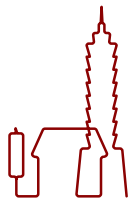


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## **Snack Empire Holdings Limited**

### **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 2020**

### **FINANCIAL HIGHLIGHTS FOR THE YEAR**

- Revenue was approximately S\$24,262 thousands (Year 2019: S\$21,325 thousands)
- Gross profit was approximately S\$15,373 thousands (Year 2019: S\$12,624 thousands)
- Profit for the year attributable to equity holders of the Company was approximately S\$3,557 thousands (Year 2019: S\$2,264 thousands)
- Basic and diluted earnings per share was approximately S\$0.5 cents per share (Year 2019: S\$0.4 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 2019.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March	
		2020	2019
	Note	S\$'000	S\$'000
Revenue	4	24,262	21,325
Cost of sales	5	(8,889)	(8,701)
Gross profit		15,373	12,624
Other income		233	258
Other gains/(losses)		901	(17)
Selling and distribution expenses	5	(4,663)	(4,294)
Administrative expenses	5	(7,040)	(5,291)
Finance cost — net		(44)	(16)
Profit before income tax		4,760	3,264
Income tax expense	6	(1,203)	(1,000)
Profit for the year attributable to equity holders of the Company		3,557	2,264
Other comprehensive income/(loss)			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from translation of foreign operations		5	(54)
		5	(54)
Total comprehensive income for the year attributable to equity holders of the Company		3,562	2,210
Earnings per share for profit attributable to equity holders of the Company			
Basic and diluted ( <i>S\$ cents</i> )	7	0.5	0.4

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
		2020	2019
	Note	S\$'000	S\$'000
<b>ASSETS</b>			
Non-current asset			
Property, plant and equipment	8	<u>5,538</u>	<u>3,820</u>
Current assets			
Inventories		1,245	811
Trade and other receivables and prepayments	10	4,589	3,900
Cash and cash equivalents	11	<u>21,554</u>	<u>4,263</u>
		<u>27,388</u>	<u>8,974</u>
Total assets		<u><u>32,926</u></u>	<u><u>12,794</u></u>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Share capital		1,392	*
Share premium		17,092	—
Reserves		<u>6,582</u>	<u>4,030</u>
Equity attributable to equity holders of the Company		<u><u>25,066</u></u>	<u><u>4,030</u></u>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	12	1,673	4,333
Borrowings	13	81	83
Provisions		98	103
Deferred revenue		465	361
Lease liabilities		1,013	—
Current income tax liabilities		<u>555</u>	<u>569</u>
		<u>3,885</u>	<u>5,449</u>

\* Amount below S\$1,000.

		<b>As at 31 March</b>	
		<b>2020</b>	<b>2019</b>
	<i>Note</i>	<b><i>S\$'000</i></b>	<b><i>S\$'000</i></b>
Non-current liabilities			
Deferred revenue		<b>1,027</b>	860
Deferred tax liabilities		<b>16</b>	15
Lease liabilities		<b>569</b>	—
Borrowings	<i>13</i>	<b>2,363</b>	2,440
		<b>3,975</b>	3,315
Total liabilities		<b>7,860</b>	8,764
Total equity and liabilities		<b>32,926</b>	12,794

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

### 1.1 General information

Snack Empire Holdings Limited (the “Company”) was incorporated on 2 February 2018 in the Cayman Islands as an exempted company with limited liability under Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries, as outlined in Note 1.2 (collectively, the “Group”), are principally engaged in wholesale and retail of food and beverages (the “Listing Businesses”). The ultimate holding company of the Company is Brilliant Stride Limited. The ultimate controlling parties of the Group are Mr. Daniel Tay Kok Siong (“Mr. Daniel Tay”) and Mr. Wong Chee Tat (“Mr. Melvyn Wong”) (collectively, the “Controlling Shareholders”). The Company’s ordinary shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 23 October 2019.

The consolidated financial statements are presented in thousands of units of Singapore Dollar (“S\$’000”) unless otherwise stated. The consolidated financial statements have been approved for issue by the Board of Directors on 30 June 2020.

### 1.2 Reorganisation

Prior to the incorporation of the Company and completion of the Reorganisation (the “Reorganisation”) as described below, the Listing Businesses were carried out by The STSS Company Pte. Ltd., Shihlin Taiwan Street Snacks (HM) Pte. Ltd., Umami Concepts Pte. Ltd., STSS Resources Pte. Ltd., Shihlin Taiwan Street Snacks (313) Pte. Ltd., STSS Integrated Pte. Ltd., Shihlin Taiwan Street Snacks (JP) Pte. Ltd., Shihlin Taiwan Street Snacks (TM) Pte. Ltd., Shihlin Taiwan Street Snacks (HF) Pte. Ltd., Shihlin Taiwan Street Snacks (NP) Pte. Ltd., STSS (1U) Sdn. Bhd., STSS Concepts Sdn. Bhd., STSS Resources Sdn. Bhd., Interactivemedia AD and STSS IP Pte. Ltd., (collectively, the “Operating Companies”). These Operating Companies were jointly and directly owned by the Controlling Shareholders save for Interactivemedia AD which was owned by the STSS Company Pte. Ltd. prior to the Reorganisation.

