



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

2023/2024 INTERIM REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Daniel Tay Kok Siong ("Mr. Daniel Tay")
 Mr. Wong Chee Tat ("Mr. Melvyn Wong")
(Chief Executive Officer)

Independent non-executive Directors

Mr. Fok Chee Khuen (*Chairman*)
 Mr. Jong Voon Hoo
 Ms. Tan Chiu Yang ("Ms. Tancy Tan")

AUDIT COMMITTEE

Mr. Fok Chee Khuen (*Chairman*)
 Mr. Jong Voon Hoo
 Ms. Tancy Tan

REMUNERATION COMMITTEE

Ms. Tancy Tan (*Chairlady*)
 Mr. Jong Voon Hoo
 Mr. Fok Chee Khuen
 Mr. Daniel Tay
 Mr. Melvyn Wong

NOMINATION COMMITTEE

Mr. Jong Voon Hoo (*Chairman*)
 Ms. Tancy Tan
 Mr. Fok Chee Khuen

COMPANY SECRETARY

Ms. Tung Wing Yee Winnie

AUTHORISED REPRESENTATIVES

Mr. Melvyn Wong
 Ms. Tung Wing Yee Winnie

REGISTERED OFFICE

Cricket Square, Hutchins Drive
 P.O. Box 2681
 Grand Cayman KY1-1111
 Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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 #21-02, International Plaza
 Singapore 079903

WEBSITE

<http://www.snackemp.com>

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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 99 Queen's Road Central
 Hong Kong

PRINCIPAL BANKER

Oversea-Chinese Banking Corporation Limited
 65 Chulia Street
 Singapore 049513

INDEPENDENT AUDITOR

Mazars LLP
Certified Public Accountants
Registered Public Interest Entity Auditor
 135 Cecil Street
 #10-01 Singapore 069536

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
 Cricket Square, Hutchins Drive
 P.O. Box 2681, Grand Cayman
 KY1-1111, Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Boardroom Share Registrars (HK) Limited
 2103B, 21st Floor
 148 Electric Road
 North Point, Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Robertsons, Solicitors
 57th Floor, The Center
 99 Queen's Road Central
 Hong Kong

LISTING INFORMATION

Place of listing

The Main Board of The Stock Exchange of
 Hong Kong Limited

Stock code

1843

Board lots

4,000 shares

Management Discussion and Analysis

BUSINESS REVIEW

For the six months ended 30 September 2023 (the “Reviewed Period”), the Group continued its journey on digitalisation and expansion of the Group’s business. Where digitalisation is concerned, the headquarter’s (the “HQ”) team has embarked on the setting up of the Enterprise Resource Planning (ERP) system, which is targeted to be completed in 2024. This will streamline the processes undertaken at the HQ and increase efficiencies. Where business expansion is concerned, the Group has expanded its presence into 2 of the malls with high tourist footfall in Singapore, namely, ION Orchard and Jewel Changi Airport. The Group has also explored other ways of increasing revenue, such as launching weekend late-night offerings during school holidays and expanding into events offering.

In addition, the Group will launch another kiosk concept at the beginning of 2024 which is an added stream to build the Group’s revenue. In order to support the digitalisation and business expansion, the Group has undertaken recruitment activities to expand and strengthen the HQ team.

The Group also continue its marketing efforts by engaging with PR agencies and influencers, as well as active postings on Instagram and TikTok. It also has participated in franchise exhibitions in Malaysia, Bangkok and the Philippines to look out for potential master/single unit franchisees.

