



NO SIGNBOARD HOLDINGS LTD.

(Unique Entity Number: 201715253N)
Incorporated in the Republic of Singapore

First Quarter Financial Statements and Dividend Announcement for the Period Ended 31 December 2018

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

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Khong Choun Mun, Registered Professional, RHT Capital Pte Ltd, 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6757

1(a)(i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Increase/ (Decrease) %
	1Q2019	Restated 1Q2018	
	\$	\$	
Revenue	5,608,786	6,683,120	(16.1)
Other income	82,881	32,939	151.6
Raw materials and consumables used	(1,971,257)	(2,289,028)	(13.2)
Changes in inventories	(12,328)	4,492	
Employee benefits expense	(2,141,868)	(1,976,110)	8.4
Operating lease expense	(765,327)	(720,990)	6.1
Depreciation and amortisation expense	(150,926)	(159,719)	(5.5)
Other operating expenses	(1,192,611)	(793,142)	50.4
IPO expense	-	(1,120,396)	N.M.
Finance costs	(14,002)	(17,232)	(18.7)
Loss before income tax	(556,652)	(356,066)	56.3
Income tax expense	(16,991)	(58,661)	(71.0)
Loss for the period	(573,643)	(414,727)	38.3
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(124)	(522)	(76.2)
Total comprehensive loss for the period	(573,767)	(415,249)	38.2
Loss attributable to:			
Owners of the Company	(573,643)	(416,366)	37.8
Non-controlling interests	-	1,639	N.M.
	(573,643)	(414,727)	38.3
Total comprehensive loss attributable to:			
Owners of the Company	(573,767)	(416,888)	37.6
Non-controlling interests	-	1,639	N.M.
	(573,767)	(415,249)	38.2
N.M.: Not meaningful			



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1(a)(ii) Notes to the income statement.

The Group's loss before tax was arrived after (crediting) / charging the following:

	Group		Increase/ (Decrease) %
	1Q2019 \$	Restated 1Q2018 \$	
Franchise fee income	(36,000)	(24,000)	50.0
Depreciation	148,641	159,719	(6.9)
Amortisation of franchise fee	2,285	-	N.M.
Amortisation of upfront sponsorship	156,351	259,979	(39.9)
Provision for promotional support	-	55,974	N.M.
Interest income	(40,796)	-	N.M.
Interest expense	14,002	17,232	(18.7)
Foreign exchange loss (gain)	3,776	(3,434)	N.M.
Income tax expense			
- Current tax expense	16,991	58,661	(71.0)

Note:
N.M.: Not meaningful



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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period.

	GROUP		COMPANY	
	31/12/2018	30/9/2018	31/12/2018	30/9/2018
	\$	\$	\$	\$
ASSETS				
Current assets				
Cash and bank balances	20,157,080	23,659,698	19,543,462	22,901,982
Trade receivables	880,871	1,059,593	188,632	302,666
Other receivables	1,579,091	1,274,354	741,384	735,408
Amount due from subsidiaries	-	-	7,168,621	3,826,093
Inventories	331,814	221,459	98,436	110,764
Other assets	309,248	410,483	-	-
Total current assets	23,258,104	26,625,587	27,740,535	27,876,913
Non-current assets				
Security deposits	920,245	1,015,223	786,907	786,907
Intangible asset	913,129	299,275	-	-
Plant and equipment	2,577,808	1,008,233	479,292	374,274
Other assets	47,582	89,697	-	-
Investment in subsidiaries	-	-	1,780,104	1,780,104
Total non-current assets	4,458,764	2,412,428	3,046,303	2,941,285
Total assets	27,716,868	29,038,015	30,786,838	30,818,198
LIABILITIES AND EQUITY				
Current liabilities				
Short term loans	1,000,000	2,054,046	-	600,000
Trade payables	1,405,900	1,280,962	1,036,826	965,007
Other payables	2,290,296	1,959,964	917,789	966,499
Amount due to holding company	43,668	102,414	43,668	102,414
Provisions	722,523	867,583	262,853	262,853
Income tax payable	555,886	538,895	527,607	510,616
Total current liabilities	6,018,273	6,803,864	2,788,743	3,407,389
Non-current liabilities				
Provisions	199,538	161,327	161,327	161,327
Total non-current liabilities	199,538	161,327	161,327	161,327
Capital, reserves and non-controlling interest				
Share capital	25,181,005	25,181,005	25,181,005	25,181,005
Capital reserve	(695,938)	(695,938)	2,063,751	2,063,751
Accumulated (losses) profits	(2,986,010)	(2,412,367)	592,012	4,726
Translation reserve	-	124	-	-
Equity attributable to owner of the company	21,499,057	22,072,824	27,836,768	27,249,482
Non-controlling interests	-	-	-	-
Total equity	21,499,057	22,072,824	27,836,768	27,249,482
Total liabilities and equity	27,716,868	29,038,015	30,786,838	30,818,198



