
First Quarter Financial Statements and Dividend Announcement for the Period Ended 31 December 2020

Pursuant to Rule 705(2C) of the Listing Manual Section B: Rules of Catalist, the Singapore Exchange Regulation requires the Company to continue to announce its quarterly financial statements with effect from 7 February 2020.

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

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor for compliance with the 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 and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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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 period.

	Group		Increase (Decrease) %
	1Q2021	1Q2020	
	\$	\$	
Revenue	2,471,467	5,994,168	(58.8)
Other income	470,340	70,172	N.M.
Raw materials and consumables used	(787,184)	(2,081,451)	(62.2)
Changes in inventories	(113,598)	62,137	N.M.
Employee benefits expense	(1,762,232)	(2,578,941)	(31.7)
Rental Income	72,142	-	N.M.
Rental expense	(48,688)	(37,838)	28.7
Depreciation and amortisation expense	(1,173,036)	(1,281,082)	(8.4)
Other operating expenses	(717,832)	(1,272,710)	(43.6)
Finance costs	(87,905)	(84,223)	4.4
Loss before income tax	(1,676,526)	(1,209,768)	38.6
Income tax	-	-	N.M.
Loss for the year	(1,676,526)	(1,209,768)	38.6
Exchange differences on translation of foreign operations	(10,685)	(4,065)	N.M.
Total comprehensive loss for the year	(1,687,211)	(1,213,833)	39.0
Loss attributable to:			
Owners of the Company	(1,676,526)	(1,209,768)	38.6
Non-controlling interests	-	-	N.M.
	(1,676,526)	(1,209,768)	38.6
Total comprehensive loss attributable to:			
Owners of the Company	(1,687,211)	(1,213,833)	39.0
Non-controlling interests	-	-	N.M.
	(1,687,211)	(1,213,833)	39.0

N.M.: Not meaningful

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

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

	Group		Increase (Decrease) %
	1Q2021	1Q2020	
	\$	\$	
Franchise fee income	(36,000)	(36,000)	-
JSS grant	(363,933)	-	N.M.
Depreciation and amortisation expenses	1,173,036	1,281,082	(8.4)
Interest income	(1,380)	(26,344)	(94.8)
Interest expense	87,905	84,223	4.4
Foreign exchange loss	4,792	17,556	(72.7)

Note:
N.M.: Not meaningful

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	
	31/12/2020	30/09/2020	31/12/2020	30/09/2020
	\$	\$	\$	\$
ASSETS				
Current assets				
Cash and bank balances	12,852,633	12,921,780	11,609,074	11,658,583
Trade and other receivables	1,547,307	1,153,213	699,370	718,325
Amount due from subsidiaries	-	-	3,091,551	2,778,865
Inventories	354,385	479,518	54,484	60,617
Grant receivables	70,938	380,086	50,691	283,218
Other assets	97,241	136,642	-	-
Total current assets	14,922,504	15,071,239	15,505,170	15,499,608
Non-current assets				
Other receivables	192,856	193,857	-	-
Goodwill	-	-	-	-
Intangible asset	547,850	564,971	-	-
Plant and equipment	2,787,507	3,063,455	1,088,252	1,188,392
Right-of-use assets	3,902,243	4,756,005	1,005,928	1,425,503
Investment in subsidiaries	-	-	100,105	100,105
Total non-current assets	7,430,456	8,578,288	2,194,285	2,714,000
Total assets	22,352,960	23,649,527	17,699,455	18,213,608
LIABILITIES AND EQUITY				
Current liabilities				
Loan and borrowings – current portion	3,223,838	1,465,528	3,223,838	1,465,528
Trade and other payables	5,130,647	5,216,427	2,461,845	2,527,257
Contract liabilities	265,974	271,153	-	-
Lease liabilities	3,107,953	3,264,757	1,343,513	1,523,439
Amount due to holding company	36,122	10,047	8,302	5,264
Provisions	265,341	265,341	223,897	223,897
Deferred grant Income	192,248	556,181	135,176	388,628
Income tax payable	17,093	17,093	-	-
Total current liabilities	12,239,216	11,066,527	7,396,571	6,134,013
Non-current liabilities				
Provisions	150,808	150,808	38,808	38,808
Lease liabilities	2,217,400	2,811,945	123,832	302,156
Loans and borrowings	2,625,000	2,812,500	2,625,000	2,812,500
Total non-current liabilities	4,993,208	5,775,253	2,787,640	3,153,464
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	(19,338,106)	(17,661,580)	(19,729,512)	(18,318,625)
Translation reserve	(26,425)	(15,740)	-	-
Total equity	5,120,536	6,807,747	7,515,244	8,926,131
Total liabilities and equity	22,352,960	23,649,527	17,699,455	18,213,608