For the purpose of listing on the Main Board of the Stock Exchange of Hong Kong Limited (the “SEHK”), the Group underwent the Reorganisation, pursuant to which the Operating Companies engaged in the Listing Businesses were transferred to Clever Steed Limited (“Clever Steed”), a subsidiary which is directly held and wholly owned by the Company after the Reorganisation. The Reorganisation principally involved the following:

- (a) On 21 November 2017, Brilliant Stride Limited was incorporated in the British Virgin Islands (“BVI”) with limited liability. The Controlling Shareholders each subscribed for, and Brilliant Stride Limited allotted and issued to each of them one (1) share at par in Brilliant Stride Limited, all credited as fully paid.
- (b) On 22 November 2017, Clever Steed was incorporated in the BVI with limited liability. Brilliant Stride Limited subscribed for, and Clever Steed Limited allotted and issued one share to Brilliant Stride Limited at par.

- (c) The Company was incorporated in the Cayman Islands with limited liability on 2 February 2018 and the initial Share was transferred to Brilliant Stride Limited on the same date at nil consideration.
- (d) On 25 February 2018, Interactivemedia AD filed a notice of cessation of business and ceased registration notice since 26 February 2018. The assets and liabilities of Interactivemedia AD had been transferred to The STSS Company Pte. Ltd. on the same date.
- (e) On 19 April 2018, STSS Resources Sdn. Bhd allotted 999,998 shares to the STSS Concepts Sdn. Bhd., amounting to RM999,998 (S\$337,600) all credited and fully paid.

On 2 May 2018, the Controlling Shareholders transferred all their entire shareholding interests in the STSS Resources Sdn. Bhd. to STSS Concepts Sdn. Bhd for a consideration of RM5 (S\$2) which had been fully settled by cash.

As a result, STSS Resources Sdn. Bhd. become a direct wholly-owned subsidiary of STSS Concepts Sdn. Bhd.

- (f) On 19 April 2018, STSS Concepts Sdn. Bhd. allotted 800,000 shares to the Controlling Shareholders, amounting to RM800,000 (S\$270,160) all credited and fully paid.

On 3 May 2018, the Controlling Shareholders transferred all their entire shareholding interests in the STSS Concepts Sdn. Bhd. to The STSS Company Pte. Ltd. for a consideration of RM4,371,578.54 (S\$1,482,695), of which part of the consideration is settled through allotment of 1,000,000 shares of STSS Company Pte. Ltd. to the Controlling Shareholders amounting to S\$1,000,000. The remaining consideration of S\$482,695 to the Controlling Shareholders was settled by cash.

As a result of the series of transactions above, STSS Concepts Sdn. Bhd. become a direct wholly-owned subsidiary of The STSS Company Pte. Ltd.

- (g) On 16 September 2019, the Controlling Shareholders and Clever Steed entered into various sale and purchase agreements, pursuant to which, the Controlling Shareholders transferred all their entire shareholding or interests in the Operating Companies to Clever Steed. The consideration was settled by Clever Steed allotting and issuing one (1) share in its share capital to Brilliant Stride Limited (as the nominee for Mr. Melvyn Wong and Mr. Daniel Tay), credited as fully paid, for each of the transfer at the direction of the Controlling Shareholders.
- (h) On 23 September 2019, Brilliant Stride Limited, the Controlling Shareholders and the Company entered into a sale and purchase agreement, pursuant to which, Brilliant Stride Limited transferred its entire shareholding interest in Clever Steed to the Company. The consideration was settled by the Company allotting and issuing 99 shares in its share capital to Brilliant Stride Limited credited as fully paid and crediting the initial share held by Brilliant Stride Limited as fully paid.

The Reorganisation was completed on 23 September 2019 and the Company became the holding company of the companies comprising the Group.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group has been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (the “IASB”) and disclosure requirement of the Hong Kong Companies Ordinance Cap. 622. The Financial statements has been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The principal accounting policies applied in preparation of the consolidated financial statements which are in accordance with IFRS issued by the IASB. 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

#### ***2.1.1 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 published and are mandatory for the Group’s accounting periods beginning on or after 1 April 2020 or later periods, but have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IFRS 3	Definition of a business	1 January 2020
Amendments to IAS 1 and IAS 8	Definition of material	1 January 2020
Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
Amendments to IAS 39, IFRS 7 and IFRS 9	Hedging accounting	1 January 2020
IFRS 17	Insurance contracts	1 January 2021
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate and joint venture	Effective date to be determined

### **2.1.2 New standards adopted**

On 1 April 2019, 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 9	Prepayment features with negative compensation
Amendments to IAS 19	Plan amendment, curtailment or settlement
Amendments to IAS 28	Long-term interests in associates and joint ventures
IFRS 16	Leases
IFRIC-Int 23	Uncertainty over income tax treatments
Amendments to IFRSs	Annual improvements to IFRSs 2015–2017 cycle

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 except for the adoption of IFRS 16 Leases:

#### *Adoption of IFRS 16 Leases*

When the Group is the lessee

Prior to the adoption of IFRS 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

On initial application of IFRS 16, the Group has elected to apply the following practical expedients:

- i) For all contracts entered into before 1 April 2019 and that were previously identified as leases under IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Leases, the Group has not reassessed if such contracts contain leases under IFRS 16; and
- ii) On a lease-by-lease basis, the Group has:
  - a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
  - b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
  - c) excluded initial direct costs in the measurement of the right-of-use (“ROU”) asset at the date of initial application; and
  - d) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.



