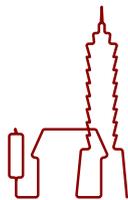


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Snack Empire Holdings Limited

快餐帝國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1843)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

FINANCIAL HIGHLIGHTS FOR THE YEAR

- Revenue was approximately S\$26,405 thousands (Year 2022: S\$24,051 thousands)
- Gross profit was approximately S\$16,116 thousands (Year 2022: S\$15,060 thousands)
- Profit for the year attributable to equity holders of the Company was approximately S\$1,843 thousands (Year 2022: S\$2,828 thousands)
- Basic and diluted earnings per share was approximately 0.2 Singapore cents per share (Year 2022: 0.4 Singapore cents per share)

ANNUAL RESULTS

The Board hereby announces the consolidated annual results of the Group for the Year together with the comparative information for Year 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March	
		2023	2022
	Note	S\$'000	S\$'000
Revenue	4	26,405	24,051
Cost of sales	7	<u>(10,289)</u>	<u>(8,991)</u>
Gross profit		16,116	15,060
Other income	5	663	1,529
Other expense	6	(65)	(24)
Selling and distribution expenses	7	(6,711)	(6,109)
Administrative expenses	7	(7,646)	(6,827)
Finance income/(cost) — net		<u>31</u>	<u>(112)</u>
Profit before income tax		2,388	3,517
Income tax expense	8	<u>(545)</u>	<u>(689)</u>
Profit for the year attributable to equity holders of the Company		<u>1,843</u>	<u>2,828</u>
Other comprehensive loss			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from translation of foreign operations		<u>(186)</u>	<u>(13)</u>
		<u>(186)</u>	<u>(13)</u>
Total comprehensive income for the year attributable to equity holders of the Company		<u>1,657</u>	<u>2,815</u>
Earnings per share for profit attributable to equity holders of the Company			
Basic and diluted (Singapore cents)	9	<u>0.2</u>	<u>0.4</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
	Note	2023 S\$'000	2022 S\$'000
ASSETS			
Non-current asset			
Property, plant and equipment	10	6,153	5,851
Current assets			
Inventories		1,554	1,461
Trade and other receivables and prepayments	11	1,704	1,386
Cash and cash equivalents	12	23,493	28,432
		26,751	31,279
Total assets		32,904	37,130
EQUITY AND LIABILITIES			
Equity			
Share capital		1,392	1,392
Share premium		11,047	17,092
Reserves		12,055	10,398
Equity attributable to equity holders of the Company		24,494	28,882
LIABILITIES			
Non-current liabilities			
Deferred revenue		656	707
Deferred tax liabilities		13	12
Lease liabilities	13(b)	1,086	716
Borrowings	14	1,950	2,079
		3,705	3,514
Current liabilities			
Trade and other payables	15	2,743	2,385
Borrowings	14	130	130
Provisions		158	112
Deferred revenue		341	443
Lease liabilities	13(b)	1,329	1,329
Current income tax liabilities		4	335
		4,705	4,734
Total liabilities		8,410	8,248
Total equity and liabilities		32,904	37,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

1.1 General information

Snack Empire Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Act Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and is listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 1.2 to the consolidated financial statements.

The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Group is located at 10 Anson Road #21-02, International Plaza, Singapore 079903.

The immediate holding company and ultimate holding company of the Company is Brilliant Stride Limited, which is incorporated in the British Virgin Islands.

1.2 Group structure

Details of the subsidiaries of the Company at the end of the reporting period are set out below:

Name	Principal activities	Country of business/ incorporation	Date of incorporation	Issued and paid up capital	Effective interest held by the Group as at 31 March		Effective interest held by the Group as at the date of this announcement
					2023	2022	
					%	%	%
Directly held by the Company							
Clever Steed Limited ³	Investment holding	British Virgin Islands	22 November 2017	US\$1	100	100	100
Indirectly held by the Company							
The STSS Company Pte. Ltd. ¹	Retail of food and beverage and franchising	Singapore	4 June 2003	S\$1,200,000	100	100	100
XXL Concepts Pte. Ltd. (F.K.A Shihlin Taiwan Street Snacks (HM) Pte. Ltd.) ¹	Retail of food and beverage	Singapore	11 January 2005	S\$100,000	100	100	100
Umami Concepts Pte. Ltd. ¹	Wholesale and retail of food and beverage	Singapore	18 October 2005	S\$100,100	100	100	100
STSS Resources Pte. Ltd. ¹	Wholesale of food and beverage	Singapore	1 December 2005	S\$1	100	100	100
Shihlin Taiwan Street Snacks (313) Pte. Ltd. ³	Retail of food and beverage	Singapore	1 December 2005	S\$1	100	100	100
STSS Integrated Pte. Ltd. ¹	Wholesale of food and beverage	Singapore	7 November 2007	S\$1	100	100	100
Shihlin Taiwan Street Snacks (JP) Pte. Ltd. ³	Retail of food and beverage	Singapore	15 December 2011	S\$1	100	100	100
Shihlin Taiwan Street Snacks (TM) Pte. Ltd. ³	Retail of food and beverage	Singapore	26 June 2012	S\$1	100	100	100
Shihlin Taiwan Street Snacks (HF) Pte. Ltd. ³	Retail of food and beverage	Singapore	1 April 2013	S\$1	100	100	100
Shihlin Taiwan Street Snacks (NP) Pte. Ltd. ³	Retail of food and beverage	Singapore	22 June 2015	S\$1	100	100	100
STSS Resources Sdn. Bhd. ²	Wholesale of food and beverage	Malaysia	13 July 2012	RM1,000,000	100	100	100
STSS IP Pte. Ltd. ¹	Licensing of intellectual properties	Singapore	25 February 2018	S\$1	100	100	100
STSS Concepts Sdn. Bhd. ²	Retail of food and beverage	Malaysia	20 June 2008	RM1,000,000	100	100	100

- 1 Up to the date of this announcement, the audited financial statements of these companies for the year ended 31 March 2023 are yet to be issued.
- 2 The statutory financial statements for the financial year ended 31 March 2022 were audited by OKL & Partners PLT, Malaysia. Up to the date of this announcement, the audited financial statements of these companies for the year ended 31 March 2023 are yet to be issued.
- 3 No audited financial statements have been prepared for this entity as it is not required to issue audited financial statements under the statutory requirements of its place of incorporation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (the “IASB”), which collective term includes all applicable individual IFRS, International Accounting Standards (“IASs”) and Interpretations issued by the IASB and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

The individual financial statements of each Group entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company is presented in Singapore dollars (“S\$”) which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand (“S\$’000”), unless otherwise indicated. The consolidated financial statements have been approved for issue by the Board of Directors on 28 June 2023.