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 or less or on demand

As at 31/12/2020		As at 30/09/2020	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	3,223,838	-	1,465,528

Amount repayable after one year

As at 31/12/2020		As at 30/09/2020	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
-	2,625,000	-	2,812,500

Details of any collaterals.

Not applicable.

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	
	1Q2021	1Q2020
	\$	\$
Operating activities		
Loss before income tax	(1,676,526)	(1,209,768)
Adjustments for:		
Depreciation and amortisation expense	1,173,036	1,281,082
(Gain) Loss on disposal of plant and equipment	(467)	(6,000)
Write-off of inventories	44,365	-
Foreign exchange differences	(10,703)	(2,547)
Interest income	(1,380)	(26,344)
Interest expense	87,905	84,223
Operating cash flows before movements in working capital	(383,770)	120,646
Trade and other receivables	(83,946)	(178,550)
Inventories	80,768	(17,359)
Other assets	39,401	25,721
Trade and other payables	(449,713)	(964,918)
Contract liabilities	(5,179)	(131,866)
Amount due to holding company	26,075	53,928
Provisions	-	(13,476)
Cash used in operations	(776,364)	(1,105,874)
Income tax paid	-	-
Net cash used in operating activities	(776,364)	(1,105,874)
Investing activities		
Purchase of plant and equipment	(25,720)	(951,771)
Proceeds from disposal of plant and equipment	-	3,299
Interest received	1,380	21,486
Net cash used in investing activities	(24,340)	(926,986)
Financing activities		
Proceeds from bank borrowings	2,000,000	-
Repayment of short-term loans	(429,190)	-
Repayment of lease liabilities	(751,348)	(901,295)
Interest portion of lease liabilities	(60,336)	(84,223)
Interest paid	(27,569)	-
Net cash generated from (used in) financing activities	731,557	(985,518)
Net decrease in cash and cash equivalents	(69,147)	(3,018,378)
Cash and cash equivalents at beginning of period	12,921,780	15,792,071
Cash and cash equivalents at end of period	12,852,633	12,773,693

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				
	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total
	\$			\$	\$
Balance at 1 October 2019	25,181,005	(695,938)	(15,426)	(7,549,435)	16,920,206
Effects of adopting SFRS (I) 16	-	-	-	(272,627)	(272,627)
Balance at 1 October 2019 (restated)	25,181,005	(695,938)	(15,426)	(7,822,062)	16,647,579
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,209,768)	(1,209,768)
Other comprehensive loss	-	-	(4,065)	-	(4,065)
Total	-	-	(4,065)	(1,209,768)	(1,213,833)
Balance at 31 December 2019	25,181,005	(695,938)	(19,491)	(9,031,830)	15,433,746
Balance at 1 October 2020	25,181,005	(695,938)	(15,740)	(17,661,580)	6,807,747
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,676,526)	(1,676,526)
Other comprehensive loss	-	-	(10,685)	-	(10,685)
Total	-	-	(10,685)	(1,676,526)	(1,687,211)
Balance at 31 December 2020	25,181,005	(695,938)	(26,425)	(19,338,106)	5,120,536

	COMPANY			
	Share capital	Capital reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 October 2019	25,181,005	2,063,751	(9,853,919)	17,390,837
Effects of adopting SFRS(I) 16	-	-	(145,091)	(145,091)
Balance 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 period	-	-	(1,089,572)	(1,089,572)
Balance at 31 December 2019	25,181,005	2,063,751	(11,088,582)	16,156,174
Balance at 1 October 2020	25,181,005	2,063,751	(18,318,625)	8,926,131
Loss for the year, representing total comprehensive loss for the period	-	-	(1,410,887)	(1,410,887)
Balance at 31 December 2020	25,181,005	2,063,751	(19,729,512)	7,515,244

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 is no change in the Company's share capital since the end of the previous period reported on.

