



no signboard seafood  
無招牌海鮮

MOM'S  TOUCH

 小肥羊 火鍋  
LITTLE SHEEP HOT POT

 HANKER

  
no signboard seafood  
無招牌海鮮

  
draft  
DENMARK

# *Satisfying All Palates*

ANNUAL REPORT 2018



# Corporate Profile



No Signboard Holdings Ltd. (無招牌控股有限公司), which traces its origins to the late 1970s, is a leading lifestyle food and beverage (“F&B”) player in Singapore. It is principally engaged in operating a chain of seafood restaurants under its No Signboard Seafood brand. The Group also has a Beer Business which promotes and distributes its Draft Denmark brand of beer.



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”) – the *Hawker*, hot pot restaurants – *Little Sheep Hotpot* and Korean fried chicken gourmet – *Mom’s Touch*. 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.nosignboardseafood.com](http://www.nosignboardseafood.com)





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This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, 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 6888.



# Chairman's Statement



## Dear Shareholders,

On behalf of the Board of No Signboard Holdings Ltd. ("No Signboard" or together with its subsidiaries, the "Group"), I would like to take this opportunity to deliver our Annual Report 2018 for the financial year ended 30 September 2018 ("FY2018") to you.

Since our Initial Public Offering ("IPO") listing in November 2017 on the Catalist Board of the SGX-ST, we have stepped into our second year as a public listed company.

Our journey this year has been a humbling experience as we seek to rebrand and restructure our *Draft Denmark* Beer Business.

We are also excited that our Group has taken a giant leap of faith by venturing into other restaurant concepts and cuisines like fast food, hotpot and Korean fried chicken gourmet with the *Hawker*, *Little Sheep Hotpot* and *Mom's Touch* outside of our traditional seafood business.

## Financial Performance

The Group's revenue increased by 8.6% to S\$26.5 million in FY2018 as we recorded a full year revenue for the Beer Business. The Group recorded a net loss after tax of S\$2.4 million in FY 2018 which was attributed to the recording of one-off items including IPO expenses of S\$1.1 million and the impairment of goodwill, intangible assets and plant and equipment of S\$4.3 million. Had the one-off items been excluded, the Group would have produced a net profit after tax attributable to equity holders of S\$3.0 million for FY2018.

The Group's gross profit margin in FY2018 was 66.1% as compared to 75.7% in FY2017, as a result of the new product mix arising from the acquired Beer Business and the introduction of budget friendly menu items with lower gross profit margins in the Restaurant Business.

With the increased in headcounts as well as the additional compliance costs incurred as a listed company and expansion of the Group's operations and businesses, our profit margins have been further affected.

## Beer Business Restructuring Exercise

The Group has also taken the prudent approach to maintain our fiscal responsibilities to impair goodwill and intangible assets in relation to our Beer Business. The goodwill and intangible assets, arising from the Beer Business acquired previously, relied heavily on the previous management, their sales team and their sales strategy then.

After carrying out an extensive review of the Beer Business, which had not performed up to the levels expected, the Group took the proactive and decisive action to rationalise and restructure the Beer Business, which the first step began with the acquisition of the remaining 20% stake in the Beer Business in June 2018 from the former minority shareholder in order to secure full control over the Beer Business.

# Chairman's Statement

## Rebranding & Developing the Beer Business

The Group intends to pursue a new strategic direction and initiate positive changes for the Beer Business. We have appointed Mr Arthur Quek whom has formed a new sales team to assist in rebranding and developing the Beer Business.

The Group is also working with a new brewer facility to improve the taste of our *Draft Denmark* beer, change the design of our beer bottles which will provide a new and refreshing look and feel to the market as well as increase our product mix and stock-keeping-units ("SKU") offerings. In addition, we are enhancing our sales and distribution channels as well as expanding our target markets.

## Asian Fast Food with a Spot-on Taste

We have launched our new fast food brand - *Hawker* at Esplanade in October 2018 and became the first Asian fast food restaurant to offer hawker-themed burgers, wraps and buns. Given our track record and experience in the F&B industry, we are confident in delivering an unparalleled authentic spot-on local flavour in our burgers and wraps.

Mr Eric Er with vast experience in running fast food outlets was appointed to lead our team in expanding the *Hawker* brand. We have opened our 2<sup>nd</sup> *Hawker* outlet in November 2018 and two more outlets have been slated to open in 2019.

## Herding Little Sheep Hotpot to Shores

We are excited to deliver the popular *Little Sheep Hotpot* onto our shores in Singapore in December 2018.

As our Group prides itself to deliver variety and the best cuisines to our consumers, we inked a franchise agreement in June 2018 to operate and develop at least one hotpot restaurant per year in the next five years under the *Little Sheep Hotpot* brand.

## Korean Food with a Heart

In October 2018, our Group entered into an exclusive master franchise agreement to expand *Mom's Touch* chicken and burger – a highly acclaimed Korean fried chicken gourmet food chain into Singapore and Malaysia.

Given the popularity of Korean media, culture and food in recent years, we would like to participate in the trend by providing quality Korean cuisine, the very heart-warming way a mother prepares for a meal for her family.

We are targeting to launch at least one *Mom's Touch* outlet each in Singapore and Malaysia by 2019.

## Outlook of the Group

The Group will continue to rebrand the *Draft Denmark* Beer Business, widening its distribution channels as well as growing its SKUs and product mixes. The Group is encouraged by the progress of the Beer Business Restructuring Exercise under the new leadership and is expecting the Beer Business to turnaround in the near term.

As part of its overseas growth and expansion strategies, the Group has also identified premises for its new casual dining concept in China and is in the final stages of the lease negotiation. Upon successful negotiation of the lease, the new restaurant is targeted to debut in China by middle of 2019, marking the Group's first step out of its home ground, after more than 30 years, to materialise its overseas expansion plan.

Our Group continues to face challenges and intense competition in the seafood restaurant business industry. According to the Singapore Tourism Board and despite increases in international visitors, tourism receipts for F&B expenditure declined 15.0% in the first half of 2018 when compared to the same period in 2017<sup>1</sup>, implying fierce competition in the F&B sector resulting in more sales promotional activities among peers. Moreover, the World Cup 2018 fever has also affected our Restaurant Business as most matches were shown during dinner time.

Our No Signboard Seafood Restaurant Business continues to be the pillar of our Group as we embark on a new strategic direction to diversify our restaurant portfolio with a "customer-at-heart" focus.

The journey will be onerous and full of pitfalls. We urge our shareholders to maintain patience and faith in our management and support us in our next era of growth.



<sup>1</sup> Singapore Tourism Board, *Tourism Sector Performance Q2-2018 Report (for April to June 2018)*

# Chairman's Statement

## Appreciation

As we welcome our new staff who joined us this year, I would like to express my utmost appreciation to my management team and all our staff for their hard work and relentless commitment to the cause. I am very grateful to our Board of Directors and Sponsors for their continual support in our vision and their strategic counsel. In addition, No Signboard would not have made it here today, as a listed entity, without the assistance and support from our various business partners, suppliers and vendors. Thank you very much.

Last but not least, I would like to extend my warmest appreciation to our valued shareholders for your unwavering trust in us as we work towards generating more shareholder returns in a longer term and sustainable future.

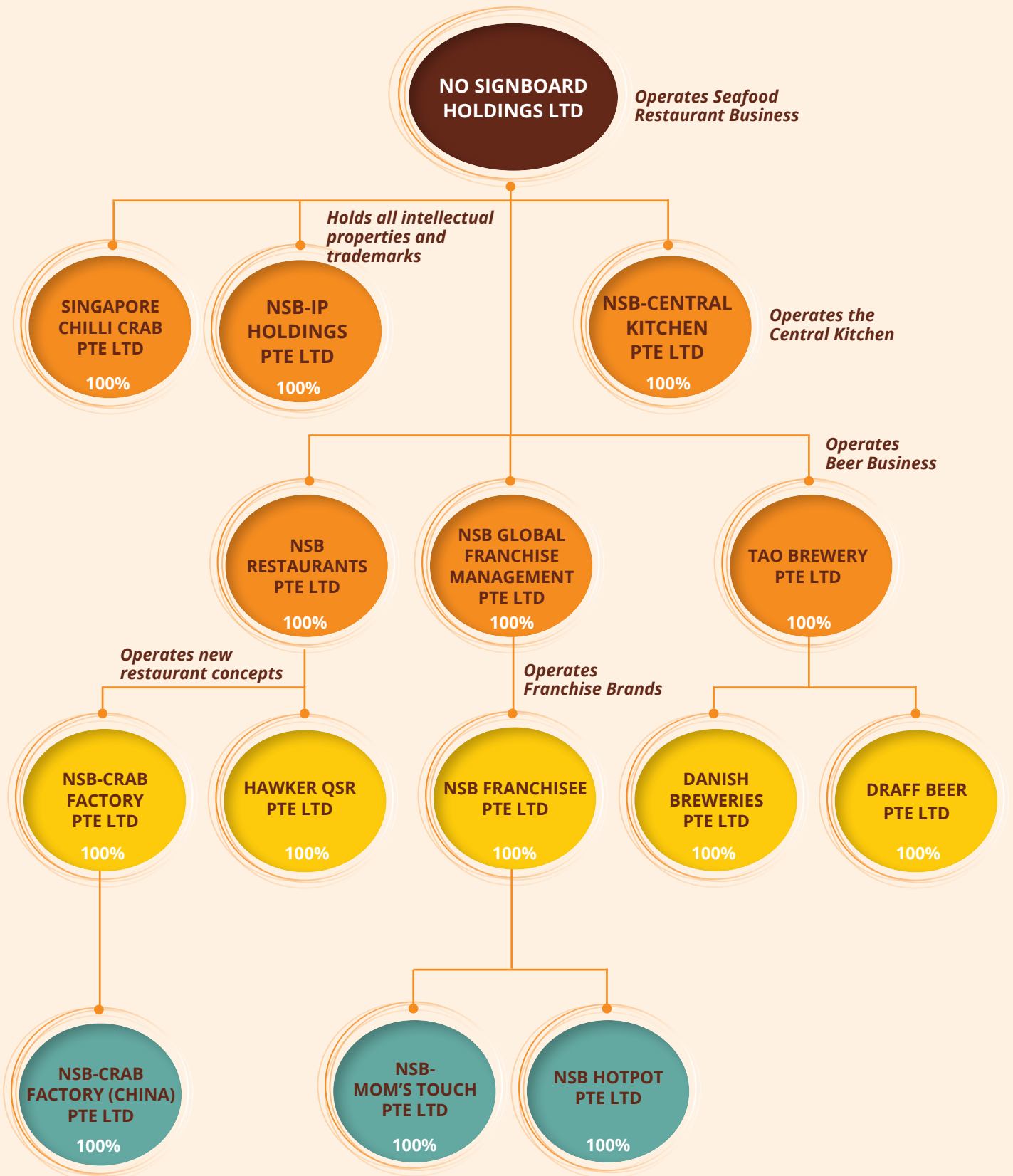
## Mr Sam Lim Yong Sim

Executive Chairman and CEO

31 December 2018

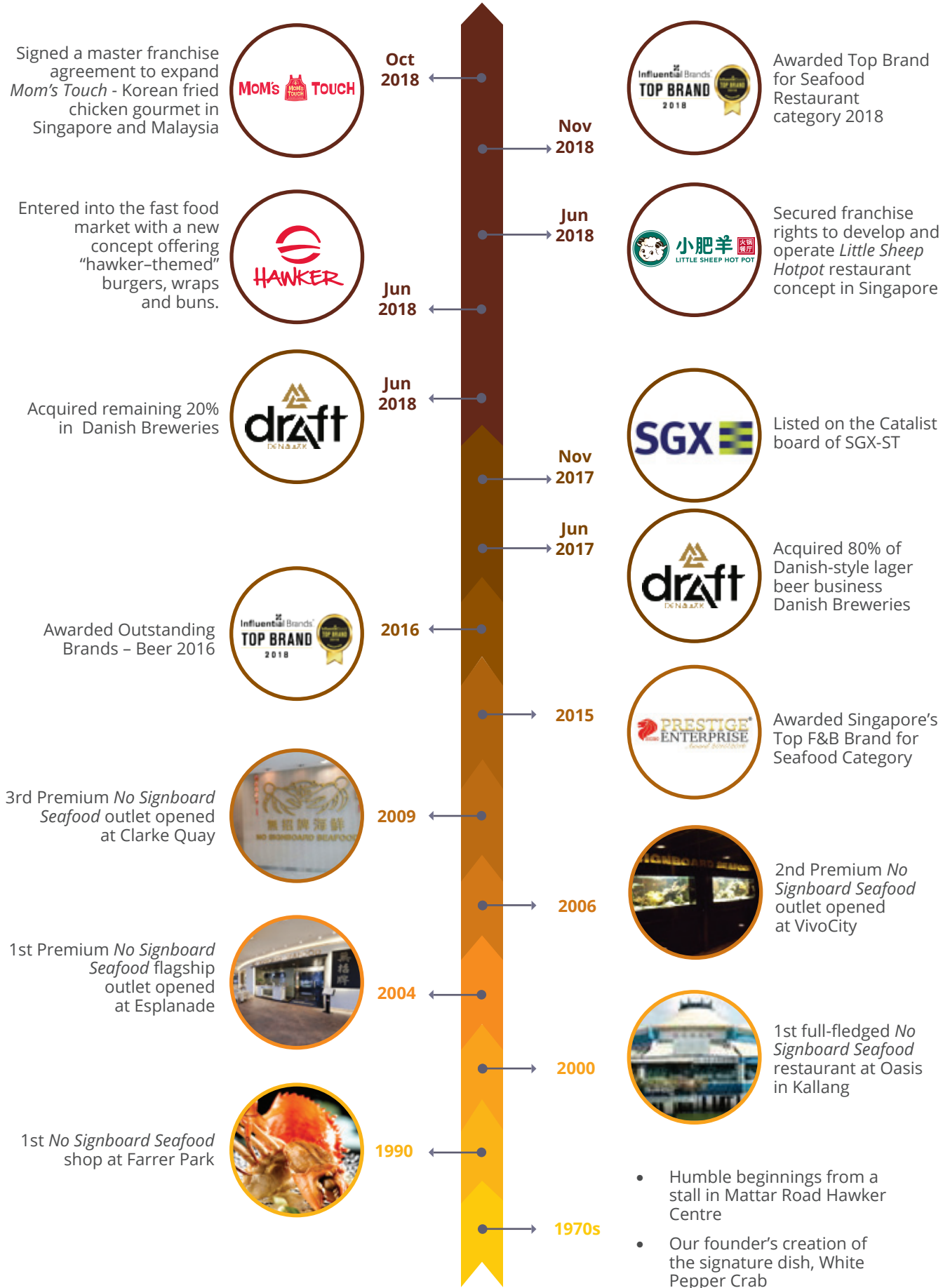


# Our Corporate Structure





# Our Corporate Milestones





# Our Businesses

## Restaurant Business



no signboard seafood  
無招牌海鮮

### No Signboard Seafood Restaurants

With a legacy dating back to the 1970s, our No Signboard Seafood premium 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 full-fledged 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 out at Esplanade was birthed.

No Signboard Seafood premium restaurants is widely known for its signature White Pepper Crab dish created by its founder Mdm Ong Kim Hoi, which is one of its bestselling dishes.