FINANCIAL REVIEW

The following table sets out a breakdown of the total revenue of the Group by sales segments and their relevant percentages to the total revenue for the Reviewed Period together with the relevant comparative figures for the six months ended 30 September 2022 (the “Corresponding Period”):

	Six months ended 30 September			
	2023		2022	
	S\$’000 (unaudited)	% of total revenue	S\$’000 (unaudited)	% of total revenue
Revenue				
Sales of goods				
— Outlet sales	8,054	65.1%	8,641	62.4%
— Franchisees/licensee	3,568	28.8%	4,322	31.2%
Franchise fee	217	1.8%	260	1.9%
Advertising and promotion fees	101	0.8%	135	1.0%
Royalty	432	3.5%	487	3.5%
Total	12,372	100.0%	13,845	100.0%

Management Discussion and Analysis

The total unaudited revenue of the Group has decreased from approximately S\$13,845 thousand for the Corresponding Period to approximately S\$12,372 thousand for the Reviewed Period, resulting in a decrease in total revenue of approximately 10.6% as compared to the Corresponding Period. The decrease of approximately S\$1,473 thousand was due to decrease in retail and delivery sales mainly in Singapore and decrease in sales of goods to Indonesia and Malaysia franchisees.

Overall sales in Singapore have dropped by approximately S\$788 thousand or 13%. This could be due to the normalisation of post-coronavirus (2019) pandemic (“COVID-19”) during the Reviewed Period as compared to the Corresponding Period when we just saw Singapore lifting up the COVID-19 restrictions, with Singaporeans remaining cautious. In addition, Singaporeans are seen travelling more during long weekends or school holidays in 2023.

Overall sales of goods to Indonesia and Malaysia franchisees have decreased by approximately S\$341 thousand or 19% and S\$381 thousand or 6% for the Reviewed Period as compared to the Corresponding Period. This could be due to the similar normalisation situation faced in Singapore and also the closure of certain outlets in Indonesia.

Royalty income is charged at a fixed pre-determined percentage of non-self-operated outlets’ revenue. Overall sales of non-self-operated outlets across various countries have decreased during the Reviewed Period, thereby decreased the amount of royalty income received by the Group by approximately S\$55 thousand or 11% as compared to the Corresponding Period.

Revenue from franchise fees and advertising and promotion fees remained relatively constant for the Reviewed Period as compared to the Corresponding Period and contributed to approximately 1.8% and 0.8%, respectively, of the Group’s total revenue.

The overall decrease in the Group’s unaudited revenue for the Reviewed Period as compared to the Corresponding Period as well as the increase in administrative expenses has contributed to the decrease in the Group’s net profit.

GROSS PROFIT

Gross profit is calculated based on total sales less total cost of sales. Cost of sales relates to the cost of food ingredients, beverages and packagings consumed by the Group’s Self-operated Outlet(s) and Restaurant(s) in Singapore and Malaysia for their retail sales, and the cost of food ingredients, beverages and packagings sold to the Group’s franchisees in Singapore, Malaysia, Indonesia, United States, Egypt and Cambodia.

Management Discussion and Analysis

For the Reviewed Period, the decrease in the cost of goods sold was in line with the decrease in revenue, while gross profit margin stayed relatively constant at approximately 61% as compared to the Corresponding Period.

SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

Selling and distribution expenses mainly consist of freight and delivery charges, advertising expenses, outlet rental and depreciation expenses and outlet staff salaries. Overall selling and distribution expenses decreased for the Reviewed Period as compared to the Corresponding Period by approximately S\$90 thousand or 2.8% largely due to the decrease in freight expenses.

Administrative expenses increased by approximately S\$526 thousand or 15.5%, mainly due to increase in office staff payroll costs due to the HQ expansion and provision of doubtful debts for debts which has been outstanding since the COVID-19 period and are now assessed to be potentially irrecoverable.

OTHER INCOME

Decrease in other income mainly pertains to no government grants and rental rebates received for the Reviewed Period as compared to approximately S\$93 thousand received in the Corresponding Period.

This was mainly due to the Jobs Support Scheme and rental rebates being no longer available upon the normalisation after the COVID-19.

OUTLOOK

The Group will continue to keep a lookout for potential business opportunities for the purpose of enhancing the Group's overall earnings.