2.1.1 *New standards adopted*

In the current year, the Group has adopted the following new or amended IFRS and Interpretations of IFRS (“IFRIC”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and IFRIC.

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020

The adoption of these new or amended IFRS and IFRIC did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.1.2 New standards, interpretations and amendments to standards which are not yet effective

The following are new standards, interpretations and amendments to standards that have been issued but not yet effective.

		Effective for annual periods beginning on or after
IFRS17	Insurance Contracts	1-Jan-23
Amendments to IFRS 4	Extension of the Temporary Exemption from applying IFRS 9	1-Jan-23
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1-Jan-24
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date to be determined
Amendments to IAS 8	Definition of Accounting Estimates	1-Jan-23
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1-Jan-23
Amendments to IFRS 16	Lease liability in a Sale and Leaseback	1-Jan-24
Amendment to IFRS 17	Initial Application of IFRS 17 and IFRS 9 — Comparative information	1-Jan-23
Amendments to IAS1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1-Jan-23
Amendments to IAS1	Non-current Liabilities with Covenants	1-Jan-24
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1-Jan-24
Amendments to IAS12	International Tax Reform Pillar Two Model Rules	1-Jan-23

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. The Group anticipates that the application of above new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3 SEGMENT INFORMATION

The executive directors of the Company, who are the Chief Operating Decision Maker (“CODM”) monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. The executive directors of the Company consider all businesses to be included in a single operating segment. Information reported to the executive directors of the Company, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group’s resources are integrated.

Revenue

The Group is principally engaged in the provision of food catering services through a chain of Taiwan-style Outlets and Restaurants. The following is an analysis of revenue and non-current assets by geographical areas. Revenue is attributed to countries by locations of customers.

	Sales of goods											
	Outlet sales		Franchisees/ Licensees		Franchise fee		Advertising and promotion fees		Royalty		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
Geographical markets												
Singapore	10,360	12,009	275	303	72	21	36	92	69	49	10,812	12,474
Malaysia	6,358	4,021	4,607	3,896	321	301	241	159	354	270	11,881	8,647
Indonesia	—	—	2,391	1,811	110	94	—	—	400	362	2,901	2,267
United States	—	—	554	380	91	91	—	—	103	59	748	530
Others	—	—	10	80	42	46	—	—	11	7	63	133
Total	16,718	16,030	7,837	6,470	636	553	277	251	937	747	26,405	24,051

As at 31 March

2023	2022
S\$’000	S\$’000

Non-current asset

Property, plant and equipment

Singapore	4,902	4,973
Malaysia	1,251	878
	6,153	5,851

Other than revenue and non-current asset analysis, no operating results and other discrete financial information are regularly presented for CODM decision in making assessment of performance and allocation of resources. Accordingly, other than entity-wide information, no analysis of single operating segment is presented.

Revenue of S\$2,901,000 (2022: S\$2,267,000) during the year is derived from a single external customer. These revenues are attributable to the geographical area of Indonesia.

4 REVENUE

- (a) The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major revenue streams:

	Year ended 31 March	
	2023 S\$'000	2022 S\$'000
Sales of goods		
— Outlet sales	16,718	16,030
— Franchisees/licensees	7,837	6,470
Franchise fee	636	553
Advertising and promotion fees	277	251
Royalty	937	747
	<u>26,405</u>	<u>24,051</u>

	Year ended 31 March	
	2023 S\$'000	2022 S\$'000
At a point in time	24,555	22,500
Over time	1,850	1,551
Total	<u>26,405</u>	<u>24,051</u>

(b) **Deferred revenue:**

- (i) Revenue recognised in relation to deferred revenue:

	Year ended 31 March	
	2023 S\$'000	2022 S\$'000
Revenue recognised in current year that was included in the deferred revenue balance at the beginning of the year	<u>443</u>	<u>622</u>

- (ii) Unsatisfied performance obligation:

	As at 31 March	
	2023 S\$'000	2022 S\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March	<u>997</u>	<u>1,150</u>

Management expects that 34% (2022: 38%) of the transaction price allocated to the unsatisfied performance obligations as of 31 March 2023 are to be recognised as revenue during the next reporting period. The remaining 66% (2022: 62%) are expected to be recognised by 31 March 2025, 2026, 2027, 2028, 2029, 2030, 2031 and 2032 for each of the unsatisfied performance obligations as of 31 March 2023.

(c) Contract balances

	As at 31 March		As at 1 April
	2023	2022	2021
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Trade receivables (Note 11)	369	196	173
Deferred revenue (Note 4(b)(ii))	997	1,150	1,464

5 OTHER INCOME

	Year ended 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Government grants ²	226	935
Rental rebate ¹	19	143
Other service income	235	229
Others	183	222
	<u>663</u>	<u>1,529</u>

1 Rental rebates are mainly given by landlords to subsidise the rental payments incurred by the Group during the COVID-19 Pandemic. The Group applied the practical expedient for all eligible rent concessions. The amount recognised in the consolidated statement of profit or loss for the financial year ended 31 March 2023 to reflect changes in lease payments that arose from rent concessions to which the Group has applied the practical expedient is S\$19,000 (2022: S\$143,000).