The Signature White Pepper Crab



The Chilli Crab

### Our Flagship Outlets



#### Esplanade Mall

Address:  
8 Raffles Avenue, #01-14

Operating Hours:  
11:00am to 10:30pm



#### Vivocity

Address:  
1 Harbourfront Walk, #03-02

Operating Hours:  
11:00am to 10:30pm



#### Clarke Quay Central

Address:  
6 Eu Tong Sen Street, #04-63

Operating Hours:  
11:00am to 2:30pm and  
5:30pm to 10:30pm

# Our Businesses

## Restaurant Business



### Hawker Fast Food Restaurants

In June 2018, No Signboard announced its entrance into Fast Food Business by launching the *Hawker*. The *Hawker* aims to offer consumers “hawker-themed” burgers, wraps and buns. The localised food menu serves an extensive selection like chilli crab burger, black pepper crab burger, Hainanese chicken rice burger, nasi lemak burger, roti prata wrap and many more.

Its first outlet made its first debut at Esplanade in October 2018, receiving warm food reviews and appreciation on the quality of the burgers and wraps. Given the Group’s more than 30 years of F&B experience, the Hawker is well-equipped to provide fast food with an authentic spot-on local flavour.



#### The First Outlet Esplanade Mall

Address:

8 Raffles Avenue, #01-13E

Operating Hours:

Sundays to Thursdays and Public Holidays -

8:00am to 10:30pm

Fridays, Saturdays and Eves of Public Holidays -

8:00am to 12:00am



#### The Second Outlet Kent Ridge Centre

Address:

1 Lower Kent Ridge Road, #04-19 & 20,

One @ KENTRIDGE

Operating Hours:

7:00am to 10:00pm

### Coming soon in 2019



Jewel Changi Airport



Paya Lebar Quarter



# Our Businesses

## Restaurant Business



**小肥羊** 火锅  
LITTLE SHEEP HOT POT

### Little Sheep Hotpot Restaurants

In June 2018, No Signboard diversifies into Singapore's hot pot market through acquiring 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 markets 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 the 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 with much fanfare.



### The First Outlet

#### One Fullerton

Address:

1 Fullerton Road, #01-05

Operating Hours:

11am-11pm

## MOM'S TOUCH



### Mom's Touch Chicken & Burger Restaurants

In October 2018, No Signboard signed an exclusive master franchise agreement to expand *Mom's Touch* Chicken & Burger Restaurants ("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.



# Our Businesses

## Beer Business



### Danish Breweries

Prior to No Signboard's IPO listing on the Catalist Board of SGX-ST in November 2017, the ultimate holding company GuGong Pte Ltd acquired 80% of Danish Breweries Pte. Ltd. ("Danish Breweries") in June 2017, which was subsequently transferred to the Group pursuant to the Restructuring Exercise. The acquisition of Danish Breweries is in line with the Group's core strategy to complement its Restaurant Business. 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 Denmark* is well distributed across more than 150 outlets in Singapore comprising pubs, coffee shops and clubs.





# Our Businesses

## Beer Business

### Restructuring Exercise - Rebranding the Beer Business and its New Direction

To gain 100% ownership and secure full management control is the first step taken by the Group in devising the full restructuring plan for the Beer Business.

To develop a new strategic direction and initiate positive changes for the Beer Business, the Group appointed a new Executive Vice President, Mr Arthur Quek, with more than 20 years of experience in the beer industry, to manage and lead the Beer Business with direct supervision from the Group's senior management team. Under the new leadership, the Group, in the Beer Business, is also in the process of rebranding its signature brand - *Draft Denmark* and revising its sales and operational strategies with an aim to boost the Beer Business moving forward.

The rebranding exercise includes the change in the design of its beer bottles which will provide a new and refreshing look and feel to the market as well as the increase of its product mix and SKU offerings to boost future sales performances. The new team's sales and operational strategies have an immediate focus on increasing the Group's market share and presence through distributing *Draft Denmark* beer to more coffeshops to increase brand visibility across larger demographics. The new SKU - canned beer, will allow the Beer Business to penetrate into the minimarts and supermarkets. The Beer Business has also replaced one of its brewing facilities to address quality issues with its bottled beer and reviewed all aspects of costs and vendors to improve its cost structure, logistics and production process efficiency.



### One-off Impairment

In view of the above restructuring exercise in the Beer Business, the Group has taken the prudent approach to cater for a one-off S\$4.3 million impairment of goodwill, intangible assets and plant and equipment in 2018 which arose in relation to the Group's acquisition of the Beer Business in 2017. The goodwill and intangible assets, acquired previously, relied heavily on the previous management, their sales team and their sales strategy then. However, as the Beer Business had not performed up to the levels expected by the senior management of the Group, the Group then took the proactive and decisive action to rationalise and restructure the Beer Business as described above, after carrying out an extensive review of the Beer Business.



100% Full Control of Draft Denmark



Increase Product Mix & SKUs



New Management & Sales Team



Enhance Distribution Channels in Key Markets



New Sales Strategy & New Markets Focus



New Brewery to Improve Quality & Taste



Rebranding Exercise on Signature Brand



Revised Cost Structure, Logistics & Production Process Efficiency

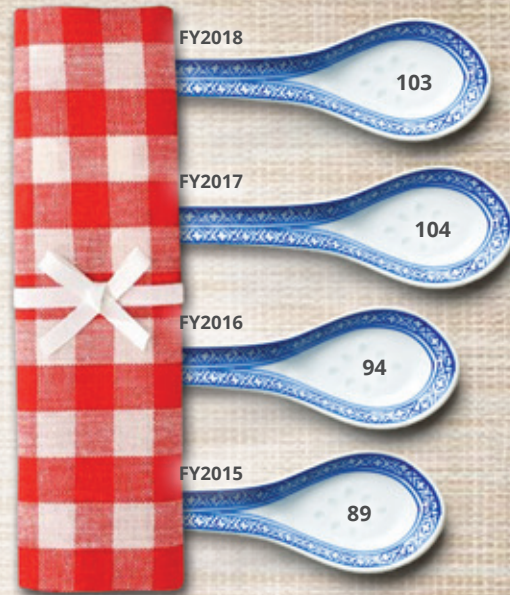


# Financial Highlights

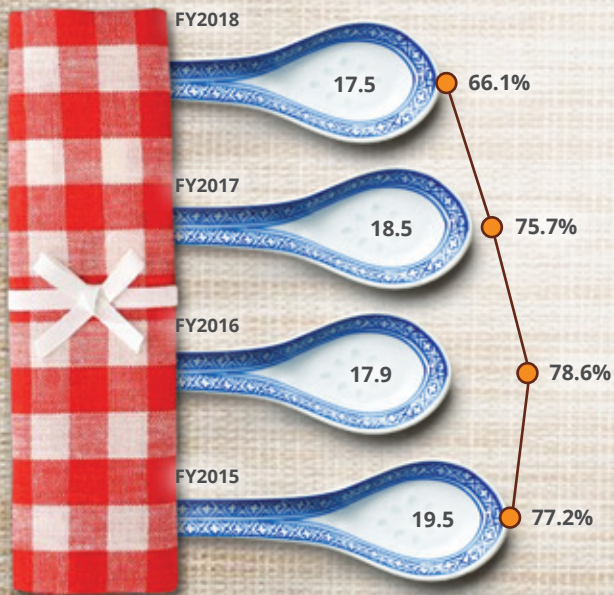
## REVENUE (\$'m)



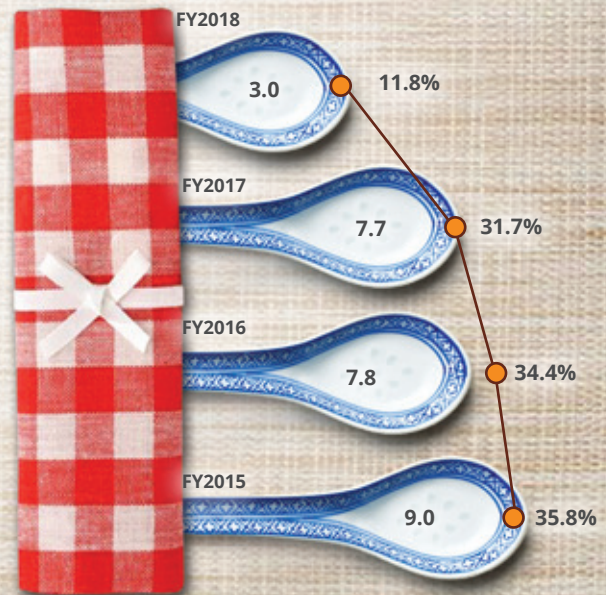
## AVERAGE SPEND PER CUSTOMER (\$'m)



## GROSS PROFIT (\$'m) & GROSS PROFIT MARGIN (%)



## NORMALISED NET PROFIT<sup>1</sup> (\$'m) & NORMALISED NET PROFIT<sup>1</sup> MARGIN (%)



<sup>1</sup> Excludes one-off items - IPO expenses and impairment of goodwill, intangible assets and plant and equipment.



# Financial Review

The group comprising the Company and its subsidiaries (the "Group") was formed pursuant to a restructuring exercise (the "Restructuring Exercise") undertaken as part of its corporate reorganisation for the purpose of the IPO, pursuant to a restructuring agreement dated 20 October 2017 (the "Restructuring Agreement"). Even though the transfer of the legal interest in the Restaurant Business and its subsidiaries to the Company occurred on 31 October 2017, economic interest in the Restaurant Business was effectively transferred on 1 July 2017, hence all profits and receipts, and all losses and outgoing, accruals or payables in relation to the Restaurant Business from 1 July 2017 to 30 October 2017 ("Interim Period") were attributed to the Company.

## BASIS OF PREPARATION AND CONSOLIDATION

The Group resulting from the Restructuring Exercise, 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 statements of the Group as if the Restructuring Exercise had occurred from the date when the merged entities first came under the control of the group of shareholders acting in concert.

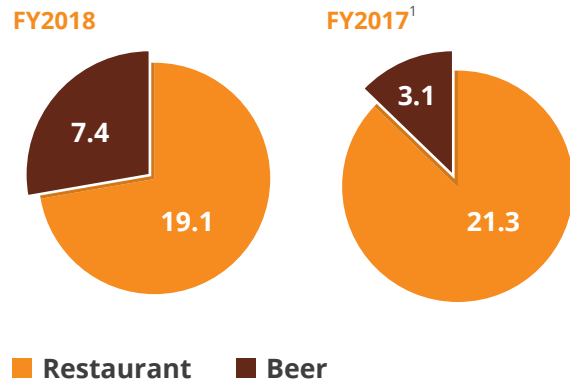
## INCOME STATEMENT

The statement of comprehensive income for FY2018 included twelve-months results of both Restaurant and Beer Businesses, while that of FY2017 included twelve-months results of Restaurant Business and only four-months results of Beer Business following its acquisition by the Group in June 2017. Hence, the recording of only four-months revenue and expenses from the Beer Business in FY2017 has resulted in the increased revenue and expense items in FY2018 when compared to FY2017 ("Beer Business Acquisition Variance").

The Group reported a revenue increase of 8.6% from S\$24.4 million in FY2017 to S\$26.5 million in FY2018, mainly as a result of Beer Business Acquisition Variance.

Revenue contributions from the Restaurant Business declined by 10.4% from S\$21.3 million in FY2017 to S\$19.1 million in FY2018. The dip was due to the declining levels of tourism F&B spending in 2018, intense competition in the F&B industry, sales promotional activities which reduced the average spend per customer and the month-long World Cup 2018 effect which resulted in fewer diners dining out due to matches being televised during dinner time. Overall, average spend per customer fell to S\$103 in FY2018 from S\$104 in FY2017.

## REVENUE BY BUSINESS SEGMENTS (IN S\$'MILLIONS)



<sup>1</sup> FY2017 included twelve-months results of Restaurant Business and only four-months results of Beer Business following its acquisition by the Group in June 2017

Other income in FY2018 included the reversal of provision for promotional support of S\$1.0 million in the Beer Business as well as franchise fee income arising from the Restaurant Business. Other income in FY2017 included the one-time recognition of income that arose from the termination of distribution agreement recorded by the Beer Business. Gross profit margin declined from 75.7% in FY2017 to 66.1% in FY2018, as a result of the dilution from the acquired Beer Business which gross profit margin is lower and the sale of more budget friendly menu items at the restaurants with lower gross profit margins.

Other than the Beer Business Acquisition Variance, which has resulted in the increases in all other expenses, higher employee benefits expenses, compliance costs and IPO expenses were incurred following the Company's admission on the Catalist Board of SGX-ST and expansion of the Group's operations and businesses.

Upon carrying out an extensive review of the Beer Business which had not performed up to the levels expected, the Group took the proactive and decisive action to rationalise and restructure the Beer Business which thus led to a prudent record of a full impairment of goodwill, intangible assets and plant and equipment of \$4.3 million, that relied heavily on the previous management, their sales team and their sales strategy then, in FY2018.

Although the Group has reported a net loss of \$2.4 million in FY2018. Had the one-off impairment loss on goodwill and intangible assets and IPO expenses been excluded, the Group would have maintained a positive net profit of approximately S\$3.0 million for FY2018. Furthermore, the Restaurant Business and the overall Group operations continue to be profitable.

# Financial Review

## BALANCE SHEET

### The Group

The Group's current assets increased 41.9% to S\$26.6 million as at 30 September 2018 from S\$18.8 million as at 30 September 2017. The increase was mainly resulted from the raised funds from IPO and offset by the full settlement of amount due from holding company following the completion of the Group Restructuring Exercise carried out prior to the Group's listing on Catalist Board of SGX-ST in November 2017.

The decline in non-current assets by 63.6% to S\$2.4 million as at 30 September 2018, from S\$6.6 million as at 30 September 2017, largely resulted from the full impairment of goodwill and intangible assets arising from the acquisition of the Beer Business in 2017. The reduction in other assets, which pertained to the upfront sponsorships provided by the Beer Business to beer and entertainment establishments based on the agreed contractual terms, following from the termination of non-performing sales contracts as part of the Beer Business restructuring exercise has also contributed to the declining non-current assets. The decrease has however been offset by the increase in plant and equipment resulted mainly from the purchase of additional kegs for the Beer Business prior to the Beer Business restructuring exercise, and increased in intangible assets, which relate to franchise fees paid in conjunction to the license granted to the Group, under a franchise agreement, to develop and operate *Little Sheep Hotpot* restaurants in Singapore.

The fall in total liabilities of 20.1% to S\$7.0 million as at 30 September 2018 from S\$8.7 million as at 30 September 2017 was mainly resulted from the total reduction in accruals for volume rebates and provision for promotional supports of S\$1.9 million following the termination of non-performing contracts by the Beer Business as part of the Beer Business restructuring exercise, and the drop in income tax payable by S\$0.9 million in line with the decline in the Group's taxable profits for the year. The drop was however offset by the increased in short term bank loans drawn down to meet the working capital needs of the beer business.

Increased in share capital was a result of the issuance of new shares pursuant to the IPO, offset by the capitalisation of IPO expenses. Capital reserve of S\$0.7 million arose from the initial acquisition of 80% shareholding interest in the Beer Business by the Group from its holding company pursuant to the Restructuring Agreement and the subsequent acquisition of the remaining 20% shareholding interest in the Beer Business by the Group from the minority shareholder.

### The Company

The Company was incorporated on 1 June 2017 and was inactive prior to the completion of the Restructuring Exercise, hence it has only recorded the prepayments made for the IPO expenses as at FY2017. Subsequent to the completion of the Restructuring Exercise, the Company has since taken over the operations, as well as the relevant assets and liabilities of the Restaurant Business, including the Interim Period profits.

The capital reserve of S\$2.1 million as at FY2018 pertained to the Interim Period profits of the Restaurant Business recorded pursuant to the Restructuring Agreement.

## CASH FLOW STATEMENT FY2018

In FY2018, the Group recorded net cash from operating activities of S\$2.1 million, as compared to S\$4.8 million in FY2017, of which the drop is mainly resulted from the drop in the Group's profitability. Net cash from investing activities was S\$1.4 million and net cash from financing activities was S\$19.9 million, as it has raised additional capital of S\$23.9 million during the year, in conjunction with its IPO listing on the Catalist Board of SGX-ST, which was offset by the payment of IPO expenses of S\$2.4 million.