There were no onerous contracts as at 1 April 2019.

For leases previously classified as operating leases on 1 April 2019, the Group has applied the following transition provisions:

- (i) On a lease-by-lease basis, the Group chose to measure its ROU assets at a carrying amount as if IFRS 16 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 April 2019.
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.
- (iii) The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 April 2019 is adjusted directly to opening retained profits. Comparative information is not restated.

The effects of adoption of IFRS 16 on the Group's consolidated financial statements as at 1 April 2019 are as follows:

	<b>Increase/ (decrease)</b> <i>S\$'000</i>
Property, plant and equipment	1,933
Lease liabilities	1,860
Retained earnings	73

An explanation of the differences between the operating lease commitments previously disclosed in the Group's consolidated financial statements as at 31 March 2019 and the lease liabilities recognised in the consolidated statement of financial position as at 1 April 2019 is as follows:

	<i>S\$'000</i>
Operating lease commitment disclosed as at 31 March 2019	2,759
Less: Non-cancellable leases with lease terms commencing after 1 April 2019	(836)
Less: Discounting effect using weighted average incremental borrowing rate of 4%	(63)
	<hr/>
Lease liabilities recognised as at 1 April 2019	<u><u>1,860</u></u>

### 3 SEGMENT INFORMATION

The Group Managing Director, who is the CODM monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. The Group Managing Director considers all businesses to be included in a single operating segment. Information reported to Group Managing Director, 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 cafes. The following is an analysis of revenue and non-current assets by geographical areas. Revenue is attributed to countries by locations of customers.

	Year ended 31 March	
	2020	2019
	S\$'000	S\$'000
Revenue		
Singapore	8,633	7,438
Malaysia	11,215	10,029
Indonesia	3,977	3,481
United States	402	363
Others	35	14
	<u>24,262</u>	<u>21,325</u>
	As at 31 March	
	2020	2019
	S\$'000	S\$'000
<i>Non-current assets</i>		
Property, plant and equipment		
Singapore	4,644	3,493
Malaysia	894	327
	<u>5,538</u>	<u>3,820</u>

Other than revenue and non-current assets 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\$3,977,000 (2019: S\$3,481,000) during the year are derived from a single external customer. These revenues are attributable to sales made from the geographical area of Indonesia.

#### 4 REVENUE

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

	Year ended 31 March	
	2020	2019
	<i>S\$'000</i>	<i>S\$'000</i>
Sales of goods		
— Outlet sales	12,332	10,506
— Franchisees/licensees	9,035	8,383
Franchise fee	684	511
Advertising and promotion fees	311	376
Royalty	1,900	1,549
	<u>24,262</u>	<u>21,325</u>
	Year ended 31 March	
	2020	2019
	<i>S\$'000</i>	<i>S\$'000</i>
At a point in time	21,367	18,889
Over time	<u>2,895</u>	<u>2,436</u>
Total	<u>24,262</u>	<u>21,325</u>

- (b) Deferred revenue:

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

	Year ended 31 March	
	2020	2019
	<i>S\$'000</i>	<i>S\$'000</i>
Revenue recognised in current year that was included in the deferred revenue balance at the beginning of the year	<u>696</u>	<u>594</u>

(ii) Unsatisfied performance obligation:

	As at 31 March	
	2020	2019
	S\$'000	S\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March	<u>1,492</u>	<u>1,221</u>

Management expects that 31% (2019: 30%) of the transaction price allocated to the unsatisfied performance obligations as of 31 March 2020 may be recognised as revenue during the next reporting date. The remaining 69% (2019: 70%) may be recognised by 31 March 2021, 2022 and 2023 for each of the unsatisfied performance obligation as of 31 March 2020. The amounts disclosed above do not include variable consideration which are subject to significant risk of reversal.

## 5 EXPENSES BY NATURE

	Year ended 31 March	
	2020	2019
	S\$'000	S\$'000
Cost of inventories	8,889	8,701
Employee benefit costs	4,184	2,813
Rental expenses	262	1,665
Advertising and promotion expenses	321	404
Logistics and transportation expenses	508	458
Directors' remuneration	585	404
Utilities expenses	256	238
Sundry expenses	275	238
Professional fees	948	243
Travelling expense	48	33
Withholding tax expense	16	73
Depreciation ( <i>Note 8</i> )	1,725	148
Printing expenses	18	12
Insurance expenses	23	18
Auditor's remuneration		
— audit services	217	10
— other services	12	—
Listing expenses	2,061	2,641
Others	<u>244</u>	<u>187</u>
Total cost of sales, administrative, selling and distribution expenses	<u>20,592</u>	<u>18,286</u>

## 6 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:

	<b>Year ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Current income tax	<b>1,202</b>	998
Deferred income tax	<u><b>1</b></u>	<u>1</u>
	<b>1,203</b>	999
Under provision in respect of prior years		
— deferred income tax	<u>—</u>	<u>1</u>
Income tax expense	<u><b>1,203</b></u>	<u>1,000</u>

Taxation has been provided at the appropriate rates in the countries in which the Group operates. The Company is not subject to any taxation in the Cayman Islands and the British Virgin Islands. Singapore Corporate income tax rates has been provided of 17% (2019: 17%) on the estimated profit during the financial year. Under the Income Tax Act, 1967, the applicable income tax rates for the Group entities in Malaysia ranges from 19% to 24% (2019: 19% to 24%) during the financial year.