2 Government grants mainly consist of jobs growth incentive, enterprise development grant, wage credit scheme and profession conversion programme.

6 OTHER EXPENSE

	Year ended 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Foreign currency exchange difference, net	65	24

7 EXPENSES BY NATURE

	Year ended 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Cost of inventories	10,289	8,991
Employee benefit costs	6,090	5,005
Rental expenses	683	588
Advertising, promotion and marketing expenses	523	716
Logistics and transportation expenses	562	579
Directors' remuneration	2,545	2,412
Utilities expenses	353	319
Sundry expenses	310	271
Professional fees	426	380
Maintenance charges	76	83
Travelling expense	92	51
Withholding tax expense	—	51
Depreciation (<i>Note 10</i>)	2,070	2,001
Printing expenses	120	51
Insurance expenses	37	28
Auditor's remuneration	185	144
Bad debts expense	79	—
Write-off of property, plant and equipment	—	13
Others	206	244
	<hr/>	<hr/>
Total cost of sales, administrative, selling and distribution expenses	<u>24,646</u>	<u>21,927</u>

8 INCOME TAX EXPENSE

Tax has been provided at the applicable tax rate on the estimated assessable profit during the financial year.

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	Year ended 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Current tax expense		
Current financial year	597	783
Overprovision in prior financial years	(53)	(90)
	<hr/>	<hr/>
	544	693
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	1	(4)
	<hr/>	<hr/>
Income tax expense	<u>545</u>	<u>689</u>

Taxation has been provided at the appropriate rates in the countries in which the Group operates. The Group is not subject to any taxation in the Cayman Islands and the British Virgin Islands. Singapore Corporate income tax has been provided at 17% (2022: 17%) of the estimated profit during the financial year. The applicable income tax rate for the Group's entities in Malaysia was 24% (2022: 24%) during the financial year.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of Singapore as follows:

	Year ended 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Profit before tax	<u>2,388</u>	<u>3,517</u>
Tax calculated at rate of 17%	406	598
Tax effects of:		
— Different tax rates in different jurisdictions	97	71
— Non taxable income	(4)	(91)
— Expenses not deductible for tax purposes	186	271
— Tax concessions	(87)	(70)
— Overprovision of tax in respect of prior years	<u>(53)</u>	<u>(90)</u>
Income tax expense	<u><u>545</u></u>	<u><u>689</u></u>

9 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 March	
	2023	2022
Net profit attributable to equity holders of the Company (<i>S\$'000</i>)	1,657	2,815
Weighted average number of ordinary shares outstanding for basic earnings per share (<i>'000</i>)	<u>800,000</u>	<u>800,000</u>
Basic earnings per share (<i>Singapore cents per share</i>)	<u><u>0.2</u></u>	<u><u>0.4</u></u>

Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding for the years ended 31 March 2023 and 2022.

10 PROPERTY, PLANT AND EQUIPMENT

	Leased retail spaces S\$'000	Properties held for own use S\$'000	Renovation works S\$'000	Furniture and fittings S\$'000	Office equipment S\$'000	Kitchen equipment S\$'000	Computers S\$'000	Total S\$'000
Cost								
As at 1 April 2021	3,899	3,343	967	25	186	107	158	8,685
Additions	1,833	—	237	12	5	44	21	2,152
Write-off	(1,234)	—	(134)	—	(3)	(26)	—	(1,397)
Currency translation difference	—	—	(2)	—	—	(3)	—	(5)
As at 31 March 2022	<u>4,498</u>	<u>3,343</u>	<u>1,068</u>	<u>37</u>	<u>188</u>	<u>122</u>	<u>179</u>	<u>9,435</u>
Accumulated depreciation								
As at 1 April 2021	(1,977)	(162)	(476)	(12)	(132)	(41)	(117)	(2,917)
Depreciation for the year	(1,661)	(67)	(194)	(8)	(25)	(33)	(13)	(2,001)
Write-off	1,234	—	82	—	3	12	—	1,331
Currency translation difference	—	—	1	—	—	2	—	3
As at 31 March 2022	<u>(2,404)</u>	<u>(229)</u>	<u>(587)</u>	<u>(20)</u>	<u>(154)</u>	<u>(60)</u>	<u>(130)</u>	<u>(3,584)</u>
Net book value								
As at 31 March 2022	<u>2,094</u>	<u>3,114</u>	<u>481</u>	<u>17</u>	<u>34</u>	<u>62</u>	<u>49</u>	<u>5,851</u>
Cost								
As at 1 April 2022	4,498	3,343	1,068	37	188	122	179	9,435
Additions	2,083	—	208	—	72	11	15	2,389
Write-off	(1,913)	—	—	—	(8)	(2)	—	(1,923)
Currency translation difference	—	—	(33)	(1)	(5)	(3)	(4)	(46)
As at 31 March 2023	<u>4,668</u>	<u>3,343</u>	<u>1,243</u>	<u>36</u>	<u>247</u>	<u>128</u>	<u>190</u>	<u>9,855</u>
Accumulated depreciation								
As at 1 April 2022	(2,404)	(229)	(587)	(20)	(154)	(60)	(130)	(3,584)
Depreciation for the year	(1,699)	(67)	(215)	(5)	(39)	(19)	(26)	(2,070)
Write-off	1,913	—	—	—	8	2	—	1,923
Currency translation difference	—	—	22	1	4	1	1	29
As at 31 March 2023	<u>(2,190)</u>	<u>(296)</u>	<u>(780)</u>	<u>(24)</u>	<u>(181)</u>	<u>(76)</u>	<u>(155)</u>	<u>(3,702)</u>
Net book value								
As at 31 March 2023	<u>2,478</u>	<u>3,047</u>	<u>463</u>	<u>12</u>	<u>66</u>	<u>52</u>	<u>35</u>	<u>6,153</u>

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 13(a).