The Company also paid dividends of S\$2.6 million in FY2018.

As at 30 September 2018, the Group's cash and cash equivalents stood at S\$23.7 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.nosignboardseafood.com](http://www.nosignboardseafood.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 Khua Kian Kheng Ivan  
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 Khua Kian Kheng Ivan  
Mr Tay Chun Leng Robert

## Remuneration Committee

Mr Khua Kian Kheng Ivan (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 Khua Kian Kheng Ivan

## Company Secretary

Ms Shirley Tan Sey Liy (ACS)

## Sponsor

RHT Capital Pte. Ltd.  
9 Raffles Place  
#29-01 Republic Plaza Tower 1  
Singapore 048619

## Independent Auditors

Deloitte & Touche LLP  
6 Shenton Way #33-00  
OUE Downtown 2  
Singapore 068809

Partner-in-charge: Mr Loi Chee Keong  
(A member of the Institute of Singapore  
Chartered Accountants)  
Date of Appointment: 30 June 2017

## Share Registrar and Share Transfer Office

RHT Corporate Advisory Pte. Ltd.  
9 Raffles Place  
#29-01 Republic Plaza Tower 1  
Singapore 048619

# Board of Directors

Leow Chung Chong Yam Soon  
(Paul Leow)

Lim Lay Hoon

Lim Yong Sim  
(Sam Lim)

Khua Kian Kheng Ivan  
(Ivan Khua)

Tay Chun Leng Robert  
(Robert Tay)





# Board of Directors



## **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**

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.



## **Ivan Khua**

Lead Independent Director  
*Appointed on 6 November 2017*

Ivan is the Executive Director of Hock Leong Enterprises Pte. Ltd., an oil and gas related servicing company where his responsibilities include overseeing the company's financial, administrative, human resource and business development aspects. Ivan holds a Diploma in Building (with Merit) from Singapore Polytechnic and a Bachelor's Degree in Building Construction Management (First Class Honours) from the University of New South Wales, Australia. He is a member of the Singapore Institute of Arbitrators, and an associate of the Singapore Institute of Building. He is a full member of the Singapore Institute of Directors. Ivan was also a recipient of the Pingat Bakti Masyarakat (Public Service Award) in 2016.

# Board of Directors



## **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.



## **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 2018 and the preceding three years in other listed companies are as follows:-

Name	Present Directorship	Past Directorship
Sam Lim	-	-
Lim Lay Hoon	-	-
Ivan Khua	KSH Holdings Limited MoneyMax Financial Services Ltd.	-
Paul Leow	Fragrance Group Limited Asian Healthcare Specialist Limited	-
Robert Tay	-	-



# Key Management

## Voon Sze Yin

*Chief Financial Officer*

Sze Yin joined the Group in December 2017. In her role as the Group's Chief Financial Officer, she is responsible for the Group's overall financial accounting, tax and administration matters. Sze Yin holds a Bachelor Degree in Commerce (Accounting and Finance) from the University of Melbourne, and is currently a Chartered Accountant of Chartered Accountants Australia and New Zealand.

Before she came on board the Group, Sze Yin was a Vice President – Group Finance & Administration with Sakae Holdings Ltd., a company listed on the Main Board of SGX-ST, from 2011 to 2017. Prior to that, she was with Deloitte & Touche LLP, Singapore from 2002 to 2011 where she moved up the corporate ladder before she left as a Senior Manager.

## Arthur Quek

*Executive Vice President - Beer Business*

With 23 years of industry experience under his belt, Arthur joined the Group's wholly-owned subsidiary, Danish Breweries Pte. Ltd. in June 2018 as Executive Vice President for the Beer Business. Arthur is responsible in leading the management and development of the Beer business.

Prior to his employment with the Group, Arthur joined Asia Pacific Breweries Pte Ltd ("APB") in 1995 starting his career in the beer industry and rose through the ranks to the position of General Sales Manager. When APB was acquired by Heineken in 2014, Arthur was transferred to Heineken Asia Pacific Export Pte Ltd, which is the export arm of Heineken Asia Pacific, managing sales in International markets and ship stores in Singapore.



## Ron Cheng

*Vice President - Restaurant Business*

Ron joined the Group in December 2018 to lead the Group's Restaurant Business in developing new kitchen projects, both overseas markets and in Singapore. Ron specialises in food research and developments ("R&D") and development of new menu items. Ron will work closely with various head chefs across the Group's restaurants on menus, food quality and presentation and all kitchen related matters.

Prior to joining the Group, Ron was formerly employed by Resort World Singapore, Sentosa ("RWS") as an Executive Chef (Attractions) leading a team of 150 chefs and stewards to operate a total of 14 kitchens, 23 food carts and catering services across Universal Studio theme park, Adventure Cove Waterpark and S.E.A. Aquarium. Ron, has been working in the food industries for almost 30 years with different various culinary experiences and in various sectors, such as hotels, resorts, convention centres, exclusive member clubs and cruise liners etc.



# Corporate Governance Report

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 2012 (“**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 (“**SGX-ST**”). As the Company was listed on the Catalist Board of the SGX-ST on 30 November 2017, it has implemented the Principles of the Code to the extent possible. Where there are deviations from the Code, appropriate explanations are provided.

## THE BOARD’S CONDUCT OF AFFAIRS

*Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.*

The principal functions of the Board are:

- 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 systems;
- 4) ensuring the Group’s compliance with laws, regulations, policies, directives, guidelines and internal code of conduct;
- 5) approving the nomination of Directors and appointment of key management personnel;
- 6) approving annual budgets, major funding, investments, divestment proposals and monitoring operations;
- 7) approving the remuneration packages for the Board and key management personnel;
- 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.

All Directors are expected to exercise due diligence and independent judgment and are obliged to act in good faith and in the best interests of the Company. Certain functions have been delegated by the Board to three main Sub-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.

Matters that are specifically reserved for the full Board to decide are those involving a conflict of interest for a substantial shareholder or a director, approving remuneration packages for the Board and key management personnel, material acquisitions and disposal of assets, disclosure of information and announcements, material financial commitments, establishment and maintenance of risk management and effective internal control system and approval of financial results.

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.



# Corporate Governance Report

The following table sets out the attendance of each Director at the Board and Board Committees meetings held during the financial year ended 30 September 2018 ("FY2018"):

Name of Directors	Board		AC		NC		RC	
	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) ("Sam Lim")	4	4	4*	4*	1*	1*	1*	1*
Lim Lay Hoon (Lin Liyun) ("Lim Lay Hoon")	4	4	4*	4*	1*	1*	1*	1*
Khua Kian Kheng Ivan ("Ivan Khua")	4	4	4	4	1	1	1	1
Leow Chung Chong Yam Soon ("Paul Leow")	4	4	4	4	1	1	1	1
Tay Chun Leng Robert ("Robert Tay")	4	4	4	4	1	1	1	1

Note:

\* By invitation

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.

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, Chapter 50 ("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. 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.

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

## BOARD COMPOSITION AND GUIDANCE

*Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

As at the date of this annual report, the Board comprises two Executive Directors and three Independent Directors.

Name of Director	Board Membership	AC	NC	RC
Sam Lim	Executive Chairman and Chief Executive Officer ("CEO")	-	-	-
Lim Lay Hoon	Chief Operating Officer ("COO") and Executive Director	-	-	-
Ivan Khua	Lead Independent Director	Member	Member	Chairman
Paul Leow	Independent Director	Chairman	Member	Member
Robert Tay	Independent Director	Member	Chairman	Member

# Corporate Governance Report

The Company is in compliance with the requirements of the Code where more than half of the Board is made of Independent Directors. 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.

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 Sam Lim and 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 interest of shareholders, employees, customers, suppliers and the industry in which the Group conducts its business.

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

The NC has reviewed the size and composition of the Board. It is satisfied that after taking into account the nature and scope of the Group's operations, the current Board size is appropriate and effective.

Although all the Directors have equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by Management are fully discussed and rigorously examined and take into account the long-term interests of not only the Shareholders, but also of the employees and reviewing the performance of Management in meeting agreed goals and objectives. The NC considers its Independent Directors to be of sufficient calibre and size and their views to be of sufficient weight such that no individual or small group of individuals dominates the Board's decision-making process. The NC continually reviews the composition of the Board, taking into account the balance and diversity of skills, experience and gender, among other factors.

The Company co-ordinates informal meeting sessions for the Independent Directors to meet on a need-to-basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Director.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

***Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.***

Sam Lim is the Executive Chairman of the Board and also the CEO of the Company. 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.

In view that the Executive Chairman is non-independent, the Board has appointed Ivan Khua 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.



# Corporate Governance Report

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.

As Chairman, 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.

In his role as CEO, 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.

## BOARD MEMBERSHIP

***Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.***

The NC comprises three Independent Directors, namely, Robert Tay (Chairman of the NC), Paul Leow and Ivan Khua.

The scope and responsibilities of the NC include:-

- 1) identifying, reviewing and recommending candidates for nomination for appointment and reappointment of Directors, senior executive staff 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; and
- 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.

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. The NC recommended to the Board that Sam Lim and Paul Leow be nominated for re-appointment at the forthcoming AGM. In making the recommendation, the NC had considered the Directors' overall contribution, performance, participation, preparedness and attendance.

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.

# Corporate Governance Report

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.

Currently, the Company does not have alternate directors.

## BOARD PERFORMANCE

*Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.*

Performance evaluation of the Board, Board Committees and individual Director 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.

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 FY2018. 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.

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.

## ACCESS TO INFORMATION

*Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

Management will provide all Directors with Board/Board Committees 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.

The Company Secretary or her representative administer attends and prepares the minutes of the Board and Board Committees meetings. The Company Secretary is 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. Directors have separate independent access to the Company's Management and the Company Secretary at all times.

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. The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.



## PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

***Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.***

The RC is comprised of three Independent Directors, namely Ivan Khua (Chairman of the RC), Paul Leow and Robert Tay.

The RC's responsibilities include:

- 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 Director. 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 seek for 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 has not engaged any external professional services in FY2018.

In reviewing the service contracts of the Executive Directors 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.

## LEVEL AND MIX OF REMUNERATION

***Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.***

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 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.

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. The service agreement became effective on 30 November 2017.

The Service Agreement contains 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.

# Corporate Governance Report

The CEO's remuneration package includes one month of annual wage supplement and performance linked bonus based on the Group's financial performance while the COO's remuneration package includes one month of annual wage supplement and a discretionary bonus to be determined by the RC and recommended to the Board.

The Company's long-term incentive plans includes the No Signboard Employee Share Option Scheme ("ESOS") and the No Signboard Performance Share Plan ("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.

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 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

The following tables show a breakdown of the remuneration of Directors and key management personnel for FY2018.

### Directors' Remuneration

Remuneration band & Name of Directors	Salary	Bonus	Directors' Fees	Total
	%	%	%	%
<b><i>S\$750,000 to below S\$1,000,000</i></b>				
Sam Lim	92	8	-	100
<b><i>S\$250,000 to below S\$500,000</i></b>				
Lim Lay Hoon	93	7	-	100
<b><i>Below S\$250,000</i></b>				
Ivan Khua	-	-	100	100
Paul Leow	-	-	100	100
Robert Tay	-	-	100	100



# Corporate Governance Report

## 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
	%	%	%	%
<b>Below \$250,000</b>				
Voon Sze Yin	100	-	-	100
Soong Wee Choo <sup>1</sup>	45	55	-	100
Chen Shangming, Samuel	82	7	11	100
Eric Er Kee Leong <sup>2</sup>	100	-	-	100
Quek Arthur <sup>3</sup>	100	-	-	100

Notes:

- <sup>1</sup> Resigned on 1 February 2018.
- <sup>2</sup> Joined since 8 March 2018 and resigned on 31 December 2018.
- <sup>3</sup> Joined since 18 June 2018.

For FY2018, the aggregate remuneration paid to key management personnel (who are not Directors or the CEO) of the Company amounted to S\$508,020.

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 Sam Lim, Executive Chairman and CEO of the Company and Lim Lay Hoon, Executive Director and COO, whose remuneration exceeded \$50,000 during FY2018, were as follows:

Name of Immediate Family Member	Relationship to CEO and COO
Cheo Bee Hwa	Mother
Cheo Cheng San	Uncle
Sam Lim	Sibling
Lim Lay Hoon	Sibling

Details of the remuneration paid or payable to the immediate family member of Directors or CEO of the Company in FY2018 are set out below:

Name of Immediate Family Member	Salary	Bonus	Incentive and Other Benefits	Total
	%	%	%	%
<b>Above S\$50,000 and below S\$100,000</b>				
Cheo Bee Hwa	83	17	-	100
Cheo Cheng San	93	7	-	100
<b>Above S\$350,000 and below S\$400,000</b>				
Lim Lay Hoon	93	7	-	100
<b>Above S\$750,000 and below S\$800,000</b>				
Sam Lim	92	8	-	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 FY2018 exceeded S\$50,000.

In FY2018, there were no terminations, retirement or post-employment benefits granted to the Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service.

# Corporate Governance Report

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.

## ACCOUNTABILITY

***Principle 10: The board should present a balanced and understandable assessment of the company's performance, position and prospects.***

The results and other relevant information of the Company are disseminated via SGXNet and are also available on the Company's website at [www.nosignboardseafood.com](http://www.nosignboardseafood.com).

In presenting the periodic 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.

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.

## RISK MANAGEMENT AND INTERNAL CONTROLS

***Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.***

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of shareholders and the Company's assets. The Board has approved a set of internal controls that set out approval limits for expenditure and transactions to be incurred in the ordinary course of business. The system of internal controls provides reasonable, but not absolute assurance that the Group will not be adversely affected. The Board will commission an annual internal control audit.

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 Company's external auditors, Messrs Deloitte & Touche LLP, will carry out, in the course of their statutory audit, a consideration of the effectiveness of the Company's internal controls relevant to the audit, annually to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during their audit, and the auditors' recommendations, are reported to the AC members.

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.



# Corporate Governance Report

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, is 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 as at 30 September 2018.

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 give a true and fair view of the operations and finances and that an effective risk management and internal control systems has been put in place.

## AUDIT COMMITTEE

**Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.**

The AC comprises three Independent Directors, namely Paul Leow (Chairman of the AC), Ivan Khua and 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.

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;
- 2) reviewing with the Chief Financial Officer and external auditors at the completion of the full year financial results:
  - 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;
  - 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;
- 3) reviewing quarterly results and full year financial statements for submission to the Board for its approval; and
- 4) considering legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies and reports received from regulators.

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.

# Corporate Governance Report

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 has unrestricted access to the AC.

The AC will assess the independence of the external auditors annually. The aggregate amount of fees paid/payable to the external auditors of the Group for FY2018 is \$190,000 of which \$30,000 is for non-audit services. In addition, the fees paid to auditors of the Company as reporting accountants and non-audit fees for tax consultation for the Company's IPO during the year were \$500,000 and \$50,000 respectively. The AC had reviewed all non-audit services provided by Deloitte & Touche LLP and is of the view that fees for non-audit services provided are immaterial and would not affect the independence of the external auditors.

The AC recommends to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external auditors and approval of the remuneration of the external auditors. The AC has recommended to the Board the nomination of Deloitte & Touche LLP for re-appointment as external auditors at the forthcoming AGM of the Company. The Company confirms that Rule 712 and Rule 715 of the Catalist Rules have been complied with.

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

Management 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.

## INTERNAL AUDIT

***Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.***

The Company has appointed Messrs Foo Kon Tan Advisory Services Pte. Ltd. as the Company's internal auditors for the purposes of reviewing the effectiveness of the Company's material internal controls.