INTERIM DIVIDEND

The board of directors of the Company (the "Directors" and "Board", respectively) has resolved not to declare the payment of any interim dividend for the Reviewed Period (Corresponding Period: 0.133 Singapore cents per ordinary share of the Company (the "Share")).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group had 175 employees with a total staff cost for the Reviewed Period amounting to approximately S\$4,361 thousand (Corresponding Period: 171 employees and S\$3,835 thousand, respectively). The increases were attributed to increase in HQ's headcount and introduction of incentives in a bid to retain and reward outlet staff.

Management Discussion and Analysis

The remuneration of the employees is determined based on their performance, experience and prevailing market situation. Their remuneration package includes salaries, bonus, allowances and retirement benefit schemes. The Company also provides customised training to its staff to enhance their relevant skill and knowledge. The remuneration of the Directors and members of senior management is determined on the basis of each individual's responsibilities, qualification, position, experience, performance, seniority and time devoted to the Group's business. They receive compensation in the form of salaries, bonuses, other allowances and benefits-in-kind, including the Company's contribution to their retirement benefit schemes on their behalf.

SHARE OPTION SCHEME

Pursuant to the written resolution of the then sole Shareholder passed on 23 September 2019, the Company adopted a share option scheme (the "Share Option Scheme") conditional upon the listing (the "Listing") of the Shares on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 23 October 2019 (the "Listing Date"). The Share Option Scheme became effective on the Listing Date. As no share option has been granted by the Company under the Share Option Scheme since the Listing Date, there was no share option outstanding as at 30 September 2023 and no option was exercised or cancelled or lapsed during the Reviewed Period.

The principal terms of the Share Option Scheme are set out as follows:

(a) Purpose of the Share Option Scheme

The purpose of this Share Option Scheme is to enable the Board to grant options to Eligible Persons (as defined below) as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group.

(b) Eligible Persons

The Directors may, at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit, offer to grant share option to any employee or proposed employee (whether full-time or part-time, including any director) of any member of the Group or invested entity; and any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contributes to the development and growth of the Group or any invested entity.

Management Discussion and Analysis

(c) Maximum number of Shares

The total number of Shares in respect of which share options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 80,000,000 Shares, being 10% of the total number of Shares in issue as at the date of this interim report.

(d) Maximum entitlement of each Eligible Person

Unless approved by the Shareholders in general meeting and subject to the following paragraph, no share option shall be granted to any Eligible Person if any further grant of share options would result in the Shares issued and to be issued upon exercise of all share options granted and to be granted to such person (including exercised, cancelled and outstanding share options) in the 12-month period up to and including such further grant would exceed 1% of the total number of Shares in issue from time to time.

Where a share option is to be granted to a substantial Shareholder (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") or an independent non-executive Director (or any of their respective associates (as defined in the Listing Rules)), and such grant will result in the Shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other share option schemes of the Company in the 12-month period up to and including the date of such grant: (1) representing in aggregate over 0.1% of the total number of Shares in issue at the relevant time of grant; and (2) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of each grant, in excess of HK\$5 million, such grant shall not be valid unless approved by the independent Shareholders in general meeting.

(e) Period within which the securities must be exercised under a share option

A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine, which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

Management Discussion and Analysis

(f) Minimum period for which a share option must be held before it can be exercised

There is no minimum period in which a share option must be held before the exercise of any share option save as otherwise imposed by the Board in the relevant offer of share options.

(g) Period for and consideration payable on acceptance of an option

An offer of grant of a share option may be accepted by an Eligible Person within the date as specified in the offer letter issued by the Company, being a date not later than 21 days inclusive of the date upon which it is made. The amount payable by the grantee of a share option to the Company on acceptance of the offer for the grant of a share option is HK\$1.00.

(h) Basis of determining the exercise price

The subscription price of a Share in respect of any particular share option granted under the Share Option Scheme shall be such price as determined by the Board, and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer to grant a share option (the "Offer Date"), which must be a trading day, on which the Board passes a resolution approving the making of an offer of grant of a share option to an Eligible Person; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date; and (iii) the nominal value of a Share on the Offer Date.

(i) Remaining life

Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme, after which period no further share option shall be granted.