The tax on the Group's profit before income tax differs from the theoretical amount as follows:

	<b>Year ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Profit before tax	<u><b>4,760</b></u>	<u>3,264</u>
Tax calculated at rate of 17% (2019: 17%)	<b>809</b>	555
Tax effects of:		
— Different tax rates in different jurisdictions	<b>71</b>	100
— Expenses not deductible for tax purposes	<b>479</b>	489
— Statutory income exemption	<b>(156)</b>	(145)
— Under provision of tax in respect of prior years	<u>—</u>	<u>1</u>
Income tax expense	<u><b>1,203</b></u>	<u>1,000</u>

## 7 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 ended. In determining the weighted average number of ordinary shares, the additional 599,999,900 shares under the capitalisation on listing date were treated as if they had been in issue since 1 April 2018.

	<b>Year ended 31 March</b>	
	<b>2020</b>	2019
Net profit attributable to equity holders of the Company ( <i>S\$'000</i> )	<b>3,557</b>	2,264
Weighted average number of ordinary shares outstanding for basic earnings per share ( <i>'000</i> )	<b><u>687,978</u></b>	<u>600,000</u>
Basic earnings per share ( <i>S\$ cents per share</i> )	<b><u><u>0.5</u></u></b>	<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 year ended 31 March 2020 and 2019.

## 8 PROPERTY, PLANT AND EQUIPMENT

	Leased retail space S\$'000	Properties 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 2018	—	—	410	16	136	20	118	700
Additions	—	3,343	150	33	15	28	13	3,582
Write-off	—	—	(8)	(12)	—	—	(3)	(23)
Currency translation differences	—	—	(3)	—	(1)	—	(1)	(5)
As at 31 March 2019	—	3,343	549	37	150	48	127	4,254
Accumulated depreciation								
As at 1 April 2018	—	—	(113)	(5)	(77)	(6)	(94)	(295)
Depreciation for the year	—	(28)	(75)	(5)	(22)	(8)	(10)	(148)
Write-off	—	—	2	4	—	—	2	8
Currency translation differences	—	—	1	—	—	—	—	1
As at 31 March 2019	—	(28)	(185)	(6)	(99)	(14)	(102)	(434)
Net book value								
As at 31 March 2019	—	3,315	364	31	51	34	25	3,820
Cost								
As at 1 April 2019	—	3,343	549	37	150	48	127	4,254
Adoption of IFRS 16	3,897	—	—	—	—	—	—	3,897
Additions	1,199	—	258	16	11	18	8	1,510
Write-off	—	—	(10)	—	(2)	(6)	—	(18)
As at 31 March 2020	5,096	3,343	797	53	159	60	135	9,643
Accumulated depreciation								
As at 1 April 2019	—	(28)	(185)	(6)	(99)	(14)	(102)	(434)
Adoption of IFRS 16	(1,964)	—	—	—	—	—	—	(1,964)
Depreciation for the year	(1,472)	(67)	(141)	(9)	(17)	(12)	(7)	(1,725)
Write-off	—	—	10	—	2	6	—	18
As at 31 March 2020	(3,436)	(95)	(316)	(15)	(114)	(20)	(109)	(4,105)
Net book value								
As at 31 March 2020	1,660	3,248	481	38	45	40	26	5,538

Right-of-use of 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 9(a).

Depreciation expenses of S\$1,725,000 (2019: S\$148,000) have been charged in “administrative expenses”.

Bank borrowings as at financial year end with carrying amount of S\$2,444,000 (2019: S\$2,523,000) are secured on the properties of the Group.

## 9 THE GROUP AS A LESSEE

### Nature of the Group's leasing activities

#### *Property*

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

#### (a) Carrying amounts

ROU assets classified within Property, plant and equipment

	<b>31 March 2020 S\$'000</b>	1 April 2019 S\$'000
Leased retail spaces	<b><u>1,660</u></b>	<u>1,933</u>

#### (b) Depreciation charge during the year

	<b>31 March 2020 S\$'000</b>
Leased retail spaces	<b><u>1,472</u></b>

#### (c) Interest expense

	<b>31 March 2020 S\$'000</b>
Interest expense on lease liabilities	<b><u>70</u></b>

#### (d) Lease expense not capitalised in lease liabilities

	<b>31 March 2020 S\$'000</b>
Lease expense — short-term leases	<b>190</b>
Lease expense — low-value leases	<b>1</b>
Variable lease payments which do not depends on an index or rate	<b><u>71</u></b>
Total ( <i>Note 5</i> )	<b><u>262</u></b>

(e) Total cash outflow for all the leases in 2020 was S\$1,809,000.

(f) Addition of ROU assets during the financial year 2019 was S\$1,199,000.



(g) 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\$71,000 (Note 9(d)) for the financial year ended 31 March 2020.

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 option. 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.