The AC approves the engagement, discontinuation, evaluation and compensation of its outsourced internal auditors. The internal auditors has unfettered access to all the Group's documents, records, properties and personnel including access to the AC.

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 plan, the scope and findings of internal audit procedures and is satisfied that the outsourced internal audit function is adequately resourced staffed with persons with the relevant qualifications and experience and has appropriate standing within the Company.

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

## SHAREHOLDER RIGHTS

***Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.***

In line with the continuous obligations of the Company under the Catalist Rules and the Companies Act, 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.



# Corporate Governance Report

All shareholders of the Company will receive the Annual Report of the Company and notice of AGM within the mandatory period. 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. The Constitution of the Company permits a shareholder to appoint one or two proxies to attend and vote in his stead. A relevant intermediary which includes a corporation holding licences in providing nominee or custodial services and CPF Board, may appoint more than two proxies to attend and vote at the AGM.

## COMMUNICATION WITH SHAREHOLDERS

**Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.**

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](http://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. 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. 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.

The Company currently does not have a fixed dividend policy. The Company has declared and distributed close to all of its net profit after tax attributable to owners of the Company for FY2018 as dividends in the current financial period. The Company intends to declare and distribute dividend of at least 30% of its net profit after tax attributable to owners of the Company for 2019.

## CONDUCT OF SHAREHOLDER MEETINGS

**Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.**

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 apprised of the Group's strategies and growth plans. Notices of the meetings will be advertised in a prominent newspaper 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 via SGXNet. The Company has adopted electronic polling for the AGM held for the financial period ended 30 September 2017.

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.

# Corporate Governance Report

The Company has not amended its Constitution to provide for absentee voting methods, which call for elaborate and costly implementation of a foolproof system, the need for which does not arise presently.

The Executive Chairman 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.

The Company prepares minutes or notes of general meetings, which include substantial comments or queries from Shareholders relating to the agendas of the meetings and responses from the Board and the Management. These minutes or notes are available for the inspection of Shareholders upon their request.

## DEALINGS IN SECURITIES

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

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.

The Company, its 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.

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

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.	S\$207,646 <sup>(1)</sup>	Not applicable

Note:

<sup>(1)</sup> During the year, the Company has:

- a payable of S\$61,000 as rental expense to GuGong Pte. Ltd. ("**GuGong**") for the lease of its corporate office and kitchen; and
- made purchase of \$146,646 of seafood products from GuGong.

# Corporate Governance Report

## MATERIAL CONTRACTS

There were no material contracts involving the interests of any director or controlling shareholder of the company, not being contracts entered into in the ordinary course of business, entered into by the Company during the period under review.

## 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)	Net Proceeds utilised as at 17 December 2018	Balance of Net Proceeds as at 17 December 2018
	\$'000	\$'000	\$'000
<b>Purpose</b>			
Development for the Beer Business	10,000	(599)	9,401
Establishing new chains of restaurants	5,000	(2,547)	2,453
Development of Ready Meal Business	2,000	-	2,000
General working purposes	2,300	(569)	1,731
	19,300	(3,715)	15,585

## OTHERS

The Company and its subsidiaries are audited by Deloitte & Touche LLP, hence the Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors.

## NON-SPONSOR FEES

RHT Capital Pte. Ltd. became the continuing sponsor of the Company following the listing on SGX-ST on 30 November 2017. During FY2018, the Company paid RHT Capital Pte. Ltd. a professional fee for acting as the issue manager and sponsor of the Company's initial public offering. Save for these, there were no non-sponsor fees paid/payable to the Company's Sponsor.



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# Directors' Statement

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 30 September 2018.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 42 to 93 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 2018, 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 of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

## 1 DIRECTORS

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

Lim Yong Sim (Lin Rongsen)	
Lim Lay Hoon (Lin Liyun)	(Appointed on 6 November 2017)
Khua Kian Kheng Ivan	(Appointed on 6 November 2017)
Leow Chung Chong Yam Soon	(Appointed on 6 November 2017)
Tay Chun Leng Robert (Zheng Chunling Robert)	(Appointed on 6 November 2017)

## 2 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.

## 3 DIRECTORS' INTERESTS 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:

Names of directors and companies in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year or date of appointment, if later	At end of year	At beginning of year or date of appointment, if later	At end of year
<b>The Company</b>				
- No Signboard Holdings Ltd. (Ordinary shares)				
Lim Yong Sim (Lin Rongsen)	-	-	2	342,843,375
Leow Chung Chong Yam Soon	100,000	100,000	-	-
Khua Kian Kheng Ivan	-	-	100,000	100,000
Tay Chun Leng Robert (Zheng Chunling Robert)	100,000	100,000	-	-

# Directors' Statement

## 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

Names of directors and companies in which interests are held	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year or date of appointment, if later	At end of year	At beginning of year or date of appointment, if later	At end of year
<b>Ultimate holding company</b>				
- GuGong Pte. Ltd. (formerly known as No Signboard Seafood Restaurant Pte Ltd) (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 2018 were the same at 30 September 2018.

## 4 SHARE OPTIONS

### (a) Options to take up unissued shares

During the financial year, no option 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.

## 5 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 Khua Kian Kheng Ivan, an independent director and Mr Tay Chun Leng Robert (Zheng Chunling Robert), an independent director. The Audit Committee has met five 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:

- the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- the Group's financial and operating results and accounting policies;



## 5 AUDIT COMMITTEE (Cont'd)

- (c) 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 auditors' report on those financial statements;
- (d) the quarterly, half-yearly and annual announcements on the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Group's external and internal auditors; and
- (f) the re-appointment of the external 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 functions 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.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as the external auditors of the Group at the forthcoming Annual General Meeting of the Company.

## 6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

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Lim Yong Sim (Lin Rongsen)

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Lim Lay Hoon (Lin Liyun)

31 December 2018

# Independent Auditor's Report

To the Members of No Signboard Holdings Ltd.

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying 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 2018, 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, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 42 to 93.

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 Financial Reporting Standards in Singapore ("FRSs") 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 2018 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.

### 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 year. 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.

# Independent Auditor's Report

To the Members of No Signboard Holdings Ltd.

Key Audit Matters	Our audit performed and responses thereon
<p><b>Impairment of goodwill and intangible asset with indefinite useful life</b></p> <p><i>(Refer to Notes 11 and 12 to the financial statements)</i></p> <p>On 2 June 2017, the Group completed the 80% acquisition of the issued share capital of Danish Breweries Pte. Ltd. ("Danish Breweries") for a cash consideration of \$1,780,000. The acquisition of Danish Breweries resulted in a goodwill of \$3,443,083 and intangible asset with indefinite useful life of \$620,000 being recognised.</p> <p>Under FRS 36 <i>Impairment of Assets</i>, the Group is required to test goodwill and intangible asset with indefinite useful life for impairment on an annual basis or whenever there is an indication of impairment.</p> <p>The value in use is calculated as the present value of expected future net cash flows as prepared by management and assisted by an external valuer. The Group prepares cash flow forecast derived from the most recent financial budget approved by management for the next five years based on an estimated growth rate and discount rate. The value in use calculation requires the exercise of significant judgement regarding the key assumptions used in discount rate, growth rate and expected changes to selling prices and direct costs during the forecast periods.</p>	<p>We have discussed with management and evaluated the process for preparing the projected cash flows supporting the impairment assessment.</p> <p>We reviewed the objectivity, competency and independence of the external valuer.</p> <p>We analysed the projected cash flows used and assessed whether the projected cash flows are reasonable and supported by the most recent approved management budgets.</p> <p>We have assessed with the assistance of our internal valuation specialist the appropriateness of the underlying assumptions used by management and external valuer, which included discount rate, growth rate and expected changes to selling prices and direct costs during the forecast periods.</p> <p>We have performed our own sensitivity analysis based on the range of plausible changes to the acceptable key estimates and assumptions used taking into account our understanding of the nature of the Group's business and the economic environment in which it operates.</p> <p>As at 30 September 2018, the goodwill and intangible asset with indefinite useful life have been fully impaired. The key sources of estimation uncertainty on the impairment of goodwill and intangible asset with indefinite useful life is disclosed in Note 3(ii) to the financial statements, and further information related to goodwill and intangible asset is provided in Notes 11 and 12 to the financial statements.</p>
<p><b>Classification and recognition of upfront sponsorship, volume rebates and promotional support expense</b></p> <p><i>(Refer to Notes 14, 18 and 20 to the financial statements)</i></p> <p>The Group enters into contracts with customers of beer business with upfront sponsorship, volume rebates and promotional support expense, which are significant based on the agreed contractual terms.</p> <p>Judgement is required in ascertaining the nature and classification of the upfront sponsorship, volume rebates and promotional support expense (either as net against revenue or as expenses), estimating the amount to be accrued or provided as at year end and assessing the carrying value of the other assets (upfront sponsorship) as at year end.</p>	<p>We have assessed the accounting treatment and classification of the upfront sponsorship, volume rebates and promotional support expense.</p> <p>We found the classification and recognition of provision for promotional support expense, accruals for upfront sponsorship and volume rebates as well as amortisation of other assets to be appropriate.</p> <p>We performed substantive analytical procedures and substantive testing to test the accuracy and completeness of the underlying calculation of the accruals and expenses with reference to contracts, invoices and other supporting documents on a sample basis. We have tested on a sample basis the amortisation and the carrying value of the other assets.</p> <p>The judgement and key sources of estimation uncertainty on the classification and recognition of upfront sponsorship, volume rebates and promotional support expense is disclosed in Note 3 to the financial statements, and further information related to upfront sponsorship, volume rebates and promotional support expense is provided in Notes 14, 18 and 20 to the financial statements.</p>



# *Independent Auditor's Report*

To the Members of No Signboard Holdings Ltd.

## **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 FRSs, 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 Responsibility 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:

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

# *Independent Auditor's Report*

To the Members of No Signboard Holdings Ltd.

- 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.
- e) 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.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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 Mr Loi Chee Keong.

Public Accountants and  
Chartered Accountants  
Singapore

31 December 2018

# Statements of Financial Position

30 September 2018

	Note	The Group		The Company	
		2018 \$	2017 \$	2018 \$	2017 \$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	7	23,659,698	293,434	22,901,982	1,023
Trade receivables	8	1,059,593	1,297,866	302,666	-
Other receivables	9	1,274,354	1,285,288	735,408	379,064
Amount due from holding company	5	-	15,380,567	-	2
Amount due from subsidiaries	5	-	-	3,826,093	-
Inventories	10	221,459	188,431	110,764	-
Other assets	14	410,483	305,144	-	-
Total current assets		26,625,587	18,750,730	27,876,913	380,089
<b>Non-current assets</b>					
Security deposits	9	1,015,223	960,583	786,907	-
Goodwill	11	-	3,443,083	-	-
Intangible assets	12	299,275	620,000	-	-
Plant and equipment	13	1,008,233	823,474	374,274	-
Other assets	14	89,697	794,930	-	-
Subsidiaries	15	-	-	1,780,104	-
Total non-current assets		2,412,428	6,642,070	2,941,285	-
Total assets		29,038,015	25,392,800	30,818,198	380,089
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Short term loans	16	2,054,046	808,189	600,000	-
Trade payables	17	1,280,962	1,765,646	965,007	-
Other payables	18	1,959,964	2,566,092	966,499	-
Amount due to holding company	5	102,414	-	102,414	380,087
Finance lease	19	-	20,215	-	-
Provisions	20	867,583	1,758,828	262,853	-
Income tax payable		538,895	1,397,946	510,616	-
Total current liabilities		6,803,864	8,316,916	3,407,389	380,087
<b>Non-current liabilities</b>					
Provisions	20	161,327	199,538	161,327	-
Deferred tax liabilities	21	-	108,921	-	-
Finance lease	19	-	89,920	-	-
Total non-current liabilities		161,327	398,379	161,327	-
<b>Capital, reserves and non-controlling interest</b>					
Share capital	22	25,181,005	2	25,181,005	2
Capital reserve		(695,938)	-	2,063,751	-
Accumulated (losses) profits		(2,412,367)	16,855,532	4,726	-
Translation reserve		124	208	-	-
Equity attributable to owners of the Company		22,072,824	16,855,742	27,249,482	2
Non-controlling interest		-	(178,237)	-	-
Total equity		22,072,824	16,677,505	27,249,482	2
Total liabilities and equity		29,038,015	25,392,800	30,818,198	380,089

See accompanying notes to financial statements.



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 September 2018

	Note	The Group	
		2018 \$	2017 \$
<b>Revenue</b>	23	26,501,288	24,392,679
Other income	24	1,562,567	1,189,152
Raw materials and consumables used		(8,923,962)	(5,917,983)
Changes in inventories		(54,854)	(2,186)
Employee benefits expense		(8,493,807)	(5,541,973)
Operating lease expenses	30	(2,845,752)	(2,576,779)
Depreciation and amortisation expense	12, 13	(370,306)	(245,036)
IPO expenses		(1,121,167)	-
Impairment of goodwill and intangible assets	11, 12	(4,063,083)	-
Impairment of plant and equipment	13	(243,000)	-
Other operating expenses	25	(3,766,239)	(1,980,447)
Finance costs		(69,392)	(2,369)
<b>(Loss) Profit before income tax</b>		(1,887,707)	9,315,058
Income tax expense	26	(534,294)	(1,365,650)
(Loss) Profit for the year	28	(2,422,001)	7,949,408
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(84)	208
Total comprehensive income for the year		(2,422,085)	7,949,616
(Loss) Profit attributable to:			
Owners of the Company		(2,306,466)	7,722,199
Non-controlling interests		(115,535)	227,209
		(2,422,001)	7,949,408
Total comprehensive (loss) income attributable to:			
Owners of the Company		(2,306,550)	7,722,407
Non-controlling interests		(115,535)	227,209
		(2,422,085)	7,949,616
Basic and diluted (loss) earnings per share (cents)	31	(0.56)	2.05

See accompanying notes to financial statements.

# Statements of Changes in Equity

Year ended 30 September 2018

The Group	Share capital \$	Capital reserve \$ (Note A)	Translation reserve \$ (Note B)	Accumulated profits (losses) \$	Equity attributable to owners of the Company \$	Non-controlling interest \$	Total \$
<b>Balance at 1 October 2016</b>	2	-	-	9,133,333	9,133,335	-	9,133,335
Total comprehensive income for the year							
Profit for the year	-	-	-	7,722,199	7,722,199	227,209	7,949,408
Other comprehensive income	-	-	208	-	208	-	208
	-	-	208	7,722,199	7,722,407	227,209	7,949,616
Non-controlling interest arising from the acquisition of a subsidiary, representing transaction with owners, recognised directly in equity (Note 29)	-	-	-	-	-	(405,446)	(405,446)
<b>Balance at 30 September 2017</b>	2	-	208	16,855,532	16,855,742	(178,237)	16,677,505
Total comprehensive loss for the year							
Loss for the year	-	-	-	(2,306,466)	(2,306,466)	(115,535)	(2,422,001)
Other comprehensive loss	-	-	(84)	-	(84)	-	(84)
	-	-	(84)	(2,306,466)	(2,306,550)	(115,535)	(2,422,085)
Transaction with owners, recognised directly in equity							
Issue of shares (Note 22)	26,165,231	-	-	-	26,165,231	-	26,165,231
Share issue expenses (Note 22)	(984,228)	-	-	-	(984,228)	-	(984,228)
Movement in reserve resulting from Restructuring Exercise	-	-	-	(14,325,796)	(14,325,796)	(2,166)	(14,327,962)
Dividends (Note 32)	-	-	-	(2,635,637)	(2,635,637)	-	(2,635,637)
Effects of acquiring part of non-controlling interest in subsidiary (Note 15)	-	(695,938)	-	-	(695,938)	295,938	(400,000)
	25,181,003	(695,938)	-	(16,961,433)	7,523,632	293,772	7,817,404
<b>Balance at 30 September 2018</b>	25,181,005	(695,938)	124	(2,412,367)	22,072,824	-	22,072,824

## Note A:

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

## Note B:

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

See accompanying notes to financial statements.