Management Discussion and Analysis

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 (as defined in the Company's prospectus dated 30 September 2019 (the "Prospectus")). 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 change in use of net proceeds, please refer to the Change of UOP Announcements. The use of the net proceeds from the Listing up to 30 September 2023 was approximately as follows:

	Revised percentage of net proceeds	Revised allocation of net proceeds (S\$'000)	Amount utilised as at 1 April 2023 (S\$'000)	Amount utilised during the Reviewed Period (S\$'000)	Amount remaining as at 30 September 2023 (S\$'000)	Estimated timeline of full utilisation of unutilised net proceeds
New Self-operated Outlets in Singapore	9.8%	1,280	(465)	(239)	576	March 2024
New Self-operated Outlets in West Malaysia	9.4%	1,228	(802)	(48)	378	March 2024
Expansion of Non-self-operated Outlets and Restaurants network	5.5%	720	(156)	(57)	507	March 2024
Refurbishment of Self-operated Outlets and Restaurants	5.8%	752	(226)	(80)	446	March 2026
Strengthening manpower	8.2%	1,060	(637)	(188)	235	March 2024
Marketing and promotional initiatives	5.4%	700	(414)	(35)	251	March 2024
Upgrade IT infrastructure, data management and franchise management system	8.2%	1,060	(21)	(153)	886	March 2024
General working capital	47.7%	6,200	(2,361)	(2,716)	1,123	March 2024
Total	100.0%	13,000	(5,082)	(3,516)	4,402	

The proceeds were used according to the intentions and were 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.

Management Discussion and Analysis

FUTURE PLANS AND MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus and this report, the Group did not have other plans for material investments and capital assets as at 30 September 2023.

SIGNIFICANT INVESTMENTS HELD

During the Reviewed Period, there was no significant investment held by the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reviewed Period.

CAPITAL COMMITMENTS

As at 30 September 2023, the Group did not have any significant capital commitment.

CHARGES ON THE GROUP'S ASSETS

As at 30 September 2023, the Group did not have any other banking charges except secured bank borrowings of approximately S\$2,015 thousand denominated in Singapore dollars and secured by properties of the Group with carrying values of approximately S\$3,014 thousand.

FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information of the Group for the Reviewed Period (the "Condensed Consolidated Interim Financial Information") does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 March 2023 ("FY2022/2023") as disclosed in the FY2022/2023 annual report of the Company.

There have been no changes in the risk management policies of the Group during the Reviewed Period. During the Reviewed Period, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

Management Discussion and Analysis

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' equity of the Group as at 30 September 2023 was approximately S\$24.7 million (31 March 2023: S\$24.5 million). As at 30 September 2023, the Group had current assets of approximately S\$26.9 million (31 March 2023: S\$26.8 million) and current liabilities of approximately S\$4.4 million (31 March 2023: S\$4.7 million). The current ratio (calculated by dividing current assets by current liabilities) was approximately 6.1 times as at 30 September 2023 as compared to approximately 5.7 times as at 31 March 2023.

The Group generally finances its operations with internally generated cash flow. As at 30 September 2023, the Group had outstanding bank borrowings of approximately S\$2.0 million (31 March 2023: S\$2.1 million). As at 30 September 2023, the Group maintained cash and cash equivalents of approximately S\$23.8 million (31 March 2023: S\$23.5 million). The Group's net cash-to-equity ratio (dividing cash and cash equivalents net of total borrowings by shareholders' equity) was approximately 0.9 as at 30 September 2023 (31 March 2023: 0.9).

As at 30 September 2023, the Group possessed sufficient cash to meet its commitments and working capital requirements, and most of the Group's bank deposit and cash were denominated in Singapore dollars, Malaysian ringgit and Hong Kong dollars.

The Shares were initially listed on the Main Board of the Stock Exchange on the Listing Date. There has been no material change in the capital structure of the Company since the Listing Date. The capital of the Company only comprises Shares.