Bank borrowings as at financial year end with carrying amount of S\$2,080,000 (2022: S\$2,209,000) are secured on the properties held for own use by the Group.

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Trade receivables:		
— Third parties	<u>369</u>	<u>196</u>
Deposits with external parties ¹	901	794
Prepayments	178	167
Other receivables	<u>256</u>	<u>229</u>
	<u>1,335</u>	<u>1,190</u>
Total trade and other receivables and prepayments included in current assets	<u><u>1,704</u></u>	<u><u>1,386</u></u>

- 1 Deposits with external parties comprise mainly security deposits placed with landlords of leased properties.

Trade receivables

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Trade receivables	369	196
Less: allowance for impairment of trade receivables	<u>—</u>	<u>—</u>
	<u><u>369</u></u>	<u><u>196</u></u>

The carrying amounts of trade receivables approximate their fair values.

Trade receivables are non-interest bearing.

All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade receivables, as the amounts recognised represent a large number of receivables from various franchisees.

The Group normally grants credit terms to its customers ranging from 0 to 7 days (2022: 0 to 7 days). The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Current to 30 days	258	4
31 to 60 days	3	18
61 to 90 days	4	2
Over 90 days	104	172
	<u>369</u>	<u>196</u>

The carrying amounts of the Group's trade and other receivables and prepayments are denominated in the following currencies:

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
HKD	52	40
SGD	1,107	725
MYR	525	558
USD	20	63
	<u>1,704</u>	<u>1,386</u>

12 CASH AND CASH EQUIVALENTS

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Cash at banks	23,474	28,412
Cash on hand	19	20
	<u>23,493</u>	<u>28,432</u>

The Group's cash and cash equivalents are denominated in the following currencies:

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
HKD	2,095	8,415
SGD	17,147	17,503
MYR	3,881	2,420
USD	370	94
	<u>23,493</u>	<u>28,432</u>

13 THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Leased retail spaces

The Group leases retail spaces for the purpose of sales of food and beverages to retail customers.

Recognition exemptions

The Group has certain warehouse and office equipment with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

(a) *Carrying amounts*

Right-of-use assets classified within property, plant and equipment

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Leased retail spaces	<u>2,478</u>	<u>2,094</u>

(b) *Lease liabilities*

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Lease liabilities — non-current	1,086	716
Lease liabilities — current	<u>1,329</u>	<u>1,329</u>
	<u>2,415</u>	<u>2,045</u>

(c) *Lease expense not capitalised in lease liabilities*

	Year ended 31 March	
	2023	2022
	S\$'000	S\$'000
Lease expense — short-term leases	532	472
Lease expense — low-value leases	1	1
Interest expense on lease liabilities	89	106
Variable lease payments which do not depend on an index or rate	150	115

(d) Total cash outflow for the leases during the financial year 2023 was S\$2,485,000 (2022: S\$2,316,000).

(e) Addition of right-of-use assets during the financial year 2023 was S\$2,083,000 (2022: S\$1,833,000).

(f) *Future cash outflow which are not capitalised in lease liabilities*

i. Variable lease payments

The leases for retail spaces contain variable lease payments that are based on a percentage of sales generated by the stores ranging from 0.5% to 2.0%, on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs base for newly established stores. Such variable lease payments are recognised to profit or loss when incurred and amounted to S\$150,000 (2022: S\$115,000) (Note 13(c)).

ii. Extension options

The leases for certain retail spaces and equipment contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

(g) Depreciation of right-of-use assets during the financial year 2023 was S\$1,699,000 (2022: S\$1,661,000) (Note 10).

14 BORROWINGS

	As at 31 March	
	2023	2022
	S\$'000	S\$'000
<i>Current</i>		
Bank borrowings	130	130
<i>Non-current</i>		
Bank borrowings	<u>1,950</u>	<u>2,079</u>
	<u>2,080</u>	<u>2,209</u>

The weighted average effective interest rates of the borrowings for the financial year ended 31 March 2023 is 3.4% per annum (2022: 1.3% per annum). All borrowings are denominated in SGD.

The Group's banking facilities are secured by the properties held for own use by the Group.

At the date of the consolidated statement of financial position, the fair value of non-current borrowings is approximately S\$1,881,000 (2022: S\$1,959,000) and is computed based on cash flow discounted at market borrowing rates of an equivalent instrument at end of reporting period.

The Group's bank borrowings are repayable as follows:

	As at 31 March	
	2023	2022
	S\$'000	S\$'000
Within 1 year	130	130
Between 1 and 2 years	130	130
Between 2 and 5 years	1,820	389
Over 5 years	<u>—</u>	<u>1,560</u>
	<u>2,080</u>	<u>2,209</u>

At the date of the consolidated statement of financial position, the Group's total available banking facilities amounted to approximately S\$2,080,000 (2022: S\$2,209,000) of which S\$2,080,000 (2022: S\$2,209,000) have been utilised.

15 TRADE AND OTHER PAYABLES

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Trade payables		
— Third parties	<u>506</u>	<u>559</u>
Total trade payables	506	559
Other payables and accruals		
— Goods and services tax payables	113	92
— Accruals	1,411	1,279
— Deposits received	285	202
— Others	<u>428</u>	<u>253</u>
Total other payables and accruals	<u>2,237</u>	<u>1,826</u>
Total trade and other payables included in current liabilities	<u>2,743</u>	<u>2,385</u>

Other payables are non-trade, unsecured, non-interest bearing and repayable on demand.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
SGD	2,230	1,962
MYR	497	423
HKD	<u>16</u>	<u>—</u>
	<u>2,743</u>	<u>2,385</u>

The ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
0 to 30 days	486	520
Over 60 days	<u>20</u>	<u>39</u>
	<u>506</u>	<u>559</u>

16 DIVIDENDS

During the financial year ended 31 March 2023, the Company declared a special dividend of 0.625 Singapore cents per ordinary share of the Company out of the share premium account of the Company totalling approximately S\$5,000,000.