# Statements of Changes in Equity

Year ended 30 September 2018

The Company	Share capital \$	Capital reserve \$	Accumulated profits \$	Total \$
Issue of shares at date of incorporation, 1 June 2017 and balance at 30 September 2017	2	-	-	2
Profit for the year, representing total comprehensive income for the year	-	-	2,640,363	2,640,363
Transaction with owners, recognised directly in equity				
Issue of shares (Note 22)	26,165,231	-	-	26,165,231
Share issue expenses (Note 22)	(984,228)	-	-	(984,228)
Deemed contribution from holding company	-	2,063,751	-	2,063,751
Dividends (Note 32)	-	-	(2,635,637)	(2,635,637)
	25,181,003	2,063,751	(2,635,637)	24,609,117
<b>Balance at 30 September 2018</b>	<b>25,181,005</b>	<b>2,063,751</b>	<b>4,726</b>	<b>27,249,482</b>

See accompanying notes to financial statements.



# Consolidated Statement of Cash Flows

Year ended 30 September 2018

	The Group	
	2018	2017
	\$	\$
<b>Operating activities</b>		
(Loss) Profit before income tax	(1,887,707)	9,315,058
Adjustments for:		
Depreciation and amortisation expense	370,306	245,036
Bad debt expenses	-	3,169
Allowance for doubtful debts	3,613	-
Loss on disposal of plant and equipment	11,250	-
Write-off of inventories	164,763	-
Impairment of goodwill and intangible assets	4,063,083	-
Impairment of plant and equipment	243,000	-
IPO expenses (Note C)	1,121,167	-
Foreign exchange differences	12,083	-
Write-off of expired cash vouchers	(110,610)	-
Interest income	(99,546)	-
Interest expense	69,392	2,369
Operating cash flows before movements in working capital	3,960,794	9,565,632
Trade receivables	234,660	(937,527)
Other receivables	(327,792)	(1,201,207)
Inventories	(197,791)	13,078
Trade payables	(484,684)	(475,159)
Other payables	(740,393)	(599,739)
Other assets	599,894	48,817
Provisions	(929,456)	(78,326)
Cash generated from operations	2,115,232	6,335,569
Income tax paid (Note B)	(38,376)	(1,491,990)
Net cash from operating activities	2,076,856	4,843,579
<b>Investing activities</b>		
Purchase of plant and equipment (Note A)	(807,280)	(213,469)
Deposits for purchase of plant and equipment	(94,978)	-
Proceeds from disposal of plant and equipment	250	-
Payment for intangibles -franchisee fee	(301,560)	-
Acquisition of subsidiary	-	(1,713,805)
Acquisition of non-controlling interest in a subsidiary	(160,000)	-
Amount due from holding company	2,662,511	(4,093,050)
Interest received	99,546	-
Net cash from (used in) investing activities	1,398,489	(6,020,324)

See accompanying notes to financial statements.

# Consolidated Statement of Cash Flows

Year ended 30 September 2018

	The Group	
	2018	2017
	\$	\$
<b>Financing activities</b>		
Dividends paid	(2,635,637)	-
Repayment of finance leases	(110,135)	(6,463)
Proceeds from short term loans	1,800,468	808,189
Repayment of short term loans	(566,778)	-
Proceeds from issuance of shares	23,850,000	-
IPO expenses paid (Note C)	(2,382,482)	-
Interest paid	(64,517)	(2,127)
Net cash from financing activities	19,890,919	799,599
Net increase (decrease) in cash and cash equivalents	23,366,264	(377,146)
Cash and cash equivalents at beginning of the year	293,434	670,580
<b>Cash and cash equivalents at end of the year (Note 7)</b>	<b>23,659,698</b>	<b>293,434</b>

Note A:

	The Group	
	2018	2017
	\$	\$
Purchase of plant and equipment	(807,280)	(251,680)
Less non-cash movement:		
- Provision for reinstatement costs (Note 20(b))	-	38,211
	(807,280)	(213,469)

Note B:

In 2018, the tax payable of \$1,460,369 was netted off with amount owing from holding company.

Note C:

	The Group	
	2018	2017
	\$	\$
IPO expenses in profit or loss	1,121,167	-
Add (Less) IPO expenses recharged, capitalised or prepaid:		
- IPO expenses recharged to holding company	656,151	-
- IPO expenses capitalised (Note 22)	984,228	-
- IPO expenses prepaid in prior year (Note 9)	(379,064)	-
IPO expenses paid	2,382,482	-

See accompanying notes to financial statements.

# Notes to Financial Statements

30 September 2018

## 1 GENERAL

The Company (Registration No. 201715253N) 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 financial statements are expressed in Singapore dollars.

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 15 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 30 September 2018 were authorised for issue by the Board of Directors on 31 December 2018.

### The Restructuring Exercise

#### (a) Incorporation of the Company

The Company was incorporated on 1 June 2017 in Singapore as a private company limited by shares, under the name "No Signboard Holdings Pte. Ltd." with an issued and paid-up capital of \$2 comprising 2 ordinary shares. The principal activity of the Company is the management and operation of Food & Beverage outlets and investment holding.

#### (b) Incorporation of Singapore Chilli Crab Pte. Ltd. ("SCC")

SCC was incorporated on 31 August 2017 in Singapore as a private company limited by shares with an issued and paid-up capital of \$100 comprising 100 ordinary shares, held by the Company. The principal activity of SCC was investment holding.

#### (c) Acquisition of the restaurant business, Tao Brewery Pte. Ltd. ("Tao Brewery") and Danish Breweries Pte. Ltd. ("Danish Breweries")

Pursuant to a restructuring agreement dated 20 October 2017 (the "Restructuring Agreement"), the Company acquired from GuGong Pte. Ltd. (formerly known as No Signboard Seafood Restaurant Pte Ltd): (i) the assets, liabilities, intellectual property, businesses and undertakings of the restaurant business; (ii) the entire share capital of Tao Brewery; and (iii) 800,000 shares representing 80% of the share capital of Danish Breweries, for a consideration of \$2,315,231. The consideration for the acquisitions were based on the audited net assets value of the restaurant business, Tao Brewery and Danish Breweries as at 30 June 2017. The consideration was satisfied by the allotment and issue of 2,315,231 shares to GuGong Pte. Ltd. (formerly known as No Signboard Seafood Restaurant Pte Ltd) on 31 October 2017.

The transfer of economic interest in the restaurant business was on 1 July 2017 whilst the transfer of legal interest in the restaurant business was on 31 October 2017. All profits and receipts, and all losses and outgoing, accrual or payable in relation to the restaurant business on and after 1 July 2017 shall belong to the Company.

#### (d) Cash injection

On 3 November 2017, GuGong Pte. Ltd. (formerly known as No Signboard Seafood Restaurant Pte Ltd) subscribed for 2,850,000 new shares in consideration of \$2,850,000 pursuant to the Restructuring Agreement.



## 1 GENERAL (Cont'd)

### (e) Sub-division of shares in the Company

On 6 November 2017, the Company sub-divided each ordinary share in the Company into 75 shares. Following this sub-division, the issued and paid-up share capital of the Company was \$5,165,233 comprising 387,392,475 shares.

At the completion of the Restructuring Exercise, the Company has the following subsidiaries:

<u>Name of subsidiary</u>	<u>Date and country of incorporation</u>	<u>Principal activities</u>	<u>Effective equity interest held by the Group</u>
Danish Breweries Pte. Ltd.	6 June 2014, Singapore	Import and export, and general wholesale trading of beer and liquor	80%
Draff Beer Pte. Ltd.	22 May 2017, Singapore	General wholesale trade and wholesale of liquor and soft drinks	100%
Draft Breweries Denmark ApS	15 August 2014, Denmark	Sale and distribution of beer products	80%
Singapore Chilli Crab Pte. Ltd.	31 August 2017, Singapore	Investment holding	100%
Tao Brewery Pte. Ltd.	22 March 2017, Singapore	General wholesale trade and wholesale of liquor and soft drinks	100%

### Basis of preparation of the combined financial statements

The combined statement of financial position, the combined statement of comprehensive income, combined statement of cash flows and combined statement of changes in equity for the year ended 30 September 2017 have been prepared on a combined basis and include the financial information of the restaurant business and companies now comprising the Group as if the current group structure had been in existence throughout the relevant years or from the date the entities are under common control, if later.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and the Financial Reporting Standards in Singapore (“FRSs”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

# Notes to Financial Statements

30 September 2018

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**ADOPTION OF NEW AND REVISED STANDARDS IN CURRENT YEAR** – On 1 October 2017, the Group and the Company adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current or prior years, except for certain presentation improvements arising from Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*.

### **Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative***

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes. The Group’s liabilities arising from financing activities and a reconciliation between the opening and closing balances of these liabilities are set out in Note 16. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior period. Apart from the additional disclosure in Note 16, the application of these amendments has had no impact on the Group’s consolidated financial statements.

**ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK IN 2019** - In December 2017, the Accounting Standards Council (ASC) has issued a new financial reporting framework - Singapore Financial Reporting Standards (International) (SFRS(I)), which is to be adopted by Singapore-incorporated companies listed on the Singapore Exchange (SGX), for annual periods beginning on or after January 1, 2018. SFRS(I) is identical to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group and the Company will be adopting the new framework for the first time for financial year ending 30 September 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* will be applied in the first set of SFRS(I) financial statements.

### **SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)***

As a first-time adopter, the Group and the Company are to apply retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (30 September 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ending 30 September 2019, an additional opening statement of financial position as at date of transition (1 October 2018) will be presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are required for equity as at date of transition (1 October 2018) and as at end of last financial period under FRS (30 September 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 30 September 2018). Additional disclosures may also be required for specific transition adjustments if applicable.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Based on a preliminary assessment of the potential impact arising from SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*, management does not expect any changes to the Group's current accounting policies or material adjustments on transition to the new framework, other than those that may arise from implementing new/revised SFRS(I)s.

The preliminary assessment above may be subject to change arising from the detailed analysis.

At the date of authorisation of these financial statements, the following SFRS(I)s, amendments to SFRS(I)s and SFRS(I) Interpretations (SFRS(I) INT) that are relevant to the Group and the Company were issued:

- SFRS(I) 9 *Financial Instruments*<sup>1</sup>
- SFRS(I) 15 *Revenue from Contracts with Customers (with clarifications issued)*<sup>1</sup>
- SFRS(I) 16 *Leases*<sup>2</sup>

<sup>1</sup> Applies to annual years beginning on or after 1 January 2018, with early application permitted.

<sup>2</sup> Applies to annual years beginning on or after 1 January 2019, with early application permitted if SFRS(I) 15 is adopted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above SFRS(I)s and amendments to SFRS(I) in future periods will not have a material impact on the financial statements in the period of their initial adoption except as follows:

### **SFRS(I) 9 *Financial Instruments***

SFRS(I) 9 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

#### *Key requirements of SFRS(I) 9:*

- All recognised financial assets that are within the scope of SFRS(I) 9 are required to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting years. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting years. In addition, under SFRS(I) 9, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, SFRS(I) 9 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

# Notes to Financial Statements

30 September 2018

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms. Under SFRS(I) 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management anticipates that the initial application of the new SFRS(I) 9 will result in changes to the accounting policies relating to financial instruments. Additional disclosures will also be made with respect of financial assets and liabilities, including any significant judgement and estimation made. It is currently impractical to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment.

### **SFRS(I) 15 Revenue from Contracts with Customers**

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by SFRS(I) 15.

Management anticipates that the initial application of the new SFRS(I) 15 will result in changes to the accounting policies relating to revenue recognition. Additional disclosures will also be made in respect to trade receivables and revenue, including any significant judgement and estimation made. Management is currently in the process of assessing the full impact of the application of SFRS(I) 15 on the Group's financial statements and it is not practical to provide a reasonable financial estimate or the impact of the effect until management completes the detailed review.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### SFRS(I) 16 Leases

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

The Group anticipates that the initial application of the new SFRS(I) 16 will result in operating leases to be recognised as right-of-use assets with corresponding lease liabilities, unless they qualify for low value or short-term leases. Note 30 provides information on the existing lease obligations at 30 September 2018. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact to the amounts recognised in the Group's financial statements and management is currently assessing its potential impact. It is not practical to provide a reasonably estimated impact to the Group's financial statements until management completes its detailed assessment. Management does not plan to early adopt SFRS(I) 16.

### 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;
- 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.

# Notes to Financial Statements

30 September 2018

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

### (i) Entities under common control

The Group resulting from the Restructuring Exercise as disclosed in Note 1, 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.

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 FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (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 FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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 FRS 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 FRS 12 *Income Taxes* and FRS 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 FRS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *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.

# Notes to Financial Statements

30 September 2018

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on 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 instrument, or where appropriate, a shorter year. Income or expense is recognised on an effective interest basis for debt instruments.

### **Financial assets**

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

### Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables, long-term security deposits, cash and bank balances and amount due from holding company) are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit year, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent years.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. 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.

### **Financial liabilities and equity instruments**

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into 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 are recorded at the proceeds received, net of direct issue costs.

#### Other 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).

# Notes to Financial Statements

30 September 2018

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

LEASES - 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.

### The Group as lessee

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.

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.

PLANT AND EQUIPMENT - Plant and equipment are stated 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:

Plant and equipment	-	3 years
Renovation	-	3 years
Motor vehicles	-	5 years
Kitchen equipment and utensils	-	3 years

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

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.

GOODWILL - 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.

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.

### 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. Such assets are tested for impairment in accordance with the policy below.

# Notes to Financial Statements

30 September 2018

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 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. Such assets are tested for impairment in accordance with the policy below.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - 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.

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.

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

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.

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



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of sales related taxes, estimated returns, discounts and volume rebates and other similar allowances. Considerations received in advance are deferred until the goods and services are provided.

### Sale of food and beverages

Revenue from the sale of food and beverages is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the food and beverages i.e. when the food and beverages are delivered;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Sale of live seafood

Revenue from the sale of live seafood is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the live seafood;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the live seafood sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Service charges

Revenue from service charges is recognised when the services are rendered.

# Notes to Financial Statements

30 September 2018

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 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 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.

RETIREMENT BENEFIT COSTS - 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.

BORROWING 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.

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.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investment in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from manner in which Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

**FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS** - 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 financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the 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. At the end of each reporting period, 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 year 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 year, unless exchange rates fluctuated significantly during that year, 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.

**CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS** - Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, which are subject to an insignificant risk of changes in value.

# Notes to Financial Statements

30 September 2018

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

### (i) *Critical judgements in applying the Group's accounting policies*

The following is the critical judgement, apart from those involving estimates, that management has made in the process of applying the Group's accounting policies that have a material effect on the amounts recognised in the financial statements.

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

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 expense.

Management exercises judgement in ascertaining the nature and classification of the upfront sponsorship, volume rebates and promotional support expense. 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 expense are given by the Group for promotional and marketing initiatives to develop the Group's brand and are expensed in the year in which the costs are incurred.

The carrying amount of upfront sponsorship, volume rebates and promotional support expense are disclosed in Notes 14, 18 and 20 to the financial statements respectively.

### (ii) *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### Impairment of goodwill and intangible asset with indefinite useful life

Determining whether goodwill and intangible asset with indefinite useful life are impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill and intangible asset with indefinite useful life have been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

Based on management's judgements and estimates, the goodwill and intangible asset with indefinite useful life have been fully impaired at the end of the reporting period. The carrying amount of the goodwill and intangible asset are disclosed in Notes 11 and 12 to the financial statements respectively.



### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### Depreciation and useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over their estimated useful lives. As described in Note 2, 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 plant and equipment is disclosed in Note 13 to the financial statements.

#### Recognition of upfront sponsorship, volume rebates and promotional support expense

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

The carrying amount of upfront sponsorship, volume rebates and promotional support expense are disclosed in Notes 14, 18 and 20 to the financial statements respectively.

#### Impairment of investments and recoverability of receivables in subsidiaries

The Company carried out a review of the recoverable amount of its investment and recoverability of receivables in subsidiary. The recoverable amount of the investment and receivables were determined based on the net assets of the subsidiaries as at the end of the reporting period as there is no reliable estimates available in determining fair value of the assets at the end of the reporting period.

The carrying amount of the investment and recoverability of receivables in subsidiaries in the Company's financial statements at the end of the reporting period are disclosed in Notes 15 and 5 to the financial statements respectively.

# Notes to Financial Statements

30 September 2018

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

### (a) Categories of financial instruments

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

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Loans and receivables (including cash and bank balances)				
Trade receivables	1,059,593	1,297,866	302,666	-
Other receivables	1,848,520	1,804,510	1,510,438	-
Cash and bank balances	23,659,698	293,434	22,901,982	1,023
Amount due from holding company	-	15,380,567	-	2
Amount due from subsidiaries	-	-	3,826,093	-
<b>Total</b>	<b>26,567,811</b>	<b>18,776,377</b>	<b>28,541,179</b>	<b>1,025</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost:				
Short term loan	2,054,046	808,189	600,000	-
Trade payables	1,280,962	1,765,646	965,007	-
Other payables	1,956,964	2,459,468	963,499	-
Amount due to holding company	102,414	-	102,414	380,087
Finance lease	-	110,135	-	-
<b>Total</b>	<b>5,394,386</b>	<b>5,143,438</b>	<b>2,630,920</b>	<b>380,087</b>

### (b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

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

### (c) Financial risk management policies and objectives

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. Market risk exposures are measured using sensitivity analysis indicated below.

#### (i) Foreign exchange risk management

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

# Notes to Financial Statements

30 September 2018

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Cont'd)

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	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Group</b>				
United States dollar ("US dollar")	1,200,016	-	96,263	15,026
Sterling pound	-	-	-	3,026
Australian dollar	-	-	10,809	9,845
Canadian dollar	-	-	5,911	-
<b>Company</b>				
US dollar	1,200,016	3,057	32,403	-
Australian dollar	-	-	10,809	-
Canadian dollar	-	-	5,911	-

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.

	2018	2017
	\$	\$
<b>Group</b>		
<b>US dollar:</b>		
- if Singapore dollar weakens against US dollar	55,188	(751)
- if Singapore dollar strengthens against US dollar	(55,188)	751
<b>Company</b>		
<b>US dollar:</b>		
- if Singapore dollar weakens against US dollar	58,381	153
- if Singapore dollar strengthens against US dollar	(58,381)	(153)

The impact on the Group's and the Company's profit or loss due to strengthening or weakening of Sterling pound, Australian dollar and Canadian dollar is not material for the financial years ended 30 September 2018 and 2017.

# Notes to Financial Statements

30 September 2018

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Cont'd)

### (ii) Interest rate risk management

The Group's exposures to market risk for changes in interest rate relates to the Group's long term and short term debt obligations. The Group does not use derivative financial instruments to hedge its exposure to interest rate fluctuation.

The interest rates and terms of maturity and repayment of borrowings of the Group are disclosed in Notes 16 and 19 to the financial statements.

No interest rate sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

### (iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group has concentration of credit risk as 64% (2017 : 82%) of its trade receivables are due from 2 (2017 : 2) major customers with each customer exceeding 5% of the total trade receivables.

The Group places its cash and cash equivalents with creditworthy institutions.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Further details of credit risk on trade receivables are disclosed in Note 8 to the financial statements.

### (iv) Liquidity risk management

Liquidity risk refers to the risk that the Group may not be able to meet its obligations.

The Group maintains sufficient cash and cash equivalents via internally generated cash flows and adequate amount of committed credit facilities to finance their activities.

*Liquidity and interest risk analyses*

#### Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.



# Notes to Financial Statements

30 September 2018

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Cont'd)

	Weighted average effective interest rate %	On demand or within 1 year \$	Within 2 to 5 years \$	Adjustment \$	Total \$
<b>The Group</b>					
<b>30 September 2018</b>					
Non-interest bearing	-	3,340,340	-	-	3,340,340
Short term loan (variable rate)	3.55	2,067,251	-	(13,205)	2,054,046
		<u>5,407,591</u>	<u>-</u>	<u>(13,205)</u>	<u>5,394,386</u>
<b>30 September 2017</b>					
Non-interest bearing	-	4,225,114	-	-	4,225,114
Short term loan (variable rate)	2.83	813,952	-	(5,763)	808,189
Finance lease liabilities (fixed rate)	5.60	25,668	99,392	(14,925)	110,135
		<u>5,064,734</u>	<u>99,392</u>	<u>(20,688)</u>	<u>5,143,438</u>
<b>The Company</b>					
<b>30 September 2018</b>					
Non-interest bearing	-	2,030,920	-	-	2,030,920
Short term loan (Variable rate)	3.73	601,594	-	(1,594)	600,000
		<u>2,632,514</u>	<u>-</u>	<u>(1,594)</u>	<u>2,630,920</u>

All financial liabilities of the Company as at 30 September 2017, are either repayable on demand or due within 12 months from 30 September 2017 and non-interest bearing.

### Non-derivative financial assets

All financial assets are either repayable on demand or due within 12 months from the end of the reporting period and non-interest earning, except for the security deposits and deposits for purchase of plant and equipment as disclosed in Note 9.

#### (v) 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. Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

# Notes to Financial Statements

30 September 2018

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Cont'd)

### (d) 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 disclosed in Notes 16 and 19 and equity attributable to owners of the Company, comprising of share capital and accumulated profits.

The Group's overall strategy with regards to capital management remains unchanged from prior year.

## 5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of GuGong Pte. Ltd. (formerly known as No Signboard Seafood Restaurant 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.

Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the transactions and arrangements are between members of the Group and the effect of these on the basis determined between parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, the Group entered into the following significant transactions with related company:

	The Group	
	2018	2017
	\$	\$
<i>Ultimate holding company</i>		
Purchase of live seafood	(146,646)	-
Rental expense	(61,000)	-

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

The amounts due from subsidiaries are unsecured, repayable on demand and bear interest ranging from 0% to 3.73% (2017: interest free) per annum.

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

The Company charged management fee income of \$1,185,252 (2017: Nil) to its subsidiaries.

## 6 OTHER RELATED PARTIES TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, repayable on demand and interest-free, unless otherwise stated.

Related parties' transactions are as follows:

	The Group	
	2018	2017
	\$	\$
Sale of live seafood to related parties A and B	119,805	212,243
Purchase of live seafood from related party A	-	(137,932)
Franchise fee income from related party A	132,000	-
Rental expense to related party A	(132,000)	-
Acquisition of non-controlling interest in a subsidiary from a former director of subsidiary (Note 15)	400,000	-

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))

In 2018, related party B entered into operating lease for restaurant outlet on behalf of a subsidiary of the Group. There was none in 2017. At the date of this report, the lease arrangement had not been transferred to the subsidiary or the Group.

### *Compensation of directors and key management personnel*

The remuneration of directors and other members of key management during the years were as follows:

	The Group	
	2018	2017
	\$	\$
Short-term benefits	2,055,602	516,250
Post-employment benefits	78,086	31,323
	2,133,688	547,573

## 7 CASH AND BANK BALANCES

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash at bank	18,624,682	293,434	17,866,966	-
Fixed deposit	5,000,000	-	5,000,000	-
Cash on hand	35,016	-	35,016	1,023
	23,659,698	293,434	22,901,982	1,023

In 2018, the fixed deposit of the Group and the Company bears interest at 1.5% per annum and for a tenure of 3 months.

# Notes to Financial Statements

30 September 2018

## 8 TRADE RECEIVABLES

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Outside parties	958,111	1,297,866	197,571	-
Related parties A and B (Note 6)	105,095	-	105,095	-
	1,063,206	1,297,866	302,666	-
Less: Allowance for doubtful debts	(3,613)	-	-	-
	1,059,593	1,297,866	302,666	-

The average credit period on sale of food, beverages and live seafood is 15 days (2017 : 15 days). No interest is charged on the outstanding balance.

Before accepting any new customer, the Group will assess the potential customer's credit quality and define credit limits for each of the customer. Limits attributed to customers are reviewed periodically.

Included in the Group's and Company's trade receivables are debtors with a carrying amount of \$421,151 (2017 : \$273,627) and \$85,552 (2017 : Nil) which are past due at the end of the reporting period for which the Group and the Company has not made allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group and the Company does not hold any collateral over these balances.

In determining the recoverability of trade receivables, the Group and the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Accordingly, the management believes that there are no credit allowances required.

The table below is an analysis of trade receivables at the end of the reporting period:

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Not past due and not impaired	634,442	1,024,239	217,114	-
Past due but not impaired <sup>(i)</sup>	425,151	273,627	85,552	-
	1,059,593	1,297,866	302,666	-
Impaired receivables	3,613	-	-	-
Less: Allowance for doubtful debts	(3,613)	-	-	-
Total trade receivables, net	1,059,593	1,297,866	302,666	-

<sup>(i)</sup> Analysis of trade receivables that are past due but not impaired.

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
1 to 30 days	110,047	985	-	-
31 to 60 days	229,552	272,642	-	-
>60 days	85,552	-	85,552	-
	425,151	273,627	85,552	-



## 8 TRADE RECEIVABLES (Cont'd)

Movement in the allowance for doubtful debts in respect of trade receivables

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
At beginning of the year/date of incorporation, 1 June 2017	-	-	-	-
Increase in allowance recognised in profit or loss	3,613	-	-	-
At end of the year/period	3,613	-	-	-

## 9 OTHER RECEIVABLES

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Outside parties	11,160	52,047	8,573	-
Refundable security deposits	1,837,360	1,752,463	1,501,865	-
Deposits for purchase of plant and equipment	94,978	-	-	-
Prepayment of IPO expenses	-	379,064	-	379,064
Prepayments	346,079	62,297	11,877	-
	2,289,577	2,245,871	1,522,315	379,064
Less: Non-current portion				
Refundable security deposits	(920,245)	(960,583)	(786,907)	-
Deposits for purchase of plant and equipment	(94,978)	-	-	-
	1,274,354	1,285,288	735,408	379,064

In 2018, the Group's and the Company's refundable security deposits of \$505,955 are held on behalf by the holding company (Note 5).

In determining the recoverability of other receivables, the Group and the Company considers any changes in the credit quality of the other receivables from the date credit was initially granted up to the end of the reporting period.

The other receivables are not past due nor impaired.

# Notes to Financial Statements

30 September 2018

## 10 INVENTORIES

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Live seafood	41,693	24,912	41,693	-
Consumables	30,087	116,360	30,087	-
Liquor and beverages	149,679	47,159	38,984	-
	<u>221,459</u>	<u>188,431</u>	<u>110,764</u>	<u>-</u>

## 11 GOODWILL

	The Group \$
Cost:	
At 1 October 2016	-
Arising on acquisition of a subsidiary (Note 29)	3,443,083
At 30 September 2017 and 30 September 2018	<u>3,443,083</u>
Accumulated impairment:	
At 1 October 2016 and 30 September 2017	-
Impairment loss recognised for the year	3,443,083
At 30 September 2018	<u>3,443,083</u>
Carrying amount:	
At 30 September 2017	<u>3,443,083</u>
At 30 September 2018	<u>-</u>

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.

The recoverable amount of the CGU is determined on value in use calculation. The key assumptions for value in use calculation is those regarding the discount rate, growth rate and expected changes to selling prices and direct costs during the year. Management estimates discount rate using pre-tax rate that reflect current market assessment of the time value of money and the risks specific to the CGU. The Group prepares cash flow forecasts derived from the most recent financial budget approved by management for the next five years based on an estimated growth rate of 2% (2017 : 4%) and the rate used to discount the forecast cash flows is 12% (2017 : 11%).

In 2018, the Group reviewed the recoverability of the goodwill and as the beer business had not performed to the levels expected by the senior management of the Company, the Group took proactive and decisive action to rationalise and restructure the beer business. Following an extensive review of the beer business, the Company's senior management commenced the Beer Business Restructuring Exercise by acquiring the remaining 20% shares in the subsidiary from the former non-controlling interest (Note 15) in order to secure full control over the beer business. The Company then took steps to renew the leadership of the beer business, carrying out a rebranding exercise on its signature brand - "Draft Denmark", and is reviewing and changing its sales and operational strategies. The Group is reviewing all aspects of its cost structure and supply chain to improve the efficiency of the beer business. As such, the goodwill acquired in a business combination in June 2017 (Note 29) is fully impaired as at 30 September 2018.

## 12 INTANGIBLE ASSETS

	Trademark \$	Franchise license \$	Total \$
<b><u>The Group</u></b>			
Cost:			
At 1 October 2016	-	-	-
Arising on acquisition of a subsidiary (Note 29)	620,000	-	620,000
At 30 September 2017	620,000	-	620,000
Additions	-	301,560	301,560
At 30 September 2018	620,000	301,560	921,560
Accumulated amortisation:			
At 1 October 2016 and 30 September 2017	-	-	-
Additions	-	2,285	2,285
At 30 September 2018	-	2,285	2,285
Accumulated impairment:			
At 1 October 2016 and 30 September 2017	-	-	-
Impairment loss recognised for the year	620,000	-	620,000
At 30 September 2018	620,000	-	620,000
Carrying amount:			
At 30 September 2017	620,000	-	620,000
At 30 September 2018	-	299,275	299,275

The recoverable amount of the intangible asset – trademark is determined from value-in-use calculation, with key assumptions as set out in Note 11.

The recoverable amount of the intangible asset – trademark is determined from value-in-use calculation, with key assumptions as set out in Note 11. In 2018, the Group reviewed the recoverability of the intangible asset – trademark and as the beer business had not performed to the levels expected by the senior management of the Company, the Group took proactive and decisive action to rationalise and restructure the beer business. The Group is carrying out a rebranding exercise on its trademark and is reviewing and changing its sales and operational strategies. As such, the intangible asset – trademark which was acquired during the business combination in June 2017 (Note 29) is fully impaired as at 30 September 2018.

The intangible asset – franchise license are amortised over its useful lives of 5 years. The amortisation expense has been included in the line item “depreciation and amortisation expense” in profit or loss.