TREASURY POLICIES

The Group had adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reviewed Period. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

GEARING RATIO

As at 30 September 2023, the gearing ratio of the Group was approximately 19% (31 March 2023: 18%). Gearing ratio is calculated based on the total debt divided by total equity as at the respective period/year end. Total debt is calculated as borrowings plus lease liabilities and non-trade amounts due to related parties.

Management Discussion and Analysis

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at 30 September 2023, the Group had not entered into any material off-balance sheet commitments or arrangements.

EVENTS AFTER REPORTING PERIOD

There were no other significant events after the Reviewed Period and up to the date of this report.

CONTINGENT LIABILITY

As at 30 September 2023, the Group did not have any material contingent liabilities.

DISCLOSURE OF INFORMATION

This interim report of the Company for the six months ended 30 September 2023 will be published on the respective websites of both the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.snackemp.com>) and will be dispatched to the Shareholders in due course.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2023, the interests and short positions of each Director and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register as referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 (the "Model Code") to the Listing Rules, were as follows:

(a) Long position in the Shares

Name of Directors	Capacity	Nature of interest	Number of Shares held	Percentage of shareholding (Note 2)
Mr. Daniel Tay (Note 1)	Interest of controlled corporation	Corporate interest	600,000,000	75%
Mr. Melvyn Wong (Note 1)	Interest of controlled corporation	Corporate interest	600,000,000	75%

(b) Long position in the shares of the associated corporation of the Company

Name of Directors	Associated corporation	Capacity	Nature of interest	Number of shares held	Percentage of shareholding
Mr. Daniel Tay	Brilliant Stride Limited ("Brilliant Stride") (Note 1)	Beneficial owner	Personal interest	1	50%
Mr. Melvyn Wong	Brilliant Stride (Note 1)	Beneficial owner	Personal interest	1	50%

Corporate Governance and Other Information

Notes:

- (1) All the issued shares of Brilliant Stride are legally and beneficially owned as to 50% by Mr. Daniel Tay, an executive Director, and 50% by Mr. Melvyn Wong, an executive Director and the chief executive officer of the Company. Accordingly, Mr. Melvyn Wong and Mr. Daniel Tay are deemed to be interested in 600,000,000 Shares held by Brilliant Stride by virtue of the SFO.
- (2) The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 800,000,000 Shares in issue as at 30 September 2023.

Save as disclosed above, as at 30 September 2023, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO to (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register as referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2023, so far as was known to the Directors, the following corporation and persons (other than a Director or the chief executive of the Company) had interests or short positions in the Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions in Shares

Name of Shareholders	Capacity	Nature of interest	Number of Shares held	Percentage of shareholding (Note 4)
Brilliant Stride (Note 1)	Beneficial owner	Personal interest	600,000,000	75%
Ms. Chong Yi May Cheryl ("Ms. Chong") (Note 2)	Interest of spouse	Family interest	600,000,000	75%
Ms. Lim Michelle ("Ms. Lim") (Note 3)	Interest of spouse	Family interest	600,000,000	75%

Corporate Governance and Other Information

Notes:

- (1) The issued shares of Brilliant Stride are legally and beneficially owned as to 50% by Mr. Daniel Tay and 50% by Mr. Melvyn Wong. Accordingly, Mr. Melvyn Wong and Mr. Daniel Tay are deemed to be interested in 600,000,000 Shares held by Brilliant Stride by virtue of the SFO.
- (2) Ms. Chong, the spouse of Mr. Melvyn Wong, is deemed under the SFO to be interested in the Shares in which Mr. Melvyn Wong has an interest or a deemed interest.
- (3) Ms. Lim, the spouse of Mr. Daniel Tay, is deemed under the SFO to be interested in the Shares in which Mr. Daniel Tay has an interest or a deemed interest.
- (4) The percentage of shareholding interest in the Company shown in the table above is calculated on the basis of 800,000,000 Shares in issue as at 30 September 2023.

Save as disclosed above, as at 30 September 2023, no other corporation which or person (other than a Director or the chief executive of the Company) who had any interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reviewed Period, the Company has not redeemed any of its listed securities, nor has the Company or any of its subsidiaries purchased or sold such securities.