# 10 TRADE AND OTHER RECEIVABLES AND PREPAYMENT

	As at 31 March	
	2020	2019
	S\$'000	S\$'000
Trade receivables:		
— Third parties	<u>389</u>	<u>554</u>
Deposits with external parties	771	865
Prepayments	<b>1,280</b>	1,248
Listing expenses to be net-off with the equity upon the listing of the Company	—	1,039
Other receivables	<u>2,149</u>	<u>194</u>
	<u><b>4,200</b></u>	<u>3,346</u>
Total trade and other receivables and prepayments	<u><b>4,589</b></u>	<u>3,900</u>
Current portion	<u><b>4,589</b></u>	<u>3,900</u>

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

## Trade receivables

	As at 31 March	
	2020	2019
	S\$'000	S\$'000
Trade receivables	389	554
Less: allowance for impairment of trade receivables	—	—
	<u>389</u>	<u>554</u>

The carrying amounts of trade receivables approximate their fair values.

Trade receivables do not bear any interest rate.

All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regards 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. The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 March	
	2020	2019
	S\$'000	S\$'000
Current to 30 days	153	492
31 to 60 days	122	46
61 to 90 days	84	6
Over 90 days	30	10
	<u>389</u>	<u>554</u>

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

	As at 31 March	
	2020	2019
	S\$'000	S\$'000
HKD	2,918	—
SGD	1,260	3,416
MYR	317	458
USD	94	26
	<u>4,589</u>	<u>3,900</u>

## 11 CASH AND CASH EQUIVALENTS

	As at 31 March	
	2020	2019
	<i>S\$'000</i>	<i>S\$'000</i>
Cash at banks	21,541	4,258
Cash on hand	13	5
	<u>21,554</u>	<u>4,263</u>

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

	As at 31 March	
	2020	2019
	<i>S\$'000</i>	<i>S\$'000</i>
HKD	11,472	11
SGD	7,908	2,703
MYR	1,863	1,452
USD	311	97
	<u>21,554</u>	<u>4,263</u>

## 12 TRADE AND OTHER PAYABLES

	As at 31 March	
	2020	2019
	<i>S\$'000</i>	<i>S\$'000</i>
Trade payables		
— Third parties	<u>333</u>	<u>480</u>
Total trade payables	333	480
Other payables and accruals		
— Third parties		
Goods and services tax payables	37	51
Accruals	840	1,946
Deposits received	328	307
Others	<u>135</u>	<u>366</u>
	1,340	2,670
— Related parties		
Others	<u>—</u>	<u>1,183</u>
Total other payables and accruals	1,340	3,853
Total trade and other payables included in current liabilities	<u>1,673</u>	<u>4,333</u>

The carrying amounts of the Group's trade payables are denominated in SGD, USD and MYR. The carrying amounts of trade payables approximate their fair values.

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

	<b>As at 31 March</b>	
	<b>2020</b>	2019
	<b>S\$'000</b>	<b>S\$'000</b>
0 to 30 days	<b>236</b>	458
31 to 60 days	<b>88</b>	22
Over 60 days	<b>9</b>	—
	<u><b>333</b></u>	<u>480</u>

### 13 BORROWINGS

	<b>As at 31 March</b>	
	<b>2020</b>	2019
	<b>S\$'000</b>	<b>S\$'000</b>
<i>Current</i>		
Bank borrowings	<b>81</b>	83
<i>Non-current</i>		
Bank borrowings	<u><b>2,363</b></u>	<u>2,440</u>
	<u><b>2,444</b></u>	<u>2,523</u>

The weighted average effective interest rates of the borrowings for the financial year ended 31 March 2020 is 1.6% (2019: 1.6%). All borrowings are denominated in SGD.

The Group's banking facilities are secured by the properties of the Group and guaranteed by personal guarantees of Mr. Daniel Tay and Mr. Melvyn Wong.

At the date of the consolidated statement of financial position, the fair value of non-current borrowings is approximately S\$2,502,000 (2019: S\$2,471,000) and is computed based on cash flow discounted at market borrowing rates of an equivalent instrument at balance sheet date.

The Group's bank borrowings are repayable as follows:

	<b>As at 31 March</b>	
	<b>2020</b>	2019
	<b>S\$'000</b>	<b>S\$'000</b>
Within 1 year	<b>81</b>	83
Between 1 and 2 years	<b>78</b>	83
Between 2 and 5 years	<b>248</b>	259
Over 5 years	<b>2,037</b>	2,098
	<b>2,444</b>	2,523

At the date of the consolidated statement of financial position, the Group's total available banking facilities amounted to approximately S\$2,444,000 (2019: S\$2,523,000) of which S\$2,444,000 (2019: S\$2,523,000) have been utilised, respectively.

#### 14 DIVIDENDS

Dividends during the financial years ended 31 March 2020 and 2019 represented dividends declared by the companies now comprising the Group to the then owners of the companies for the years ended 31 March 2020 and 2019, after eliminating intra-group dividends.

	<b>Year ended 31 March</b>	
	<b>2020</b>	2019
	<b>S\$'000</b>	<b>S\$'000</b>
Dividend	<b>1,000</b>	1,138

No dividend is declared and paid by the Company since its incorporation.

#### 15 SUBSEQUENT EVENT

As a result of the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak"), a series of precautionary and control measures have been and continue to be implemented across various countries since early 2020. The key revenue drivers of the Group, Singapore and Malaysia, were similarly placed under COVID-19 control measures. The Group anticipates an ongoing impact to its business operations and financial results after March 2020. The extent of the impact depends on the duration of the control measures for the COVID-19 outbreak and the recovery of the global economy. To mitigate the impact brought by the COVID-19 outbreak, the Group has explored opportunities on food delivery platforms and will continue to explore further opportunities to expand its business. As of the reporting date, the management is still in process of assessing the overall financial impact and will continuously monitor the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group.