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- 1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial period:-

Amount payable in one year one or less or on demand

As at 31/12/2018		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	1,000,000	-	2,054,046

Amount repayable after one year

As at 31/12/2018		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	-	-	-

Details of any collaterals.

Not applicable.



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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

	GROUP	
	1Q2019	Restated 1Q2018
	\$	\$
Operating activities		
Loss before income tax	(556,652)	(356,066)
Adjustments for:		
Depreciation expense	148,641	159,719
Amortisation of franchise fees	2,285	-
Amortisation of upfront sponsorship	156,351	259,979
Provision for promotional support	-	55,974
IPO expense	-	1,121,167
Foreign exchange	(124)	(522)
Interest income	(40,796)	-
Interest expense	14,002	17,232
Operating cash flows before movements in working capital	(276,293)	1,257,483
Trade receivables	178,722	(663,577)
Other receivables	(209,759)	(271,671)
Inventories	(110,355)	(17,075)
Other assets	(13,001)	-
Trade payables	124,938	731,436
Other payables	30,013	(398,593)
Provisions	(106,849)	-
Cash generated from operations	(382,584)	638,003
Income tax paid	-	-
Net cash (used in) from operating activities	(382,584)	638,003
Investing activities		
Purchase of plant and equipment	(1,418,616)	(378,027)
Payment of franchise fees	(616,139)	-
Amount due from holding company	(58,746)	1,114,326
Interest received	40,796	-
Net cash (used in) from investing activities	(2,052,705)	736,299
Financing activities		
Repayment of finance leases	-	(110,135)
Proceeds from short-term loans	-	687,842
Repayment of short-term loans	(1,054,046)	-
Proceeds from shares issuance of shares	-	23,850,000
IPO expenses paid	-	(1,530,308)
Interest paid	(13,283)	(17,232)
Net cash (used in) from financing activities	(1,067,329)	22,880,167
Net (decrease) increase in cash and cash equivalents	(3,502,618)	24,254,469
Cash and cash equivalents at beginning of period	23,659,698	293,434
Cash and cash equivalents at end of period	20,157,080	24,547,903



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

	GROUP						Total
	Share capital	Capital reserve	Accumulated profits (losses) (1)	Translation reserve	Equity attributable to owners of the Company	Non-controlling interest	
	\$		\$	\$	\$	\$	
Balance at 1 October 2017	2	-	16,855,532	208	16,855,742	(178,237)	16,677,505
Total comprehensive loss for the period							
Loss for the period	-	-	(416,366)	-	(416,366)	1,639	(414,727)
Other comprehensive loss	-	-	-	(522)	(522)	-	(522)
	-	-	(416,366)	(522)	(416,888)	1,639	(415,249)
Transactions with owners, recognised directly in equity							
Issue of shares	26,165,231	-	-	-	26,165,231	-	26,165,231
Share issue expenses	(984,228)	-	-	-	(984,228)	-	(984,228)
Movement in reserve resulting from Restructuring Exercise	-	-	(14,325,796)	-	(14,325,796)	(2,166)	(14,327,962)
	25,181,003	-	(14,325,796)	-	10,855,207	(2,166)	10,853,041
Balance at 31 December 2017	25,181,005	-	2,113,370	(314)	27,294,061	(178,764)	27,115,297
Balance at 1 October 2018	25,181,005	(695,938)	(2,412,367)	124	22,072,824	-	22,072,824
Total comprehensive loss for the period							
Loss for the period	-	-	(573,643)	-	(573,643)	-	(573,643)
Other comprehensive loss	-	-	-	(124)	(124)	-	(124)
	-	-	(573,643)	(124)	(573,767)	-	(573,767)
Balance at 31 December 2018	25,181,005	(695,938)	(2,986,010)	-	21,499,057	-	21,499,057