CHANGE IN INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, there was no change in the information of the Directors since the date of the Company's FY2022/2023 annual report and up to the date of this interim report.

COMPLIANCE OF CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance. The Board believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders' interests. The Company has adopted the code provisions as stated in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the "CG Code"). The Board is committed to complying with such code provisions to the extent that the Directors consider them applicable and practical to the Company.

The Directors are of the opinion that the Company has complied with the CG Code during the Reviewed Period.

Corporate Governance and Other Information

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its own code of conduct to regulate all dealings by Directors and relevant employees of securities in the Company. The Company has made specific enquiries with all Directors and they have confirmed that they had complied with the Model Code during the Reviewed Period.

AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the Listing Rules. The Audit Committee consists of three members, all of them are independent non-executive Directors, being Mr. Fok Chee Khuen, Mr. Jong Voon Hoo and Ms. Tancy Tan. The Audit Committee is chaired by Mr. Fok Chee Khuen. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Group’s financial reporting system, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. It also acts as an important link between the Board and the Company’s independent auditors (the “Independent Auditors”) in matters within the scope of the group audit.

The unaudited interim results of the Group for the Reviewed Period and this report have not been reviewed by the Independent Auditors, but have been reviewed by the Audit Committee. The Audit Committee has also discussed and reviewed with the management of the Group (the “Management”) the accounting principles and practices adopted by the Group and its financial reporting matters. The Audit Committee is of the view that such results have been prepared in compliance with the applicable accounting standards, the requirements under the Listing Rules and other legal requirements, and that adequate disclosures have been made.

ACKNOWLEDGEMENTS

The Board extends their sincere gratitude and appreciation to the Group’s Shareholders, business partners, customers for their continuous support to the Group and appreciates the hard work provided by the Management and staff throughout the Reviewed Period.

By order of the Board

Mr. Fok Chee Khuen

Chairman and Independent Non-Executive Director

Singapore, 29 November 2023

Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended	
		30 September	
		2023	2022
		S\$'000	S\$'000
		(unaudited)	(unaudited)
Revenue	6	12,372	13,845
Cost of sales		(4,770)	(5,499)
Gross profit		7,602	8,346
Other income	7	132	295
Other gains — net		48	212
Selling and distribution expenses		(3,180)	(3,270)
Administrative expenses		(4,019)	(3,393)
Finance income/(cost) — net	8	60	(23)
Profit before income tax		643	2,167
Income tax expense	9	(198)	(390)
Profit for the period attributable to equity holders of the Company	10	445	1,777
Other comprehensive losses			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Currency translation difference arising from translation of foreign operations		(122)	(111)
		(122)	(111)
Total comprehensive income for the period attributable to equity holders of the Company		323	1,666
Earnings per share for the profit attributable to equity holders of the Company	11		
Basic and diluted (Singapore cents)		0.04	0.21

Condensed Consolidated Statement of Financial Position

		As at 30 September 2023 Notes	As at 31 March 2023 S\$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6, 12	6,641	6,153
Current assets			
Inventories	13	1,223	1,554
Trade and other receivables and prepayments	14	1,896	1,704
Cash and cash equivalents	15	23,796	23,493
		26,915	26,751
Total assets		33,556	32,904
EQUITY AND LIABILITIES			
Equity			
Share capital		1,392	1,392
Share premium		10,911	11,047
Reserves		12,420	12,055
Equity attributable to equity holders of the Company		24,723	24,494

Condensed Consolidated Statement of Financial Position (Continued)

		As at 30 September 2023 S\$'000 (unaudited)	As at 31 March 2023 S\$'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred revenue		945	656
Deferred tax liabilities		13	13
Lease liabilities		1,543	1,086
Borrowings	17	1,885	1,950
		4,386	3,705
Current liabilities			
Trade and other payables	16	2,567	2,743
Borrowings	17	130	130
Provisions		235	158
Deferred revenue		249	341
Lease liabilities		1,172	1,329
Current income tax and liabilities		94	4
		4,447	4,705
Total liabilities		8,833	8,410
Total equity and liabilities		33,556	32,904