## MESSAGE TO SHAREHOLDERS

Dear Shareholders,

The Year has been eventful, marked by concerns over trade tensions between the USA and the PRC, as well as the on-going COVID-19 pandemic which has resulted in a wide spread impact on the global economy, across multiple industries, including the Group's.

To minimize the risk of cross infection to its team members, business partners and customers, the Group quickly activated its business contingency plans, which included remote working arrangements for the bulk of its office team members, and the ring fencing of the retail team members into non-overlapping zones. Additional pro-active measures to reduce the risk of the spread of COVID-19 were also instituted across the Group, such as the provision of hygiene training and protocols, the provision of personal protective equipment and the pre-screening of visitors to corporate premises. The Group prioritises safety of its team members, business partners and customers, and will do what is necessary to ensure that the brand can continue to reach out to its stakeholders in a safe and practicable manner.

Unforeseen events aside, the Year was a transformational one for the Group. As the Group kept to its longstanding practice of executing its existing business well, it also understood the importance of refreshing the brand and staying relevant to its customers. The Year saw the Group established its first concept outlet in Singapore's PLQ Mall, offering an exclusive and experimental menu that differs from the Group's other Outlets and Restaurants. The concept outlet was well-received and a location has been identified in West Malaysia to establish a similar concept outlet.

Despite the challenges, the Group remains cautiously optimistic about its future as a growing middle class across Asia continues to drive demand and provide opportunities for the food and beverage industry. Moreover, with its robust business model and adaptable workforce, the Group is capable of maintaining its ability to weather the increasingly unpredictable economic cycles.

## **OUTLOOK**

The Group continues to be mindful of the evolving COVID-19 situation while keeping an eye out for growth opportunities. Looking ahead, it plans to (i) open new Self-operated Outlets and Restaurant in Singapore and West Malaysia; (ii) expand its Non-self-operated Outlets and Restaurants network; (iii) refurbish its existing Self-operated Outlets and Restaurants in Singapore and West Malaysia; (iv) recruit additional talents to support its expansion plans; (v) increase brand awareness through targeted sales and marketing campaigns; and (vi) develop its information technology system. The Group will also proactively seek any other business opportunities that may broaden the Group's source of income and enhance value to the Shareholders.

## **ACKNOWLEDGEMENTS**

The Group's advancement is only made possible by the trust and support of its stakeholders. On behalf of the Board, I extend my sincere thanks and appreciation to them. Special mention must also be given to my fellow Directors for their unwavering commitment and guidance, which are critical in such exceptional times, and to our talented team members for bringing the Group forward, at all times and especially now. The Group will continue to work hard to drive Shareholder value and to bring smiles to its millions of customers around the world.

**Mr. Daniel Tay**

*Chairman and Executive Director*

Singapore, 30 June 2020

## 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 248 Shihlin Outlets and Restaurants in Singapore, Malaysia, Indonesia and United States. As at 31 March 2020, we had a total of 248 Shihlin Outlets and Restaurants comprising (i) 16 Self-operated Outlets in Singapore; (ii) 14 Self-operated Restaurants in West Malaysia; (iii) two Non-self-operated Outlets in Singapore; (iv) two Non-self-operated Restaurants in Singapore; (v) three Non-self-operated Outlets in West Malaysia; (vi) 64 Non-self-operated Restaurants in Malaysia; (vii) 24 Non-self-operated Outlets in Indonesia; (viii) 118 Non-self-operated Restaurants in Indonesia; and (ix) five Non-self-operated Restaurants in United States.

### 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 two years ended 31 March 2020 and 2019.

	<b>31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Sale of goods		
— Outlet and Restaurant sales	<b>12,332</b>	10,506
— Franchisees	<b>9,035</b>	8,383
Franchise fees	<b>684</b>	511
Advertising and promotion fees	<b>311</b>	376
Royalty	<b>1,900</b>	1,549
	<b>24,262</b>	21,325



## **Revenue**

The total revenue of the Group increased from approximately S\$21,325 thousands for the Year 2019 to approximately S\$24,262 thousands for the Year, resulting in an increase in total revenue of approximately 13% as compared with the Year 2019, which was mainly attributable to the fact that both sales of goods to franchisees/licensees and the Group's outlet sales had experienced a substantial increase because the Group had made adjustments to its marketing strategies and launched additional new promotional products into the market, whilst increasing its Shihlin outlets and restaurants network.

Outlet sales has increased by approximately 17% mainly due to the increase in the number of Self-operated Outlets in Singapore and Malaysia from 25 Self-operated Outlets and Restaurants for the Year 2019 to 30 Self-operated Outlets and Restaurants for the Year.

Sales of goods to franchisees/licensees increased by approximately 7% mainly due to the increase in non-self-operated Outlets and Restaurants from 175 Outlets and Restaurants as at the Year 2019 to 218 Outlets and Restaurants for the Year, offset by the lower amount of sales in Quarter four of the Group as a result of the COVID-19 Pandemic. Revenue from franchise fee, advertising and promotion fees and Royalty income remained relatively stable at 3% to 8% of the Group's total revenue.