As at 31 December 2020 and 30 September 2020, the Company's issued and paid-up capital was \$25,181,005.

There are no outstanding convertibles, shares held as treasury shares and subsidiary holdings as at 31 December 2020 and 30 September 2020.

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.

	31/12/2020	30/9/2020
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.

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

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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

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

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

The Group has applied the same accounting policies and methods of computation to the financial statements for the current financial year and the annual financial statements for the financial year ended 30 September 2020.

- 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.**

Not applicable.

- 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	
	1Q2021	1Q2020
Earnings per ordinary share:-		
(a) Based on the weighted average number of ordinary shares in issue; and	-0.36 cents	-0.26 cents
(b) On a fully diluted basis	-0.36 cents	-0.26 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 year.

	GROUP		COMPANY	
	31/12/2020	30/9/2020	31/12/2020	30/9/2020
Net asset value per ordinary share based on existing issued share capital (cents)	1.11	1.47	1.63	1.93
No. of shares	462,392,475	462,392,475	462,392,475	462,392,475

- 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's revenue of \$2.5 million for the period ended 31 December 2020 ("1Q2021") was lower by 58.8% as compared to \$6.0 million in the previous corresponding period. The seafood restaurants sales accounted for 30% of total revenue for 1Q2021 as compared to 60% in previous corresponding period. Hotpot sales contributed to 40% of total revenue for 1Q2021 as compared to 17% in previous corresponding period. Quick-serve restaurants contributed 25% of total revenue in for 1Q2021 as compared to 6% in previous corresponding period. Beer business has been significantly impacted in 1Q2021 as most of the outlets where its beer is distributed have been closed during the circuit breaker period and remained closed as of 31 December 2020.

Revenue continues to be impacted by COVID-19 as the outlets are not able to operate on the same level as prior to the onset of COVID-19 and the ongoing travel restrictions have significantly reduced the tourist footfall at our seafood outlets.

Raw materials and consumables used and change in inventories

Total raw materials and consumables used and change in inventories reduced by 55.4% in 1Q2021 as compared to previous corresponding period due to a corresponding decrease in revenue.

Employee benefits expense, rental expense, and Other operating expenses

Employee benefits and Other operating expenses in 1Q2021 reduced by 31.7% and 43.6% respectively, which is proportionately less than the reduction in revenue due to increase in expenses in 1Q2021 arising from additional costs that incurred for take-away foods, to purchase of cleaning materials, disinfection needs and purchase of protective equipment.

For comparison purpose, without consideration of SFRS(I) 16, rental expense would have decreased from \$987K in 1Q2020 to \$763K in 1Q2021 due to one-off rental concessions given from the landlords as a result of the COVID-19 pandemic.

Depreciation and amortisation expenses

The decrease in depreciation in 1Q2021 mainly due to adoption of SFRS(I) 16, where operating leases were accounted for as a "ROU asset" and depreciated accordingly, with the expenses recognised as "Depreciation expense".

For comparison purpose, without consideration of SFRS(I) 16, depreciation expense would have decreased slightly from \$337K in 1Q2020 to \$325K in 1Q2021.

Finance costs

Finance costs comprise of interest portion of lease liabilities which has decreased slightly to \$60K in 1Q2021 from \$84K in 1Q2020, which was offset by interest on bank borrowing of \$28K in 1Q2021 (\$Nil in 1Q2020) due to bank borrowings drawn down.

Loss before income tax and loss for the period

The Group has reported a net loss before income tax of \$1.7 million in 1Q2021 due to loss of revenue from the COVID-19 pandemic for the seafood restaurant outlets and the beer business.

BALANCE SHEET

The Group

Current assets

Current assets declined from \$15.1 million as at 30 September 2020 ("FY2020") to \$14.9 million as at 31 December 2020 ("FY2021"), mainly due to the decrease in Job Support Scheme ("JSS") grant receivable as a result of the payout received in 29 October 2020.

Non-current assets

There is a decrease in non-current assets from \$8.6 million as at FY2020 to \$7.4 million as at FY2021. This was mainly due to a decrease in Right-of-use ("ROU") assets of \$0.8 million.