During the financial year ended 31 March 2023, the Company declared an interim dividend of 0.133 Singapore cents per ordinary share of the Company out of the share premium account totalling approximately S\$1,045,000 in respect of the financial year ended 31 March 2023.

In respect of the current year, the directors propose that a final dividend of 0.017 Singapore cents per ordinary share will be paid to shareholders on 22 September 2023. The proposed final dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these consolidated financial statements. The proposed final dividend is payable to all shareholders on the register of members on 08 September 2023. The total estimated dividend to be paid is S\$136,000.

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board, I am pleased to announce the Group's audited annual results for the Year.

YEAR IN REVIEW

During the Year, we have seen the easing of restrictions in relation to the COVID-19 in the countries the Group has a presence in, as well as the lifting of the relevant travel restrictions. With the re-opening of economies post the COVID-19, the Group continues to face manpower crunches and rising costs of supplies of food ingredients in Singapore and Malaysia. The Group will continue with its efforts to reduce operating costs while exploring ways to improve efficiency in the outlet operations. The Group has also taken steps to ensure the Malaysia chicken export ban did not affect the operations materially.

The Group has explored ways to boost revenue during the Year. Firstly, it has ridden on the trend of promoting healthier choices and sustainable sources of food by collaborating with external food brands to launch limited-time plant-based chicken popcorn. This provides an alternative choice to consumers who prefers meatless options.

Secondly, the Group has also embarked on its digitalisation initiative by adding Paynow and Duitnow as an alternative payment mode in Singapore and Malaysia respectively, in addition to the traditional cash collection mode from customers. These cashless payment modes will be able to help to increase the Group's revenue by attracting consumers who are carrying lesser or no cash which restricted their consumption desire. The Group will continue to embark on other digitalisation initiatives in the next financial year.

As the Group prepares itself for expansion in the coming years after the COVID-19, it has expanded and strengthened the team at the Singapore headquarters and also hired a Chief Operating Officer (the "COO") in December 2022. The COO will look at the business strategies of the Group in the coming year and ensure the goals set for the Group's growth are being achieved. Under the COO's initiative, an innovation task force, comprising of existing employees has been set up to explore new food offerings to its customers (the "Innovation Task Force").

After the COVID-19 restrictions were lifted, the staff at the Singapore headquarters organised a visit for the "Dining in the Dark" experience at the Singapore Association of the Visually Handicapped (SAVH). The waiters/waitresses and kitchen helpers there are visually impaired individuals who are trained by the SAVH to take up the roles. With this visit, our employees learned to empathise the challenges faced by visually impaired individuals.

GOING FORWARD

As part of the Group's digitalisation journey, the Group has signed a Memorandum of Understanding with Chef Roboto, a subsidiary of HOPE Technik which is a leading system engineering firm in Singapore, on 26 April 2023. Chef Roboto is a company which developed the Fryer-Bot that combines advanced robotics engineering and cooking techniques to develop mobile cooking kiosks, increasing efficiency and productivity. The Group will work with Chef Roboto to explore the development and customisation of the Fryer-Bot for the outlets with the hope of improving operational efficiency and redesignating the outlet staff to be more customer service oriented.

Also, with the easing of travel restrictions, the Group will be looking for the opportunity of participating in franchise exhibitions in Asean countries to attract potential franchisees for the Group's business with an aim of expanding its footprints into more countries. Besides looking at expansion worldwide, the Group has also planned to open new Self-operated outlets in Singapore and Malaysia in the coming year.

The Group will also continue to keep a lookout for potential business opportunities that may enhance our earnings and improve the overall performance of the Group.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend our appreciation to the customers for their patronage and our shareholders and business associates for their unwavering support during the Year. I would also like to thank the management and staff of the Group for their hard work during the Year. I look forward to collaborating with everyone to foster the growth of our business and consistently deliver value to all our stakeholders in the future.

Mr. Fok Chee Khuen

Chairman and Independent Non-Executive Director

Singapore, 28 June 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a food and beverage group headquartered in Singapore, offering authentic Taiwanese Snacks and Beverages under our Shihlin Taiwan Street Snacks® brand through a network of 238 Shihlin Outlets and Restaurants in Singapore, Malaysia, Indonesia, United States, Egypt and Cambodia. The Group currently operates the brand under 2 models, namely (i) Self-Operated model; and (ii) franchise and license model. The Group will continue to expand the brand via these 2 models and by looking out for suitable venues for new Shihlin Outlets and Restaurants, mainly in shopping malls. Besides shopping malls, the Group has managed to secure a space in a hospital in Malaysia and has commenced operation in January 2023. Since the easing of the restrictions for the COVID-19, the Group has been visiting and/or meeting up with the respective countries' master franchisees to explore the opportunities for better collaboration.

The Group's vision is to bring a taste of authentic Taiwanese street snacks worldwide. Subsequent to the end of the Year, it has participated and will be participating in franchise exhibitions in Asean countries to attract potential master/state franchises of countries which the Group has yet to have a presence in. As at 31 March 2023, we had a total of 238 Shihlin Outlets and Restaurants comprising (i) 16 Self-operated Outlets in Singapore; (ii) 21 Self-operated Restaurants in West Malaysia; (iii) 3 Non-self-operated Outlets and Restaurants in Singapore; (iv) 46 Non-self-operated Outlets and Restaurants in West Malaysia; (v) 4 Non-self-operated Outlets and Restaurants in East Malaysia; (vi) 134 Non-self-operated Outlets and Restaurants in Indonesia; (vii) 8 Non-self-operated Restaurants in United States; (viii) 3 Non-self-operated Restaurant in Egypt; and (ix) 3 Non-self-operated Restaurants in Cambodia. During the Year, Malaysia has fully lifted the movement control order for combating the COVID-19 ("MCO") which resulted in a rebound of the Group's revenue to the pre-COVID-19 level. The loosening of the COVID-19 restrictions has also resulted in an increase of 5 Outlets and Restaurants as compared to the Year 2022. With the Innovation Task Force in place, the Group has launched new food item during the Year and will continue to launch new items in the coming year. During the Year, the Group remained active on social media for the purpose of promoting its business.