	COMPANY			
	Share capital	Capital reserve	Accumulated (losses) profits (1)	Total
	\$	\$	\$	\$
Issue of shares at date of incorporation on 1 June 2017 and balance as at 30 September 2017	2	-	-	2
Loss for the period, representing total comprehensive loss	-	-	(1,088,951)	(1,088,951)
Transactions with owners, recognised directly in equity				
Issue of shares	26,165,231	-	-	26,165,231
Share issue expenses	(984,228)	-	-	(984,228)
Deemed contribution from holding company	-	2,063,751	-	2,063,751
	25,181,003	2,063,751	-	27,244,754
Balance at 31 December 2017	25,181,005	2,063,751	(1,088,951)	26,155,805
Balance at 1 October 2018	25,181,005	2,063,751	4,726	27,249,482
Profit for the period, representing total comprehensive income	-	-	587,286	587,286
Balance at 31 December 2018	25,181,005	2,063,751	592,012	27,836,768



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of preceding financial period. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the immediately preceding financial period.

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

As at 31 December 2018 (and 30 September 2018), the Company's issued and paid-up capital was \$26,165,233 (and \$26,165,233)

There are no outstanding convertibles, shares held as treasury shares and subsidiary holdings as at 31 December 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

	31/12/2018	30/9/2018
Number of shares held as treasury shares	-	-
Total no. of issued shares (excluding treasury shares)	462,392,475	462,392,475

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no treasury shares held by the Company.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

During the financial period, there were no transaction pertaining to subsidiary holdings.



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2. Whether the figures have been audited, or reviewed, and in accordance with which accounting standard or practice.

The figures have not been audited nor reviewed by the auditors of the Company.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under paragraph 5 below, the Group and Company has applied the same accounting policies and methods of computation in the financial statements for the current period with those in the most recently audited financial statements for the financial year ended 30 September 2018 ("FY2018").

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, identical to the International Financial Reporting Standards known as Singapore Financial Reporting Standards (International) ("SFRS(I)") for annual periods beginning on or after 1 January 2018. The Group has adopted SFRS(I) on 1 October 2018 and prepared its first set of financial information under SFRS(I) for 1Q2019.

The Group has assessed that the adoption of the new financial reporting framework, new SFRS(I)s, amendments and interpretation of SFRS(I) to have no material impact on the financial performance and financial position of the Group in the year of initial application.

6. Earnings per ordinary share of the group for the current financial year reported on and the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	1Q2019	Restated 1Q2018
Earnings per ordinary share:-		
(a) Based on the weighted average number of ordinary shares in issue; and	(0.12) cents	(0.09) cents
(b) On a fully diluted basis	(0.12) cents	(0.09) cents

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial period.

	GROUP		COMPANY	
	31/12/2018	30/9/2018	31/12/2018	30/9/2018
Net asset value per ordinary share based on existing issued share capital (cents)	4.65	4.77	6.02	5.89
No. of shares	462,392,475	462,392,475	462,392,475	462,392,475



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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group reported a 16.1% drop in revenue from \$6.7 million in 1Q2018 to \$5.6 million in 1Q2019 as a result of loss of revenue from the closure of a seafood restaurant outlet for a month to carry out major repair works and drop of average spending per customer in the restaurant business coupled with the effect of the termination of non-performing sales contracts of customers in the entertainment establishments as part of the beer business restructuring exercise.

The launch of the new outlets under the new brands – two outlets for *Hawker* and one outlet for *Little Sheep Hotpot* during 1Q2019 have contributed 3.1% to the total revenue in 1Q2019.

Other income

The increase in other income in 1Q2019 was contributed by the interest income earned from fixed deposits.

Expenses

The drop in revenue has consequently resulted in a decline in total raw materials and consumables used and changes in inventories.

Following the launch of the new brands, the Group has incurred additional overheads as well as certain pre-operating expenses.

In 1Q2018, the Group recorded a total non-recurring IPO expenses of \$1.1million following its successful admission to Catalist on 30 November 2017.

Loss before income tax and loss for the year

Accordingly, the Group has reported a net loss before income tax and loss for the period of \$0.6 million in 1Q2019.

Income tax expense

The Group's income tax expense has reduced by 71.0% in 1Q2018, in line with the drop in taxable profits.

BALANCE SHEET

The Group

Assets

Trade receivables as at 31 December 2018 ("1Q2019") stood at \$0.9 million, which decreased from \$1.1 million recorded as at 30 September 2018 ("FY2018") in line with the drop in revenue.