# Notes to Financial Statements

30 September 2018

## 13 PLANT AND EQUIPMENT

	Motor vehicles \$	Plant and equipment \$	Renovation \$	Kitchen equipment and utensils \$	Construction in progress \$	Total \$
<b>The Group</b>						
Cost:						
At 1 October 2016	178,028	368,663	1,577,253	416,009	-	2,539,953
Additions	-	47,024	204,656	-	-	251,680
Arising from the acquisition of a subsidiary (Note 29)	144,000	484,606	29,000	-	-	657,606
At 30 September 2017	322,028	900,293	1,810,909	416,009	-	3,449,239
Additions	-	567,696	12,650	8,000	218,934	807,280
Disposals/Write-off	(30,000)	(23,126)	-	-	-	(53,126)
At 30 September 2018	292,028	1,444,863	1,823,559	424,009	218,934	4,203,393
Accumulated depreciation:						
At 1 October 2016	57,482	338,412	1,577,253	407,582	-	2,380,729
Depreciation for the year	42,966	153,213	44,425	4,432	-	245,036
At 30 September 2017	100,448	491,625	1,621,678	412,014	-	2,625,765
Depreciation for the year	64,043	214,320	84,833	4,825	-	368,021
Disposals/Write-off	(18,500)	(23,126)	-	-	-	(41,626)
At 30 September 2018	145,991	682,819	1,706,511	416,839	-	2,952,160
Accumulated impairment:						
At 1 October 2016 and 30 September 2017	-	-	-	-	-	-
Impairment loss recognised for the year	18,427	224,573	-	-	-	243,000
At 30 September 2018	18,427	224,573	-	-	-	243,000
Carrying amount:						
At 30 September 2017	221,580	408,668	189,231	3,995	-	823,474
At 30 September 2018	127,610	537,471	117,048	7,170	218,934	1,008,233

During the year, management conducted a review of the Group's plant and equipment. Accordingly, the review led to recognition of an impairment loss of \$243,000 that has been recognised for the year ended 30 September 2018.



## 13 PLANT AND EQUIPMENT (Cont'd)

	Motor vehicles \$	Plant and equipment \$	Renovation \$	Kitchen equipment and utensils \$	Construction in progress \$	Total \$
<b>The Company</b>						
Cost:						
At date of incorporation, 1 June 2017 and 30 September 2017	-	-	-	-	-	-
Arising from the Restructuring Exercise	178,028	635,080	1,551,724	414,319	-	2,797,151
Additions	-	84,251	-	8,000	142,574	234,825
Disposals/Write-off	(30,000)	(23,126)	-	-	-	(53,126)
At 30 September 2018	148,028	714,205	1,551,724	422,319	142,574	2,978,850
Accumulated depreciation:						
At date of incorporation, 1 June 2017 and 30 September 2017	-	-	-	-	-	-
Arising from the Restructuring Exercise	96,056	584,640	1,374,971	410,633	-	2,466,300
Additions	31,643	77,337	66,407	4,515	-	179,902
Disposals/Write-off	(18,500)	(23,126)	-	-	-	(41,626)
At 30 September 2018	109,199	638,851	1,441,378	415,148	-	2,604,576
Carrying amount:						
At 30 September 2017	-	-	-	-	-	-
At 30 September 2018	38,829	75,354	110,346	7,171	142,574	374,274

## 14 OTHER ASSETS

Other assets pertains to the upfront sponsorship provided by the Group to their distributors 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 range between 2 to 3 years.

# Notes to Financial Statements

30 September 2018

## 15 SUBSIDIARIES

The Company	
2018	2017
\$	\$
1,780,104	-

Unquoted equity shares, at cost

Details of subsidiaries of the Company at 30 September are as follows:

Name of subsidiary	Date and country of incorporation	Principal activities	Proportion of ownership interest and voting power held	
			2018	2017
Danish Breweries Pte. Ltd. <sup>(a)</sup>	6 June 2014, Singapore	Import and export, and general wholesale trading of beer and liquor	100%	*
Draff Beer Pte. Ltd. <sup>(a)</sup>	22 May 2017, Singapore	Dormant (2017: General wholesale trade and wholesale of liquor and soft drinks)	100%	*
Draft Breweries Denmark ApS <sup>(b)</sup>	15 August 2014, Denmark	Dormant (2017: Sale and distribution of beer products)	100%	*
Singapore Chilli Crab Pte. Ltd. <sup>(a)</sup>	31 August 2017, Singapore	Dormant (2017: Investment holding)	100%	*
Tao Brewery Pte. Ltd. <sup>(a)</sup>	22 March 2017, Singapore	Investment holding (2017: General wholesale trade and wholesale of liquor and soft drinks)	100%	*
NSB Restaurants Pte. Ltd. <sup>(a)</sup>	20 March 2018, Singapore	Investment holding	100%	-
Hawker QSR Pte. Ltd. <sup>(a)</sup>	20 March 2018, Singapore	Restaurants	100%	-
NSB Global Franchise Management Pte. Ltd. <sup>(a)</sup>	14 February 2018, Singapore	Investment holding	100%	-
NSB Franchisees Pte. Ltd. <sup>(a)</sup>	14 February 2018, Singapore	Investment holding	100%	-
NSB Hotpot Pte. Ltd. <sup>(a)</sup>	14 February 2018, Singapore	Restaurants	100%	-

<sup>(a)</sup> Audited by Deloitte & Touche LLP, Singapore.

<sup>(b)</sup> Not required to be audited in country of incorporation. Management accounts used for consolidation purposes as insignificant. Subsequent to end of reporting period, the subsidiary has been placed under compulsory liquidation.

\* Subsidiaries at completion of the Restructuring Exercise (Note 1).

# Notes to Financial Statements

30 September 2018

## 15 SUBSIDIARIES (Cont'd)

Information about the composition of the Group at the end of the financial year is as follow:

Principal activities	Number of wholly-owned subsidiaries	
	2018	2017
Import and export, and general wholesale trading of beer and liquor	1	-
General wholesale trade and wholesale of liquor and soft drinks	-	2*
Restaurants	2	-
Investment holding	4	1*
Dormant	3	-
	<b>10</b>	<b>3*</b>

Principal activities	Number of partially-owned subsidiaries	
	2018	2017
Import and export, and general wholesale trading of beer and liquor	-	1*
Sale and distribution of beer products	-	1*
	<b>-</b>	<b>2*</b>

\* Subsidiaries at completion of the Restructuring Exercise (Note 1).

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests in 30 September 2017:

Name of subsidiary	Proportion of ownership interests and voting rights held by non-controlling interests	(Loss) Profit allocated to non-controlling interests	Accumulated non-controlling interests
	2017 %	2017 \$	2017 \$
Danish Breweries Pte. Ltd.	20	227,209	(178,237)

# Notes to Financial Statements

30 September 2018

## 15 SUBSIDIARIES (Cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Danish Breweries Pte. Ltd. 2017 \$
Current assets	1,814,675
Non-current assets	1,157,904
Current liabilities	(4,534,985)
Non-current liabilities	(128,131)
Net liabilities	(1,690,537)
Revenue	3,086,797
Profit for the period, representing total comprehensive income for the period	1,135,840
Net cash outflow from operating activities	(592,182)
Net cash inflow from investing activities	8,789
Net cash inflow from financing activities	801,726
Net cash inflow	218,333

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 the subsidiary (Note 6), subsequently increasing its ownership interest and voting rights from 80% to 100%. The consideration for the acquisition is \$400,000.

The following schedule shows the effects of changes in the Group's ownership interest in the subsidiary that did not result in change of control, on the equity attributable to owners of the Company:

	The Group	
	2018 \$	2017 \$
Amounts paid on changes in ownership interest in subsidiary	400,000	-
Non-controlling interest acquired	295,938	-
Difference recognised in capital reserve	695,938	-

# Notes to Financial Statements

30 September 2018

## 16 SHORT TERM LOANS

As at 30 September 2018, the Group's and the Company's short term loans are repayable on demand, bear interest ranging from 2.82% to 4.08% per annum (2017 : 2.82% to 3.26% per annum) and 3.73% per annum (2017 : Nil) respectively. The short term loans are secured by the corporate and personal guarantees from the ultimate holding company (Note 5) and a director (Note 6) respectively.

### Reconciliations of liabilities arising from financing activities

	1 October 2017	Financing cash flows <sup>(i)</sup>	Non-cash changes Foreign Exchange movement	30 September 2018
	\$	\$	\$	\$
Short term loans	808,189	1,233,690	12,167	2,054,046
Finance lease (Note 19)	110,135	(110,135)	-	-
	918,324	1,123,555	12,167	2,054,046

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

## 17 TRADE PAYABLES

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Trade payables – outside parties	1,129,677	1,436,151	813,722	-
Goods and services tax payable	151,285	329,495	151,285	-
	1,280,962	1,765,646	965,007	-

The average credit period on purchases of goods is 60 days (2017 : 60 days). No interest is charged on outstanding balances.



# Notes to Financial Statements

30 September 2018

## 18 OTHER PAYABLES

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Accruals for volume rebates	167,774	1,049,495	-	-
Accruals for upfront sponsorship	87,168	416,530	-	-
Accruals	457,923	385,611	224,993	-
Accrued employee benefits expense	955,887	606,863	717,511	-
Amount due to related party B (Note 6)	4,180	-	-	-
Amount due to a subsidiary (Note 5)	-	-	10,879	-
Amount due to a former director of subsidiary for acquisition of non-controlling interest (Note 15)	240,000	-	-	-
Deferred revenue <sup>(1)</sup>	-	105,020	-	-
Deposits	3,000	1,604	3,000	-
Others	44,032	969	10,116	-
	<u>1,959,964</u>	<u>2,566,092</u>	<u>966,499</u>	<u>-</u>

<sup>(1)</sup> Deferred revenue pertains to sales of restaurant vouchers.

## 19 FINANCE LEASE

	The Group	
	2018	2017
	\$	\$
Amounts payable under finance leases:		
Within one year	-	25,668
In the second to fifth year inclusive	-	99,392
	-	<u>125,060</u>
Less: Future finance charges	-	(14,925)
Present value of lease obligations	-	<u>110,135</u>

# Notes to Financial Statements

30 September 2018

## 19 FINANCE LEASE (Cont'd)

	Present value of minimum lease payments	
	The Group	
	2018	2017
	\$	\$
Amounts payable under finance leases:		
Within one year	-	20,215
In the second to fifth year inclusive	-	89,920
	-	110,135
Less: Future finance charges	-	N/A
Present value of lease obligations	-	110,135
Less: Amount due for settlement within 12 months (shown under current liabilities)	-	(20,215)
Amount due for settlement after 12 months	-	89,920

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 5 years. For the year ended 30 September 2017, the average effective borrowing rate was 5.60% per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

## 20 PROVISIONS

- (a) Provision for employee leave entitlement

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Employee leave entitlement	286,984	150,900	262,853	-

- (b) Provision for reinstatement cost

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Provision for reinstatement cost	199,538	199,538	161,327	-
Less: non-current	(161,327)	(199,538)	(161,327)	-
	38,211	-	-	-

# Notes to Financial Statements

30 September 2018

## 20 PROVISIONS (Cont'd)

(b) Provision for reinstatement cost (Cont'd)

	The Group		The Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
At beginning of year/ date of incorporation, 1 June 2017	199,538	161,327	-	-
Arising from the acquisition of subsidiary (Note 29)	-	38,211	-	-
Arising from the Restructuring Exercise	-	-	161,327	-
At end of year/period	199,538	199,538	161,327	-

The provision for reinstatement costs are 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.

(c) Provision for promotional support

	The Group	
	2018	2017
	\$	\$
Provision for promotional support	542,388	1,607,928

## 21 DEFERRED TAX LIABILITIES

	Intangible	The Group	Total
	asset	Accelerated tax	
	\$	\$	\$
At 1 October 2016	-	3,521	3,521
Arising from the acquisition of a subsidiary (Note 29)	105,400	-	105,400
At 30 September 2017	105,400	3,521	108,921
Amount netted off with amount owing from holding company (Note 5)	-	(3,521)	(3,521)
Charge to profit or loss (Note 26)	(105,400)	-	(105,400)
At 30 September 2018	-	-	-

# Notes to Financial Statements

30 September 2018

## 22 SHARE CAPITAL

	Group and Company 2018		Group and Company 2017	
	Number of ordinary shares	\$	Number of ordinary shares	\$
Issued and paid-up:				
At beginning of year/date of incorporation, 1 June 2017	2	2	2	2
Issue of shares as payment of purchase consideration (Note 1(c))	2,315,231	2,315,231	-	-
Issue of shares pursuant to Restructuring Agreement (Note 1(d))	2,850,000	2,850,000	-	-
Sub-division of shares (Note 1(e))	382,227,242	-	-	-
Issue of shares to pre-IPO investors and pursuant to IPO	75,000,000	21,000,000	-	-
Share issue expenses	-	(984,228)	-	-
At end of year/period	462,392,475	25,181,005	2	2

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.

## 23 REVENUE

	The Group	
	2018 \$	2017 \$
<u>Restaurant business</u>		
Sale of food and beverages	17,259,834	19,200,842
Service charges	1,711,936	1,892,797
Sale of live seafood (Note 6)	119,805	212,243
	19,091,575	21,305,882
<u>Beer business</u>		
Sale of beverages	7,409,713	3,086,797
	26,501,288	24,392,679

# Notes to Financial Statements

30 September 2018

## 24 OTHER INCOME

	The Group	
	2018	2017
	\$	\$
Government grant and credit schemes	57,246	55,951
Foreign currency exchange adjustment gain	53,596	-
Termination of distribution agreement	-	1,105,859
Reversal of provision for promotional support	1,027,337	-
Franchise fee income (Note 6)	132,000	-
Interest income	99,546	-
Write-off of expired cash vouchers	110,610	-
Others	82,232	27,342
	<u>1,562,567</u>	<u>1,189,152</u>

## 25 OTHER OPERATING EXPENSES

	The Group	
	2018	2017
	\$	\$
Bad debt expenses	-	3,169
Allowance for doubtful debt	3,613	-
Marketing expenses	734,423	63,752
Cleaning suppliers and services	130,249	93,158
Commission	288,203	297,911
General supplies	104,662	75,857
Professional fees	895,356	403,181
Repair and maintenance	159,123	216,148
Travelling expenses	60,975	168,133
Communications	38,628	37,229
Printing and stationery	54,727	15,081
Insurance	16,698	11,293
Donations	104,000	3,500
Utilities expenses	376,333	373,767
Advertising	-	1,100
Freight charges	507,903	150,191
Others	291,346	66,977
	<u>3,766,239</u>	<u>1,980,447</u>



# Notes to Financial Statements

30 September 2018

## 26 INCOME TAX EXPENSE

	The Group	
	2018	2017
	\$	\$
Tax expense comprises:		
Current tax		
- Current year	590,331	1,405,094
- Under (Over) provision in respect of prior years	49,363	(39,444)
Deferred tax	(105,400)	-
	<u>534,294</u>	<u>1,365,650</u>

Domestic income tax is calculated at 17% of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting (loss) profit as follows:

	The Group	
	2018	2017
	\$	\$
(Loss) Profit before income tax	(1,887,707)	9,315,058
Income tax calculated at 17%	(320,910)	1,583,559
Non-allowable (Non-taxable) items	197,240	(156,920)
Impairment losses on goodwill that are not deductible	585,324	-
Effect of exempt income	(25,925)	(25,925)
Effect of tax rebates	(10,000)	(10,000)
Under (Over) provision of current tax in respect of prior years	49,363	(39,444)
Others	59,202	14,380
	<u>534,294</u>	<u>1,365,650</u>

# Notes to Financial Statements

30 September 2018

## 27 SEGMENT INFORMATION

The Group	Revenue		Net profit	
	2018	2017	2018	2017
	\$	\$	\$	\$
Restaurant business	19,091,575	21,305,882	4,423,981	8,185,155
Beer business	7,409,713	3,086,797	(469,300)	1,138,209
	<u>26,501,288</u>	<u>24,392,679</u>	<u>3,954,681</u>	<u>9,323,364</u>
IPO expenses			(1,121,167)	-
Impairment of goodwill and intangible assets (Notes 11 and 12)			(4,063,083)	-
Impairment of plant and equipment (Note 13)			(243,000)	-
Other operating expenses			(445,292)	(5,937)
Interest income			99,546	-
Finance costs			(69,392)	(2,369)
(Loss) Profit before tax			<u>(1,887,707)</u>	<u>9,315,058</u>
Income tax expense			(534,294)	(1,365,650)
(Loss) Profit after tax			<u>(2,442,001)</u>	<u>7,949,408</u>
			The Group	
			2018	2017
			\$	\$
<u>Segment assets</u>				
Restaurant business			26,202,139	18,124,638
Beer business			2,835,876	7,268,162
			<u>29,038,015</u>	<u>25,392,800</u>
<u>Segment liabilities</u>				
Restaurant business			3,339,284	2,554,100
Beer business			3,087,012	4,654,328
			<u>6,426,296</u>	<u>7,208,428</u>
Unallocated liabilities			538,895	1,506,867
			<u>6,965,191</u>	<u>8,715,295</u>
			The Group	
			2018	2017
			\$	\$
			Depreciation and amortisation expense	
Restaurant business	196,879	98,574	350,304	251,680
Beer business	173,427	146,462	456,976	-
	<u>370,306</u>	<u>245,036</u>	<u>807,280</u>	<u>251,680</u>
			Capital expenditure	
			2018	2017
			\$	\$

## 27 SEGMENT INFORMATION (Cont'd)

### 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 FRS 108 *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.