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly generated from (i) Outlet and Restaurant sales; (ii) sales of food ingredients to franchisees; (iii) franchise fees; (iv) royalty income; and (v) advertising and promotion fees. The table below sets forth the Group's revenue breakdown by nature for the years ended 31 March 2023 and 2022.

	Year ended 31 March	
	2023	2022
	<i>S\$'000</i>	<i>S\$'000</i>
Sale of goods		
— Outlet and Restaurant sales	16,718	16,030
— Franchisees/licensees	7,837	6,470
Franchise fees	636	553
Advertising and promotion fees	277	251
Royalty	937	747
	<u>26,405</u>	<u>24,051</u>

The total revenue of the Group has increased from approximately S\$24.1 million for the Year 2022 to approximately S\$26.4 million for the Year, representing an increase of approximately 10%. The increase in revenue was mainly due to the increase in (i) sales from Self-operated Outlets in Malaysia; (ii) sales of goods to franchisees/licensees in Indonesia and in the state of Northern California in the United States; and (iii) royalty income received.

During the Year, the Group increased its total sales of goods from its Malaysia Self-operated Outlets by S\$3.0 million or 38% as the government has lifted the MCO in Malaysia. Overall revenue from Indonesia and the United States have also increased by approximately S\$0.6 million or 28% and S\$0.2 million or 41%, respectively, mainly due to the loosening of the COVID-19 restrictions in the respective countries.

Revenue from franchise fees and advertising and promotion fees remained relatively constant for the Year as compared to the Year 2022 and approximates 2.4% and 1.0% of the total revenue, respectively.

Revenue from royalty is charged at a fixed predetermined percentage of the revenue of Non-self-operated Outlets and Restaurants. The increase in royalty income was generally in line with the loosening of the COVID-19 restrictions in the countries where the franchisees/licensees operates in.

Cost of inventories sold

Cost of inventories sold relates to the cost of food ingredients, beverages and packagings consumed in the Group's Self-operated Outlets and Self-operated Restaurants in Singapore and Malaysia for our retail sales, and the cost of food ingredients, beverages and packagings sold to our franchisees and licensees in Singapore, Malaysia, Indonesia, United States, Egypt and Cambodia.

The increase in cost of goods sold during the Year is in line with the increase in revenue with gross profit margin, staying relatively constant at approximately 61–63%.

Gross profit

The Group's gross profit (which is equivalent to revenue subtracting the cost of inventories sold) for the Year was approximately S\$16.1 million, representing an increase of approximately 7.0% from approximately S\$15.1 million for the Year 2022.

Human resources and remuneration policy

As at 31 March 2023, the Group employed 176 employees. The Group's staff costs increased by approximately S\$1.2 million from approximately S\$7.4 million for the Year 2022 to approximately S\$8.6 million for the Year. As the Group faces manpower crunches in both Singapore and Malaysia, the Group has increased salaries and offered certain incentives for the Outlet employees during the Year according to the performance of the employees and the industry's level to attract and retain talents. The Group understands the importance of recruiting the right personnel and retaining experienced staff in the highly competitive labour market in order to maintain its operations and uphold its well-established standard of high-quality services across all of its Self-operated Outlets and Restaurants.

Remuneration packages are generally determined by reference to market norms, individual qualifications, relevant experience and performance. The Group periodically reviews the remuneration and performance of its employees and will make increments to the base salary of its staff based on market norms and their performance for the Year.

In addition, the Company adopted the Share Option Scheme as incentives or rewards to eligible persons for their contributions or potential contributions to the Group. No share option has been granted under the Share Option Scheme since the Listing Date.

Rental and related expenses

Property rentals and related expenses increased by approximately S\$0.1 million after adjusting for the right-of-use asset's interest and depreciation, or approximately 4%, from approximately S\$2.4 million for the Year 2022 to approximately S\$2.5 million for the Year. The increase was primarily attributable to the increase in Singapore warehouse rental. In order to ensure a better control of the property rentals and related expenses, the Group negotiated rental agreements with lease terms of an average of two to three years, with a fixed and variable component.

Liquidity, financial resources and capital structure

The Group financed its business with internally generated cash flows and the proceeds received from the Listing. There has been no change in the Company's capital structure since the Listing Date. The capital structure of the Group comprises of issued share capital and reserves.

As at 31 March 2023, the Group had cash and cash equivalents amounting to approximately S\$23.5 million, representing a decrease of approximately S\$4.9 million from approximately S\$28.4 million as at 31 March 2022. Most of the Group's bank deposits and cash were denominated in MYR, HKD and SGD. As at 31 March 2023, the Group's total current assets and current liabilities were approximately S\$26.8 million (31 March 2022: approximately S\$31.3 million) and S\$4.7 million (31 March 2022: approximately S\$4.7 million), respectively, while the current ratio calculated by dividing the total current assets over the total current liabilities was approximately 5.7 times (31 March 2022: approximately 6.6 times).

As at 31 March 2023, the Group recorded interest-bearing bank borrowings of approximately S\$2.1 million (31 March 2022: S\$2.2 million). The interest-bearing bank borrowings were secured and denominated in SGD and bore interest at 3.4% per annum (31 March 2022: 1.3% per annum). During the Year, no financial instruments were used for hedging purposes.

As at 31 March 2023, the Group's gearing ratio, calculated based on the sum of interest-bearing bank borrowings, and lease liabilities divided by the equity attributable to owners of the Company, was approximately 18% (31 March 2022: approximately 15%).