Other receivables increased from \$1.3 million as at FY2018 to \$1.6 million as at 1Q2019 due to increase in prepayments made for the newly launched brands as well as prepayments made for the production of empty bottles for the beer business.

Inventories increased from \$0.2 million as at FY2018 to \$0.3 million as at 1Q2019 as a result of the newly launched brands.

Other assets pertain to the upfront sponsorships provided by the beer business to the beer and entertainment establishments based on the agreed contractual terms. The decrease of other assets balance from \$0.5 million as at FY2018 to \$0.4 million as at 1Q2019 resulted mainly from the amortisation of the upfront sponsorships during the period.

Increased in intangible asset from \$0.3 million as at FY2018 to \$0.9 million as at 1Q2019 was in conjunction with franchise fees paid by the Group to secure a license, under a franchise agreement, to develop and operate *Mom's Touch* Chicken & Burger Restaurants, a Korean fried chicken gourmet food chain in Singapore and Malaysia.

The increase in plant and equipment from \$1.0 million as at FY2018 to \$2.6 million as at 1Q2019, resulted mainly from the renovation works carried out and other plant and equipment purchased for the newly launched brands and outlets.



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Liabilities

The Group repaid \$1.1 million of short-term loans during the period, which led to short-term loans balance of \$1.0 million as at 1Q2019.

Other payables increased from \$2.0 million as at FY2018 to \$2.3 million as at 1Q2019 due to accruals for renovation fees and kitchen equipment purchased for the newly launched restaurant brands .

The Company

Trade receivables dropped from \$0.3 million as at FY2018 to \$0.2 million as at 1Q2019, due to quicker collection from franchisee for the sale of goods.

Amount due from subsidiaries has increased from \$3.8 million as at FY2018 to \$7.2 million as at 1Q2019, as the Company continued to fund the Group's business expansions, including the set up and launch of the new brands during the period.

Plant and equipment increased from \$0.4 million as at FY2018 to \$0.5 million as at 1Q2019, largely due to fees incurred for the major repair works carried out at a seafood restaurant outlet.

The Company has made full repayment of the short-term bank loans in 1Q2019.

Amount due to holding company has reduced from \$0.1 million as at FY2018 to \$0.04 million as 1Q2019 due to repayment made to holding company.

CASH FLOW STATEMENT

In 1Q2019, the Group recorded net cash used in operating activities of \$0.4 million as a result of losses incurred for the beer business and the pre-operating expenses incurred for the newly launched restaurant brands. The Group also recorded net cash used in investing activities and financing activities of \$2.1 million and \$1.1 million respectively.

As at 31 December 2018, the Group's cash and cash equivalents stood at \$20.2 million.

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

There was no forecast made.

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

The Group's seafood restaurant business continues to be profitable. The Group expects to open two more outlets under the *Hawker* brand and planned to open one outlet under *Mom's Touch* brand, in which it has secured under an exclusive master franchise agreement to development and operate in Singapore and Malaysia. While the Group continues to work on the development of new brands to satisfy the pallets in the different market segment, it also continues to work on its overseas expansion plans. With the completion of the beer business restructuring exercise, the beer business will work on expanding the distribution channels for the beer in according with the new sales strategy.



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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of dividend	Special
Dividend type	Cash
Dividend Amount per Share (in cents)	0.31 cent per share
Tax Rate	Tax Exempt 1-tier

(c) Date payable

NA.

(d) Books closure date

NA.

12. If no dividend has been declared (recommended), a statement to that effect.

The Company has not declared any dividend.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"). There were no IPTs more than S\$100,000 during the period.

14. Use of IPO proceeds

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

<u>Purpose</u>	Allocation of Net Proceeds (as disclosed in the Offer Document) \$'000	Net Proceeds utilised as at the date of this announcement \$'000	Balance of Net Proceeds as at the date of this announcement \$'000
Development for the Beer Business	10,000	(599)	9,401
Establishing new chains of restaurants	5,000	(3,401)	1,599
Delopment of Ready Meal Business	2,000	-	2,000
General working purposes	2,300	(1,623)	677
	<u>19,300</u>	<u>(5,623)</u>	<u>13,677</u>



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

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company for the first quarter ended 31 December 2018 presented in this announcement, to be false or misleading in any material respect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the required format.

BY ORDER OF THE BOARD

Lim Yong Sim (Lin Rongsen)
CEO and Executive Chairman

1 February 2019