### Geographical information

The Group operates in Singapore and all revenue is generated in Singapore and all the assets are located in Singapore.

### 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.

## 28 (LOSS) PROFIT FOR THE YEAR

(Loss) Profit for the year has been arrived at after charging:

	The Group	
	2018	2017
	\$	\$
Employment benefits – directors of the Company		
- Salary and allowances	1,461,192	369,250
- Cost of defined contribution plans	34,680	22,143
Employment benefits – directors of subsidiaries		
- Salary and allowances	93,377	32,000
- Cost of defined contribution plans	13,022	4,080
Key management remuneration other than directors		
- Salary and allowances	501,033	115,000
- Cost of defined contribution plans	30,384	5,100
Cost of defined contribution plans included in employee benefits expenses	541,124	288,995
Cost of inventories recognised as expense	8,978,816	5,920,169
Write-off of inventories	164,763	-
Auditor's remuneration		
- Audit fees to auditor of the Company	160,000	150,000
- Non-audit fees to auditor of the Company	30,000	30,000

In 2018, the fees paid to auditors of the Company as reporting accountants and non-audit fees for tax consultation for the Company's IPO were \$500,000 and \$50,000 respectively.

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

# Notes to Financial Statements

30 September 2018

## 29 ACQUISITION OF SUBSIDIARY

On 2 June 2017 (the "acquisition date"), the Group completed the acquisition 80% of the issued share capital of Danish Breweries Pte. Ltd. ("Danish Breweries") for a cash consideration of \$1,780,000. This transaction has been accounted for by the acquisition method of accounting.

Danish Breweries is an entity incorporated in Singapore with its principal activity being import and export, and general wholesale trading of beer and liquor. The Group acquired Danish Breweries in order to add value through increase in customer base and diversification within the food and beverage sector.

Identifiable assets acquired and liabilities assumed at date of acquisition:

	<u>Total</u> \$
<u>Current assets</u>	
Cash and bank balances	66,195
Trade receivables	315,507
Other receivables	96,735
Inventories	77,645
Other assets	842,558
<u>Non-current assets</u>	
Plant and equipment	657,606
Security deposit	84,329
Other assets	306,333
Trademark	620,000
<u>Current liabilities</u>	
Trade payables	(385,386)
Other payables	(2,769,768)
Provision	(1,720,074)
Finance leases	(19,803)
<u>Non-current liabilities</u>	
Finance leases	(96,795)
Provision	(38,211)
Deferred tax liabilities	(105,400)
Net assets acquired and liabilities assumed	<u>(2,068,529)</u>

Acquisition-related costs amounting to \$24,283 have been excluded from the consideration transferred and have been recognised as an expense in 2017, within the 'other operating expenses' line item in the statement of comprehensive income.

Non-controlling interest:

The non-controlling interest (20%) in Danish Breweries recognised at the acquisition date was measured by reference to the share of the non-controlling interest on the fair value of identified net liabilities assumed and amounted to \$405,446.

## 29 ACQUISITION OF SUBSIDIARY (Cont'd)

### Goodwill arising on acquisition:

	<u>Total \$</u>
Consideration transferred	1,780,000
Non-controlling interest	(405,446)
Fair value of identified net liabilities assumed	<u>2,068,529</u>
Goodwill arising on acquisition (Note 11)	<u>3,443,083</u>

Goodwill arose in the acquisition of Danish Breweries because the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

### Net cash outflow on acquisition of Danish Breweries

	<u>Total \$</u>
Consideration paid in cash	1,780,000
Less: Cash and cash equivalent balances acquired	<u>(66,195)</u>
	<u>1,713,085</u>

### Impact of acquisitions on the results of the Group

Included in the profit and revenue for the year ended 30 September 2017 are \$1,135,840 and \$3,086,797 respectively, attributable to the additional business generated by Danish Breweries.

Had the business combination been effected at 1 October 2016, the revenue and profit of the Group for the year ended 30 September 2017 would have been \$29,029,937 and \$6,650,083 respectively.

## 30 OPERATING LEASE ARRANGEMENTS

### The Group as a lessee

#### *Operating lease commitments*

	<u>The Group</u>	
	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Payment recognised as an expense during the year:		
Minimum lease payments under operating leases	2,338,922	1,995,384
Contingent rentals	506,830	581,395
	<u>2,845,752</u>	<u>2,576,779</u>

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.



# Notes to Financial Statements

30 September 2018

## 30 OPERATING LEASE ARRANGEMENTS (Cont'd)

### The Group as a lessee (Cont'd)

#### *Operating lease commitments (Cont'd)*

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	The Group	
	2018	2017
	\$	\$
Within one year	2,587,646	2,133,134
Within two to five years	4,410,021	2,350,966
	<u>6,997,667</u>	<u>4,484,100</u>

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

At the end of 30 September 2018, includes in the operating lease commitment above, \$168,300 and \$588,000 represents outstanding commitments under non-cancellable operating lease with related company (Note 5) and related party A (Note 6) respectively.

## 31 (LOSS) EARNINGS PER SHARE

The basic (loss) earnings per share is calculated based on the (loss) profit attributable to owners of the Company for each reporting period and the weighted average number of ordinary shares of 411,060,749 (2017: pre-invitation shares of 387,392,475).

The fully diluted (loss) earnings per share and basic (loss) earnings per share are the same because there is no dilutive share.

## 32 DIVIDENDS

On 5 March 2018, the Company paid special tax-exempt one-tier dividend of 0.31 cents (total dividend of \$1,433,417) in respect of year ended 30 September 2018.

On 29 August 2018, the Company paid interim tax-exempt one-tier dividend of 0.26 cents (total dividend of \$1,202,220) in respect of year ended 30 September 2018.

## 33 COMMITMENTS AND CONTINGENT LIABILITIES

	The Company	
	2018	2017
	\$	\$
Banker's guarantee issued in favour of a subsidiary	<u>65,510</u>	<u>-</u>

The Company has provided banker's guarantee to lessor in favour of one of its subsidiary. These amounts represent the maximum amount the Company and the subsidiary could be forced to settle under the agreement.

# *Notes to Financial Statements*

30 September 2018

## **34 EVENTS AFTER THE REPORTING PERIOD**

On 8 October 2018, the Company incorporated a wholly-owned subsidiary, NSB-Mom's Touch Pte. Ltd., with an initial issued and paid-up share capital of \$1. In October 2018, the subsidiary signed a master franchise agreement to develop and operate Mom's Touch restaurants in Singapore and Malaysia.

## **35 COMPARATIVE FIGURES**

The comparative figures for statement of financial position and statement of changes in equity of the Company covers the financial period from 1 June 2017 (date of incorporation) to 30 September 2017).

# Statistics of Shareholdings

At as 17 December 2018

Number of Issued Shares	:	462,392,475
Number of Treasury Shares held	:	Nil
No. of Subsidiary Holdings held	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	2	0.13	100	0.00
100 - 1,000	126	8.18	115,500	0.02
1,001 - 10,000	683	44.35	3,331,500	0.72
10,001 - 1,000,000	716	46.49	58,810,700	12.72
1,000,001 AND ABOVE	13	0.85	400,134,675	86.54
<b>TOTAL</b>	<b>1,540</b>	<b>100.00</b>	<b>462,392,475</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
GuGong Pte. Ltd. ("GuGong")	345,114,975 <sup>(1)</sup>	74.64	-	-
Sam Lim <sup>(2)</sup>	-	-	345,114,975	74.64

### Notes:

- GuGong has a direct interest in 345,737,675 shares representing approximately 74.77% of the total issued share capital of the Company. As market purchases will only be reflected in the Registry of shareholders after two working days, the 610,000 and 12,700 shares purchased by GuGong on 14 December 2018 and 17 December 2018 respectively have yet to be reflected in the Register of shareholders as at 17 December 2018.
- Sam Lim is deemed to be interested in all the shares held by GuGong Pte. Ltd. in the Company, by virtue of Section 7 of the Companies Act.

# Statistics of Shareholdings

At as 17 December 2018

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	GUGONG PTE LTD	345,114,975	74.64
2	OCBC SECURITIES PRIVATE LIMITED	9,580,800	2.07
3	DBS NOMINEES (PRIVATE) LIMITED	9,191,200	1.99
4	BPSS NOMINEES SINGAPORE (PTE.) LTD.	7,418,200	1.60
5	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	6,000,000	1.30
6	CITIBANK NOMINEES SINGAPORE PTE LTD	5,035,500	1.09
7	HSBC (SINGAPORE) NOMINEES PTE LTD	3,927,600	0.85
8	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,284,600	0.71
9	LAM CHOON SEN DAVID @ LAM KWOK KWONG	3,071,500	0.66
10	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,903,900	0.63
11	RAFFLES NOMINEES (PTE.) LIMITED	2,003,600	0.43
12	YEO NAK KEOW	1,546,400	0.33
13	TAI GECK KEE	1,056,400	0.23
14	YHS INVESTMENT PTE LTD	1,000,000	0.22
15	LEE YUEN YONG (LI YUANYANG)	960,000	0.21
16	JOHN WONG WENG FOO	820,000	0.18
17	SHO KIAN HIN	812,900	0.18
18	LIEW CHOW FONG OR KOH GUAN LAI	750,000	0.16
19	PHILLIP SECURITIES PTE LTD	732,600	0.16
20	SIA KAR POH	700,000	0.15
	<b>TOTAL</b>	<b>405,910,175</b>	<b>87.79</b>

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 17 December 2018, approximately 25.23% of the Company's shares are held in the hands of the Public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of No Signboard Holdings Ltd. (“Company”) will be held at No Signboard Seafood, The Central @ Clarke Quay, 6 Eu Tong Sen Street #04-63, Singapore 059817 on Thursday, 31 January 2019 at 9.00 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 September 2018 together with the Auditors’ Report thereon. **[Resolution 1]**
2. To re-elect the following Directors of the Company retiring pursuant to Regulation 117 of the Constitution of the Company:  
  
Mr. Lim Yong Sim (Lin Rongsen) **[Resolution 2]**  
Mr. Leow Chung Chong Yam Soon **[Resolution 3]**  
  
[See Explanatory Notes (i)]
3. To approve the payment of Directors’ fees of S\$150,000 for the financial year ending 30 September 2019, to be paid quarterly in arrears. **[Resolution 4]**
4. To re-appoint Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **[Resolution 5]**
5. 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:

6. **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,



# Notice of Annual General Meeting

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 pro-rata 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 sub-paragraph (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;
- (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 6]

## 8. Proposed Adoption of the Share Buyback Mandate

THAT:

- (a) for the purposes of the Act, and Part XI of Chapter 8 of the Catalist Rules, the Directors of the Company be authorised and empowered to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
  - (i) on-market purchases through the ready market of the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"), through one or more duly licensed stockbrokers appointed by the Company for the purpose (the "**On-Market Share Buyback**"); and/or

# Notice of Annual General Meeting

- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Catalyst Rules (the “**Off-Market Share Buyback**”);

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Act;
- (c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the proposed adoption of the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:
  - (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
  - (ii) the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and
  - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in a general meeting,

whichever is the earliest (“**Relevant Period**”).

- (d) In this resolution:

“**Maximum Limit**” means the number of Shares representing ten percent (10%) of the total issued ordinary share capital of the Company ascertained as at the date of the passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act at any time during the Relevant Period (as hereafter defined), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

“**Maximum Price**” in relation to a Share to be purchased, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Buyback, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Share Buyback, 120% of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days (a “**Market Day**” being a day on which the SGX-ST is open for trading in securities) on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the On-Market Share Buyback or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share Buyback, and deemed to be adjusted for any corporate action that occurs after such five (5) Market Day period; and

# Notice of Annual General Meeting

“day of the making of the offer” means the day on which the Company announces its intention to make an Off-Market Share Buyback from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Buyback; and

- (e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated by this resolution.”

[See Explanatory Note (iii)]

[Resolution 7]

By Order of the Board

Shirley Tan Sey Liy  
Company Secretary  
Singapore, 31 December 2018

## Explanatory Notes:

- (i) Mr. Leow Chung Chong Yam Soon will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee. He will be considered independent pursuant to Rule 704(7) of the Catalist Rules
- (ii) Resolution 6 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.

- (iii) Resolution 7 above, if passed, will empower the Directors to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate, as set out in Resolution 7 and the Appendix to Shareholders dated 31 December 2018. Please refer to the aforementioned Appendix to Shareholders for further details. The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required and the impact on the Company's financial position cannot be ascertained as at the date of this notice as these will depend on, amongst others, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares. Illustrative financial effects of the Share Buyback Mandate are set out in the aforementioned Appendix to Shareholders.

# Notice of Annual General Meeting

## Notes:

1. A member of the Company who is not a Relevant Intermediary (as defined below) entitled to attend and vote at this AGM is entitled to appoint one or two proxies to attend and vote in his/her stead. Where such member appoints two proxies, the proportion of his shareholding which each proxy has been appointed shall be specified in the proxy form. A proxy need not be a member of the Company.
2. A member of the Company who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number and class of shares to which each proxy has been appointed shall be specified in the proxy form.
3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Ubi Crescent, #05-76 Ubi Techpark, Singapore 408564 not less than seventy-two (72) hours before the time appointed for holding the AGM.
5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at (72) seventy-two hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

## "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 submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents 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 Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (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)

## ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT:

1. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investors") may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the Meeting.
2. 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.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ NRIC/Passport No./Co. Registration No.

of \_\_\_\_\_ (Address)

being a member/members of **NO SIGNBOARD HOLDINGS LTD.** ("Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting ("Meeting") of the Company to be held at No Signboard Seafood, The Central @ Clarke Quay, 6 Eu Tong Sen Street #04-63, Singapore 059817 on Thursday, 31 January 2019 at 9.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against 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 proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Resolutions relating to:	No. of votes 'For'***	No. of votes 'Against'***
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2018		
2	Re-election of Mr. Lim Yong Sim (Lin Rongsen) as a Director		
3	Re-election of Mr. Leow Chung Chong Yam Soon as a Director		
4	Approval of Directors' fees amounting to S\$150,000 for the financial year ending 30 September 2019, payable quarterly in arrears		
5	Re-appointment of Deloitte & Touche LLP as Auditors and authority to Directors to fix remuneration		
<b>Special Businesses</b>			
6	Authority to allot and issue new shares		
7	Proposed adoption of the Share Buyback Mandate		

\*\*\*If you wish to exercise all your votes 'For' or 'Against', please tick (v) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)  
and/or Common Seal of Corporate Shareholder

\*Delete where inapplicable





**Notes :**

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 a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary\*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Ubi Crescent #05-76 Ubi Techpark, Singapore 408564 not less than 72 hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies 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.
8. 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.
9. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the Meeting.

**"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.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies 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 a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 December 2018.





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