## **Cost of inventories sold**

Cost of inventories sold relates to the cost of food ingredients, beverages and packagings consumed in our 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 in Singapore, Malaysia, Indonesia and United States.

Cost of inventories sold increased from approximately S\$8,701 thousands for the Year 2019 to approximately S\$8,889 thousands for the Year representing an increase in 2% as compared to that of the Year 2019.

## **Gross profit**

The Group's gross profit (which is equivalent to revenue subtracting the cost of inventories sold) for the Year was approximately S\$15,373 thousands, representing an increase of approximately 22% from approximately S\$12,624 thousands for the Year 2019. The increase in gross profit was attributable to the increase in the number of Self-operated Outlets. The gross profit margin of our Self-operated Outlets is generally higher than that of our franchising and licensing business mainly because we typically have more flexibility and room for markup for our Self-operated Outlets as compared to sales to franchisee and licensee. For Self-operated Outlets and Restaurants, we transact typically with end consumers and incur operating costs, thus we priced our products to generate higher gross profit margin for our Self-operated Outlets to cover such operating costs.

## **Human resources and remuneration policy**

As at 31 March 2020, the Group employed 164 employees. The Group's staff costs increased by approximately S\$1.6 million from approximately S\$3.2 million for the Year 2019 to approximately S\$4.8 million for the Year, mainly attributable to the fact that the Group has increased its number of Self-operated Outlets and Restaurants. As a support to the Group's expansion, the number of employees for the Year has also increased to cope with increasing business needs. In addition, challenged by long-term labour shortages and high turnover in the catering industry, the Group has also raised salaries and paid out bonuses 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 of its employees and has made increments to the base salary of its staff during the Year in line with the Group's historical practices.

In addition, the Company adopted a 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 23 September 2019.

## **Rental and related expenses**

Property rentals and related expenses increased approximately S\$140 thousands after adjusting for the right of use asset's interest and depreciation, or approximately 8%, from approximately S\$1.67 million for the Year 2019 to approximately S\$1.81 million for the Year. The increase was primarily attributable to the addition of the Group's Self-operating Outlet during the Year. 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 of the issued Shares on the Main Board of the Stock Exchange on the Listing Date. 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 2020, the Group had cash and cash equivalents amounting to approximately S\$21.6 million, representing an increase of approximately S\$17.3 million from approximately S\$4.3 million as at 31 March 2019. Most of the Group's bank deposits and cash were denominated in Hong Kong dollars and Singapore dollars. As at 31 March 2020, the Group's total current assets and current liabilities were approximately S\$27.4 million (31 March 2019: approximately S\$9.0 million) and approximately S\$3.9 million (31 March 2019: approximately S\$5.4 million), respectively, while the current ratio calculated by dividing the total current assets over the total current liabilities was approximately 7.0 times (31 March 2019: approximately 1.7 times).

As at 31 March 2020, the Group recorded interest-bearing bank borrowings of approximately S\$2.4 million (as at 31 March 2019: S\$2.5 million). The interest-bearing bank borrowings were secured and denominated in Singapore dollars and bore interest at 1.6% (31 March 2019: 1.6%). During the Year, no financial instruments were used for hedging purposes. Details of the bank borrowings of the Group are set out in note 25 to the financial statements.

As at 31 March 2020, the Group's gearing ratio, calculated based on the sum of interest-bearing bank borrowings, amounts due to related parties and lease liabilities divided by the equity attributable to owners of the Company, was approximately 16% (31 March 2019: approximately 92%).

## Material acquisitions and disposals

Save for the Reorganisation, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Review Period.

## 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). The use of the net proceeds from the Listing as at 31 March 2020 was approximately as follows:

Use of net proceeds	Percentage of net proceeds	Net proceeds (in HK\$ million)	Amount utilised (in HK\$ million)	Amount remaining (in HK\$ million)	Expected timeline of full utilisation of unutilised proceeds
New Self-operated Outlets in Singapore	22.2%	16.6	0.5	16.1	Mar 2024
New Self-operated Outlets in West Malaysia	16.5%	12.4	—	12.4	Mar 2024
Expansion of Non-self-operated Outlets and Restaurants network	20.9%	15.7	—	15.7	Mar 2024
Refurbishment of Self-operated Outlets and Restaurants	15.8%	11.8	0.2	11.6	Mar 2023
Strengthening manpower	8.2%	6.1	*	6.1	Mar 2024
Marketing and promotional initiatives	8.2%	6.1	0.3	5.8	Mar 2024
Upgrade our IT infrastructure, data management and franchise management system	8.2%	6.1	—	6.1	Mar 2023
	<u>100.0%</u>	<u>74.8</u>	<u>1.0</u>	<u>73.8</u>	

\* Amount below HK\$0.1 million

The proceeds were used according to the intentions disclosed in the Prospectus and were generally in line with the expected timeframe disclosed in the Prospectus.

**Foreign currency risk**

A significant portion of the Group's cash is denominated in Hong Kong dollars. Future exchange rates of the Hong Kong dollar 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 Hong Kong dollar. The appreciation or devaluation of the Hong Kong dollar against the Singapore dollar may have an impact on the Group's results. The Group will continue to take proactive measures and closely monitor its exposure to any currency movements.

**Contingent liabilities**

As at 31 March 2019 and 31 March 2020, the Group does not have any material contingent liabilities.

