPHER	1,500,000	0.32
16	TAI GECK KEE	1,482,800	0.32
17	LIEW CHOW FONG OR KOH GUAN LAI	1,350,000	0.29
18	LEE SZE KIAN	1,219,000	0.26
19	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,200,800	0.26
20	HSBC (SINGAPORE) NOMINEES PTE LTD	1,070,000	0.23
	TOTAL	396,823,275	85.80

STATISTICS OF SHAREHOLDINGS
As at 31 December 2020

SUBSTANTIAL SHAREHOLDERS

The substantial Shareholders as at 31 December 2020 based on the statistics of shareholdings are as follows:

	DIRECT INTEREST		DEEMED INTEREST	
NAME	**NUMBER OF SHARES**	**%**	**NUMBER OF SHARES**	**%**
GuGong Pte Ltd	346,378,475	74.91	–	–
Lim Yong Sim (Lin Rongsen)[1]	–	–	346,378,475	74.91

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.

PERCENTAGE OF SHARES HELD BY PUBLIC

As at 31 December 2020, 25.05% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**") of No Signboard Holdings Limited (the "**Company**") will be held by electronic means on Friday, 29 January 2021 at 10.00 a.m. for the following purposes, as set out below.

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL http://www.nosignboardholdings.com/. A printed copy of this Notice will NOT be despatched to Shareholders.

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 30 September 2020 together with the Auditors' Report thereon.
(Resolution 1)

2. To note the retirement of Mr Tay Chun Leng Robert, who is retiring by rotation pursuant to Regulation 117 of the Constitution of the Company.

3. To note the retirement of Mr Leow Chung Chong Yam Soon, who is retiring by rotation pursuant to Regulation 117 of the Constitution of the Company.

4. To re-elect Mr Lo Kim Seng who is retiring pursuant to Regulation 122 of the Constitution of the Company as a director of the Company.

   [See Explanatory Notes (i)] (**Resolution 2)**

5. To approve the payment of Directors' fees of S$150,000 for the financial year ending 30 September 2021, to be paid quarterly in arrears.
(Resolution 3)

6. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 4)

7. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution with or without any modifications:

8. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("Act") and Rule 806 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual - Section B: Rules of Catalist ("Catalist Rules")**

   "THAT pursuant to Section 161 of the Act and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

   I (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that may or would require shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures, convertible securities or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

II (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided always that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed 100% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a prorata basis to the shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with subparagraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of the total issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;

(ii) (where applicable) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments made in accordance with Rule 806(3)(a) or Rule 806(3)(b) of the Catalist Rules are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company;

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

[See Explanatory Notes (ii)] **(Resolution 5)**

BY ORDER OF THE BOARD

Ong Beng Hong
Joint Company Secretary
14 January 2021

Explanatory Notes:

(i) Mr Lo Kim Seng will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee. He will be considered independent pursuant to Rule 704(7) of the Catalist Rules.

(ii) Resolution 5 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to fifty per centum (50%) may be issued other than on a pro rata basis to existing shareholders of the Company for such purposes as they consider would be in the interest of the Company.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of Shares.

Notes relating to measures to minimise the risk of COVID-19:

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 AGM is being convened, and will be held, by electronic means as part of the Company's efforts to minimise physical interactions and COVID-19 transmission risk. Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change its AGM arrangements at short notice. Shareholders should check the Company's announcements on SGXNet for the latest updates on the status of the AGM, 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 AGM at the URL: agm.conveneagm.com/nosignboard. 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 AGM by:

   (a) watching or listening to the AGM proceedings 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) submitting questions ahead of the AGM. Please refer to Notes 8 to 10 below for further details; and

   (c) voting by proxy at the AGM. Please refer to Notes 11 to 17 below for further details.

Participation in the AGM 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 AGM through a "live" webcast via mobile phone, tablet or computer ("**Live Webcast**"). In order to do so, the member must pre-register by 10.00 a.m. on 26 January 2021 ("**Registration Deadline**"), at the following URL: agm.conveneagm.com/nosignboard ("**NSB AGM Website**"), to create an account.

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 Note 4 above but do not receive an email response by 12:00 p.m. on 28 January 2021 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.

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 AGM proceeding.

Submission of questions prior to the AGM

8. A shareholder of the Company may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the AGM on SGXNET and the Company's website within one month after the date of AGM.

9. To do so, all questions must be submitted no later than the Registration Deadline through any one of the following means:

   a. via the NSB AGM Website;

   b. in physical copy by depositing the same at the office of the Company's Share Registrar at 30 Cecil Street #19-08 Prudential Tower, Singapore 049712; or

   c. by email to IR@nosignboardseafood.com.