Current liabilities

Current liabilities increased from \$11.0 million as at FY2020 to \$12.2 million as at FY2021 mainly due to increase in short-term bank borrowing of \$1.8 million.

Non-current liabilities

The decrease in non-current liabilities from \$5.8 million as at FY2020 to \$5.0 million as at FY2021 was mainly due to the decrease in non-current lease liabilities arising from the adoption of SFRS(I) 16.

The Company

There is a decrease in total assets from \$18.2 million as at FY2020 to \$17.7 million as at FY2021. This was mainly due to a decrease in ROU assets of \$0.5 million.

Total liabilities increased from \$9.3 million as at FY2020 to \$10.2 million as at FY2021 mainly due to an increase in bank borrowings of \$1.6 million.

CASH FLOW STATEMENT

The Group's net cash used in operating activities in 1Q2021 amounting to \$0.8 million is mainly attributable to working capital usage for restaurant and beer business.

The Group's net cash from financing activities amounted to \$0.7 million in 1Q2021, mainly due to the payment of short-term loan which is offset by an increase in bank borrowings.

As at 31 December 2020, the Group's cash and cash equivalents stood at \$12.9 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.

Since the onset of the COVID-19 pandemic, the Company has intensified its social media and digital platform presence to attract different target customer types whilst trying to adapt to the potential changes in local consumer dining choices resulting from the implications of COVID-19.

Singapore commenced Phase 3 re-opening from 28 December 2020. Notwithstanding, business in the short term would not be able to operate on the same level as prior to the onset of COVID-19 and our business continues to be impacted by the low tourist arrival numbers and safe distancing measures that have been put in place. The Group will continue to operate cautiously, ensure it has sufficient resources, keep operating costs low and the business viable. We are constantly monitoring the situation which has impacted our revenue generation, whilst managing our cost structure in the new normal.

Given that the situation is fluid and rapidly evolving as government policies change in tandem, the Group expects the operating environment of the local food and beverage industry to remain challenging in the next 12 months, due to uncertain economic outlook aggravated by travel restriction imposed globally that dampened consumers' demand. The Group's current key priority is to preserve cash to support working capital requirements until COVID-19 situation improves and to ensure that the Group has sufficient resources to tide through this period.

At the same time, the Group has been conscientiously managing its costs and is taking measured steps on various cost-cutting and cost control measures as there is uncertainty on the severity and duration, and when the global business climate will recover from the effects of COVID-19. As the COVID-19 situation continues to evolve, the consumer-restaurant dynamic is progressively being redefined resulting from changes in consumer dining habits. In addition, the changing government policies, such as safe distancing measures, have a bearing on our future operations and performance.

The Group will continue to monitor the situation in the markets it operates in, including any regulations issued to address the spread of the COVID-19, and has arrangements in place (such as business continuity plans) to adapt accordingly.

Despite the above challenges, the Group will continue to explore suitable opportunities to strengthen its competitive edge in its existing business and expand its F&B business both in Singapore and overseas.

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?

No

(c) Date payable

N.A.

(d) Record date

N.A.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

The Company has reviewed its dividends payment and no dividend has been declared or recommended by the board of directors ("Board" or "Directors") for the financial period ended 31 December 2020 as there are no distributable profits.

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").

The aggregate value of interested person transactions entered into during the year ended 31 December 2020 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.	\$50,400 ⁽¹⁾	Not applicable

Note:

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

- (i) a payable of \$50,400 as rental expense to GuGong Pte. Ltd. ("GuGong") for the lease of its corporate office and outlet.

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 and related announcement dated 15 December 2020 for further details. As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds	Net Proceeds utilised as at the date of this announcement	Balance of Net Proceeds as at the date of this announcement
	\$'000	\$'000	\$'000
Development for the Beer Business	2,267	(2,267)	-
Establishing new chains of restaurants	7,000	(7,000)	-
Development of Ready Meal Business	-	-	-
General working purposes	10,033	(2,300)	7,733
	<u>19,300</u>	<u>(11,567)</u>	<u>7,733</u>

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 and three months ended 31 December 2020 presented in this announcement, to be false or misleading in any material aspect.

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

Lim Lay Hoon
COO and Executive Director

9 February 2021