Material acquisitions and disposals

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year and the Year 2022.

Use of proceeds from the Share Offer

The Company issued 200,000,000 Shares at HK\$0.65 per Share pursuant to the Share Offer. The net proceeds from the Share Offer were approximately S\$13.0 million or equivalent to HK\$74.8 million (after deducting underwriting fees and related listing expenses). Having considered the impact brought about by the COVID-19 Pandemic, the Board has resolved to change the use of the unutilised net proceeds as set out in the announcements of the Company dated 27 November 2020 and 6 March 2023 (collectively, the “Change of UOP Announcements”). For details of the changes in use of net proceeds, please refer to the Change of UOP Announcements. The use of the net proceeds from the Listing up to 31 March 2023 was as follows:

Use of net proceeds	Revised percentage of net proceeds	Revised allocation of net proceeds (S\$'000)	Amount utilised as at 1 April 2022 (S\$'000)	Amount utilised during the Year (S\$'000)	Amount remaining as at 31 March 2023 (S\$'000)	Expected timeline of full utilisation of the revised net proceeds
New Self-operated Outlets in Singapore	9.8%	1,280	(350)	(115)	815	March 2024
New Self-operated Outlets in West Malaysia	9.4%	1,228	(588)	(214)	426	March 2024
Expansion of Non-self-operated Outlets and Restaurants network	5.5%	720	(97)	(59)	564	March 2024
Refurbishment of Self-operated Outlets and Restaurants	5.8%	752	(136)	(90)	526	March 2026
Strengthening manpower	8.2%	1,060	(362)	(275)	423	March 2024
Marketing and promotional initiatives	5.4%	700	(324)	(90)	286	March 2024
Upgrade our IT infrastructure, data management and franchise management system	8.2%	1,060	—	(21)	1,039	March 2024
General working capital	47.7%	6,200	(1,940)	(421)	3,839	March 2024
	<u>100.0%</u>	<u>13,000</u>	<u>(3,797)</u>	<u>(1,285)</u>	<u>7,918</u>	

The proceeds were used according to the intentions and were generally in line with the expected timeframe, both as disclosed in the Prospectus and the Change of UOP Announcements in regard to the changes in use of proceeds.

Foreign currency exposure

A significant portion of the Group's foreign currency cash is denominated in HKD. Future exchange rates of the HKD could vary significantly from the current or historical exchange rates as a result of economic developments and political changes, both domestically and internationally, and the demand and supply of the HKD. The appreciation or devaluation of the HKD against the SGD may have an impact on the Group's results. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group will continue to closely monitor its exposure to foreign currency movements.

Contingent liabilities

As at 31 March 2022 and 2023, the Group does not have any material contingent liabilities.

Charge on the Group's assets

As at 31 March 2023, the Group did not have any other banking charges except secured bank borrowings of approximately S\$2.1 million (31 March 2022: S\$2.2 million) secured by properties held for own use by the Group with carrying values of approximately S\$3.0 million (31 March 2022: S\$3.1 million).

Training and continuing development

During the Year, comprehensive training programs and development initiatives pertaining to operational and occupational safety as well as customer services were provided to relevant employees in order to enhance the quality of services expected from customer-facing staff. The Company's lawyer provides updates from time to time on Directors' duties and responsibilities under statutory and regulatory requirements as well as updates to the amendments on the Listing Rules to the senior management who are the Directors.

Significant investments held by the Group

The Group did not have any significant investments as at 31 March 2022 and 2023.

Future plans for material investments or capital assets

Apart for the use of proceeds from the Share Offer, the Group did not have any plan for material investment and capital asset as at 31 March 2022 and 2023.

ESG performance

The Group continually reviews its ESG efforts, corporate governance and risk management practices with an aim to create and deliver sustainable value to all its key stakeholders. The Group is constantly exploring more efficient opportunities to reduce the consumption of resources in order to reduce its impact on the environment.

For more information regarding the Group's ESG performance for the Year, please refer to the section headed "Environmental, Social and Governance Report" (the "ESG Report") of the 2023 Annual Report.

Outlook

Moving forward, the Group will continue to (i) monitor the rising operating costs due to inflation; (ii) expand into local and overseas market; (iii) invest in innovation of new products and new technology to improve operation efficiency, which in turn will improve customer services and (iv) keep a lookout for new business opportunities to enhance value for our Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining a high standard of corporate governance that properly protects and promotes the interest of its Shareholders and devotes considerable effort to identifying and formalising good corporate governance practices. The Company has adopted and adhered to the principles in the CG Code. The corporate governance principles of the Company place strong emphasis on an effective board with a high level of integrity, proper internal controls, as well as a high degree of transparency and accountability, which not only maximize the corporate value for the Shareholders but also protect the long-term sustainability of the Group as a whole.

During the Year, the Company has complied with all the mandatory disclosure requirements and all the provisions as set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the CG Code.

The Board periodically reviews and continues to abide by the Company's corporate governance policies to ensure compliance with the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct governing the Directors' securities transactions in the Shares.

Following the specific enquiries made to them by the Company, all Directors confirmed that they had complied with the Model Code for the Year.

DIVIDENDS

A special dividend of 0.625 Singapore cents (equivalent to 3.59 Hong Kong cents) per Share was paid to Shareholders on 15 June 2022.

An interim dividend of 0.133 Singapore cents (equivalent to 0.758 Hong Kong cents) per Share for the six months ended 30 September 2022 (30 September 2021: Nil) was paid to Shareholders on 30 December 2022.

The Board has resolved to propose for the payment of a final dividend of 0.017 Singapore cents (equivalent to 0.097 Hong Kong cents) per Share (2022: Nil) for the Year to the Shareholders whose names will appear on the register of members of the Company on Friday, 08 September 2023.