10. If the questions are deposited in physical copy at the office of the Company's Share Registrar 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.

Voting by proxy

11. Shareholders may only exercise their voting rights at the AGM via proxy voting. The accompanying proxy form for the AGM may be accessed via the NSB AGM Website, the Company's corporate website 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.

12. Shareholders (including Relevant Intermediary*) who wish to vote on any or all of the resolutions at the AGM must submit a proxy form to appoint the Chairman of the Meeting as their proxy to do so on their behalf. In appointing the Chairman of the Meeting as proxy, shareholders (whether individuals or corporates) must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

13. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company no later than 10.00 a.m. on 26 January 2021 (being 72 hours before the time appointed for the AGM) in the following manner:

   (a) in the electronic format accessible on the NSB AGM 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 rhtcaoscar@rhtcorporate.com

   In the case of submission of the Proxy Form other than via the NSB AGM 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.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically either through the NSB AGM Website or via email to the Company's Share Registrar.

14. In the case of submission of the Proxy Form other than via the NSB AGM Website, the instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy 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.

15. 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 AGM.

16. 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 AGM in order for the Depositor to be entitled to vote at the AGM.

17. **Please note that shareholders will not be able to vote through the Live Webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.**

"**Relevant Intermediary**" means:

(a) a banking corporation licensed under the Banking Act (Chapter 19) 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 (Chapter 289) 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 (Chapter 36) 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.

Personal data privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, 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 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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**"), (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 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 (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.

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

IMPORTANT:

1. The Annual General Meeting ("**Meeting**") is being convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Order 2020. **A member (including Relevant Intermediary*) must appoint the Chairman of the Meeting as proxy to vote on his/her/it behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting**.
2. Alternative arrangements relating to the attendance of the Meeting through electronic means, as well as conduct of the Meeting and relevant guidance with full details are set out in the accompanying Company's announcement dated 14 January 2021, which can be accessed via the SGXNET website at: https://www.sgx.com/securities/companyannouncements. **Printed copies of the proxy form will NOT be despatched to members**
3. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investors**") 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 Meeting.
4. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________ (Name)

NRIC/Passport No./Co. Registration No. ______________________________

of ______________________________ (Address)

being a member/members of **No Signboard Holdings Ltd.** ("**Company**"), hereby appoint the Chairman of the Meeting, as my/our* proxy to attend and vote for me/us* on my/our* behalf at the Meeting of the Company to be held by **electronic means on Friday, 29 January 2021 at 10.00 a.m.** and at any adjournment thereof.

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

No.	Resolutions relating to:	For**	Against**	Abstain**
Ordinary Business				
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2020			
2.	Re-election of Mr Lo Kim Seng as a Director			
3.	Approval of Directors' fees amounting to S$150,000 for the financial year ending 30 September 2021 payable in arrears			
4.	Re-appointment of Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration			
Special Business				
5.	Authority to allot and issue new shares			

**If you wish to exercise all your votes 'For' or 'Against' or 'Abstain' from voting on, the relevant resolutions, please tick (√) within the box provided. Alternatively, please indicate the number of votes 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 __________ 2021

Total number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

____

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

Notes:

Due to the fast-evolving COVID-19 situation in Singapore, the Company may be required to change its Meeting arrangements at short notice. The Company is taking the relevant steps in accordance with the Part 4 of the COVID-19 (Temporary Measures) Act 2020.

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the Shares held by you.

2. **In light of the current COVID-19 measures in Singapore and the Company's efforts to minimise physical interactions and COVID-19 transmission risk, members will not be able to attend the Meeting in person. A member of the Company (including a Relevant Intermediary*) must appoint the Chairman of the Meeting as his/her/ its proxy to vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.** In appointing the Chairman of the Meeting as proxy, shareholders (whether individuals or corporates) must give specific instructions as to his/her/its manner of voting, or abstentions from voting, 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. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) in the electronic format accessible on agm.conveneagm.com/nosignboard ("**NSB AGM 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 rhtcaoscar@rhtcorporate.com.

   in either case, **no later than 10.00 a.m. on 26 January 2021, being 72 hours before the time appointed for the AGM.** In the case of submission of the Proxy Form other than via the NSB AGM 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.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically either through the NSB AGM Website or via email to the Company's Share Registrar.

4. In the case of submission of the Proxy Form other than via the NSB AGM Website, the instrument appointing Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing Chairman of the Meeting as proxy 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.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

6. 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 Meeting.

*"Relevant intermediary" has the same meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 January 2021.

nosignboard 無招牌
HOLDINGS LTD.

No Signboard Holdings Ltd.
10 Ubi Crescent
#05-76 Ubi Techpark Lobby A,
Singapore 408564