**Charge on the Group's assets**

As at 31 March 2020, the Group did not have any other banking charges except secured bank borrowings of approximately S\$2.4 million secured by properties of the Group with carrying values of approximately S\$3.2 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 an update on the amendments to the Listing Rules to the Directors as well as the senior management in March 2020.

## **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 Group's forthcoming ESG report, which can be viewed or downloaded from the Company's official website no later than three months after the publication of the 2020 Annual Report.

## **Outlook**

The Group plans to continue its expansion into various overseas markets and strengthen its marketing efforts to attract customers from a diverse customer base in order to consolidate the Group's brand position and increase its market share across the globe.

The Group plans to continue striving for service excellence through various methods, including: (i) enhancing the Group's data management by keeping abreast of technological developments and strengthening the Group's internal operating systems; (ii) ensuring that only quality food is being sold by strictly using high-quality, healthy and safe ingredients, purchased from reputable suppliers; and (iii) raising the standard of the Group's services by providing regular personnel training.

The Group will closely monitor the macroeconomic environment and continue to seize various growth opportunities to boost our brand reputation and maximise returns for the Shareholders.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **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 Review Period, the Company has complied with all the code provisions of the CG Code.

The Board periodically reviews and continues to abide by the Company's corporate governance policies to ensure compliance with the code provisions of 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 listed securities of the Company.

Following the specific enquiries made to them by the Company, all Directors confirmed that they had complied with the Model Code for the Review Period and up to the date of this announcement.

### **DIVIDENDS**

On 23 September 2019, the Group had declared an interim dividend of S\$1.0 million to the Shareholders and the dividend was settled in October 2019.

The Board has resolved not to recommend the payment of any final dividend for the Year.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities since the Listing Date and up to 31 March 2020.

### **PRE-EMPTIVE RIGHTS**

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

## **SUBSEQUENT EVENT**

As a result of the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”), a series of precautionary and control measures have been and continue to be implemented across various countries since early 2020. The key revenue drivers of the Group, Singapore and Malaysia, were similarly placed under COVID-19 control measures. The Group anticipates an ongoing impact to its business operations and financial results after March 2020. The extent of the impact depends on the duration of the control measures for the COVID-19 outbreak and the recovery of the global economy. To mitigate the impact brought by the COVID-19 outbreak, the Group has explored opportunities on food delivery platforms and will continue to explore further opportunities to expand its business. As of the reporting date, the management is still in process of assessing the overall financial impact and will continuously monitor the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group.

## **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 announcement, 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**

The Register of Members will be closed from Tuesday, 25 August 2020 to Friday, 28 August 2020 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining Shareholders’ entitlement to attend and vote at the 2020 AGM which will be held on Friday, 28 August 2020. In order to qualify for attending and voting at the 2020 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 Monday, 24 August 2020. 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, reappointment and removal of the external auditors, 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. Lim Wee Pin, Mr. Jong Voon Hoo and Mr. Koh Boon Chiao, all being INEDs. Mr. Lim Wee Pin is the chairman of the Audit Committee. This 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 auditors, PricewaterhouseCoopers. 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 PricewaterhouseCoopers 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 PricewaterhouseCoopers 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](http://www.hkexnews.hk)) and on the website of the Company ([www.snackemp.com](http://www.snackemp.com)). The 2020 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

“2020 AGM”	the annual general meeting of the Company to be held in Singapore on Friday, 28 August 2020
“2020 Annual Report” or “Annual Report”	the annual report of the Company for the Year
“Articles of Association”	the articles of association of the Company
“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 to the Listing Rules
“Company”	Snack Empire Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability
“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
“Independent Third Party(ies)”	third party(ies) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive officer or substantial shareholders of the Company, its subsidiaries or any of their respective associates
“Indonesia”	the Republic of Indonesia
“INEDs”	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
“Mr. Melvyn Wong”	Mr. Wong Chee Tat (黃志達), the chief executive officer, executive Director, and a Controlling Shareholder
“MYR”	Malaysian Ringgits, the lawful currency of Malaysia
“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
“PLQ”	Paya Lebar Quarters

“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
“Reorganisation”	the reorganisation of the companies of the Group for the purpose of the Listing, details of which are disclosed in the Prospectus
“Restaurant(s)”	the self-service restaurant(s) comprising front counter, kitchen and seating
“Review Period”	the period from the Listing Date to 31 March 2020
“Self-operated”	operated by the Group
“SG\$” or “SGD”	Singapore dollars, the lawful currency of Singapore
“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 <i>Shihlin Taiwan Street Snacks</i> ® brand
“Shihlin Outlets and Restaurants”	the Shihlin Outlets and the Shihlin Restaurants
“Shihlin Restaurant(s)”	the Restaurant(s) operating under our <i>Shihlin Taiwan Street Snacks</i> ® 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 2020
“Year 2019”	financial year ended 31 March 2019
“%”	per cent

By order of the Board  
**Snack Empire Holdings Limited**  
**Daniel Tay Kok Siong**  
*Chairman and Executive Director*

Hong Kong, 30 June 2020

*As at the date of this announcement, the Board comprises Mr. Daniel Tay (chairman) and Mr. Melvyn Wong (chief executive officer) as executive Directors; and Mr. Jong Voon Hoo, Mr. Koh Boon Chiao and Mr. Lim Wee Pin as INEDs.*