Subject to the approval of the Shareholders at the forthcoming AGM to be held on Thursday, 31 August 2023, it is expected that the final dividend will be paid on or about 22 September 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed its Shares, nor has the Company or any of its subsidiaries purchased or sold any of such Shares during the Year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association, although there are no restrictions against such rights under the laws in the Cayman Islands.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this Annual Report, the Company has maintained a sufficient public float for the issued Shares (i.e. at least 25% of the issued Shares being held by the public) as required under the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For 2023 AGM

The Register of Members will be closed from Saturday, 26 August 2023 to Thursday, 31 August 2023 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining Shareholders' entitlement to attend and vote at the 2023 AGM which will be held on Thursday, 31 August 2023. In order to qualify for attending and voting at the 2023 AGM, non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited for registration no later than 4:30 p.m. on Friday, 25 August 2023. The address of the Boardroom Share Registrars (HK) Limited is 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong.

For Final Dividend

The Register of Members will be closed from Thursday, 07 September 2023 to Friday, 08 September 2023 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining Shareholders' entitlement to receive the proposed final dividend. In order to be eligible to receive the proposed final dividend, non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited for registration no later than 4:30 p.m. on Wednesday, 06 September 2023. The address of the Boardroom Share Registrars (HK) Limited is 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong.

AUDIT COMMITTEE

The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, review the Company's financial information and significant financial reporting judgment in respect of financial reporting and oversee the financial reporting system, risk management and internal control procedures of the Company. The current members of the Audit Committee are Mr. Fok Chee Khuen, Mr. Jong Voon Hoo and Ms. Tan Chiu Yang, all being INEDs. Mr. Fok Chee Khuen is the chairman of the Audit Committee. This Annual Results Announcement has been reviewed by the Audit Committee.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The consolidated financial results of the Group for the Year have been reviewed by the Audit Committee and the figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position, and the related notes thereto for the Year as set out in this announcement have been agreed by our independent auditor, Mazars LLP, to the amounts set out in the Group's draft consolidated financial statements for the Year. The Audit Committee is of the opinion that the preparation of such results has complied with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

The work performed by Mazars LLP in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Board and consequently no assurance has been expressed by Mazars LLP on the annual results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement of the Company is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.snackemp.com). The 2023 Annual Report containing all the relevant information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course in the manner required by the Listing Rules.

DEFINITIONS

“2023 AGM”	the annual general meeting of the Company to be held in Singapore on Thursday, 31 August 2023
“2023 Annual Report” or “Annual Report”	the annual report of the Company for the Year
“Articles of Association”	the articles of association of the Company
“Asean”	The Association of Southeast Asian Nations
“Audit Committee”	the audit committee of the Board
“Board”	the Board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“Company”	Snack Empire Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability
“COVID-19” or “COVID-19 Pandemic”	the novel coronavirus disease pandemic
“Director(s)”	the director(s) of the Company
“ESG”	the environmental, social and governance
“Franchisees”	the units Franchisees and Master Franchisees, collectively and “Franchisee” means any one of them
“Group”	the Company and its subsidiaries

“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Indonesia”	the Republic of Indonesia
“Indonesia Master Licence” or “Master Licence”	the master licence granted by STSS Company, an indirect wholly owned subsidiary of the Company, to the Master Licensee in respect of, among others, the right to use the intellectual property rights of the Company, and to sub-license such rights to use such intellectual property rights, in Indonesia
“INED(s)”	the independent non-executive Director(s)
“Listing”	the commencement of trading of the Shares on the Main Board
“Listing Date”	23 October 2019, the date on which the Shares were initially traded on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented, or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option markets) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
“Malaysia”	the Federation of Malaysia, which includes West Malaysia and East Malaysia
“Master Franchisee(s)”	person(s) or entity(ies) granted the franchise right(s) under the Master Franchise(s)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Daniel Tay”	Mr. Daniel Tay Kok Siong, the Chairman, executive Director and a Controlling Shareholder (has the meaning ascribed thereto under the Listing Rules)

“Non-self-operated”	operated by Independent Third Parties and not by the Group
“Outlet(s)”	the take-out outlet(s) comprising a front counter and kitchen with no seating
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus of the Company dated 30 September 2019
“Register of Members”	the register of members of the Company
“Restaurant(s)”	the self-service restaurant(s) comprising front counter, kitchen and seating
“RM” or “MYR”	Ringgit Malaysia, the lawful currency of Malaysia
“S\$” or “SGD”	Singapore dollars, the lawful currency of Singapore
“Self-operated”	operated by the Group
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal or par value of HK\$0.01 each
“Share Offer”	the public offer and the placing as defined in the Prospectus
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 23 September 2019 as described in the section headed “Statutory and General Information — Share Option Scheme” in Appendix V to the Prospectus
“Shareholder(s)”	the holder(s) of Shares
“Shihlin Outlet(s)”	the Outlet(s) operating under our Shihlin Taiwan Street Snacks® brand
“Shihlin Outlets and Restaurants”	the Shihlin Outlets and the Shihlin Restaurants

“Shihlin Restaurant(s)”	the Restaurant(s) operating under our Shihlin Taiwan Street Snacks® brand
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“United States” or “USA”	the United States of America
“US\$” or “USD”	the United States dollars, the lawful currency of USA
“West Malaysia”	western part of Malaysia which lies on the Malay Peninsular and surrounding islands
“Year”	financial year ended 31 March 2023
“Year 2022”	financial year ended 31 March 2022
“%”	per cent

By order of the Board
Snack Empire Holdings Limited
Fok Chee Khuen
Chairman and Independent Non-Executive Director

Singapore, 28 June 2023

As at the date of this announcement, the Board comprises Mr. Daniel Tay and Mr. Wong Chee Tat (chief executive officer) as executive Directors; and Mr. Fok Chee Khuen (chairman), Mr. Jong Voon Hoo and Ms. Tan Chiu Yang as INEDs.