Condensed Consolidated Statement of Changes in Equity

Group	Attributable to equity holders of the Company					Total attributable to equity holders of the Company
	Share capital	Share premium	Capital reserve	Foreign currency translation reserve	Retained profits	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 April 2022 (audited)	1,392	17,092	261	(237)	10,374	28,882
Profit for the period	—	—	—	—	1,777	1,777
Other comprehensive loss for the period	—	—	—	(111)	—	(111)
Total comprehensive (loss)/ income for the period	—	—	—	(111)	1,777	1,666
Dividends declared in respect of this period	—	(5,000)	—	—	—	(5,000)
Total transactions with equity holders, recognised directly in equity	—	(5,000)	—	—	—	(5,000)
As at 30 September 2022 (unaudited)	1,392	12,092	261	(348)	12,151	25,548

Condensed Consolidated Statement of Changes in Equity (Continued)

Group	Attributable to equity holders of the Company					Total attributable to equity holders of the Company S\$'000
	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Retained profits S\$'000	
As at 1 April 2023 (audited)	1,392	11,047	261	(423)	12,217	24,494
Profit for the period	—	—	—	—	445	445
Other comprehensive loss for the period	—	—	—	(122)	—	(122)
Total comprehensive (loss)/ income for the period	—	—	—	(122)	445	323
Dividends declared in respect of this period	—	(136)	—	—	—	(136)
Increase in share capital	—	—	42	—	—	42
Total transactions with equity holders, recognised directly in equity	—	(136)	42	—	—	(94)
As at 30 September 2023 (unaudited)	1,392	10,911	303	(545)	12,662	24,723

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash flow from operating activities		
Profit before income tax	643	2,167
Adjustments for:		
— Depreciation of property, plant and equipment	1,043	1,058
— Interest income	(171)	(41)
— Interest paid	111	64
— Unrealised foreign exchange loss	—	—
Operating profit before working capital changes	1,626	3,248
Changes in working capital		
— Inventories	331	(84)
— Trade and other receivables and prepayments	(192)	(414)
— Trade and other payables including provisions	(99)	(371)
— Deferred revenue	197	(100)
Cash generated from operations	1,863	2,279
Income tax paid	(108)	(386)
Net cash generated from operating activities	1,755	1,893
Cash flow from investing activities		
Purchase of property, plant and equipment	(330)	(189)
Interest received	171	41
Net cash used in investing activities	(159)	(148)

Condensed Consolidated Statement of Cash Flows (Continued)

	Six months ended	
	30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash flow from financing activities		
Issuance of new shares	42	—
Principal elements of lease payment	(879)	(849)
Interest paid	(111)	(64)
Dividend paid to shareholders	(136)	(5,000)
Repayment of borrowings	(65)	(65)
	<hr/>	<hr/>
Net cash used in financing activities	(1,149)	(5,978)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	447	(4,233)
	<hr/>	<hr/>
Cash and cash equivalents		
Beginning of reporting period	23,493	28,432
Net effect of exchange rate changes in consolidating subsidiaries	(144)	(98)
	<hr/>	<hr/>
End of Reviewed Period	23,796	24,101
	<hr/>	<hr/>

Notes to the Condensed Consolidated Financial Statements

1 GENERAL INFORMATION

Snack Empire Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in wholesale and retail of food and beverages.

The Company is a limited liability company incorporated in 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 Shares were initially listed on the Main Board of the Stock Exchange on the Listing Date.

The Condensed Consolidated Interim Financial Information has not been audited by the Independent Auditors but have been reviewed by the Audit Committee.

2 BASIS OF PREPARATION

The Condensed Consolidated Interim Financial Information has been prepared in accordance with International Accounting Standard (the “IAS”) 34 Interim Financial Reporting issued by the International Accounting Standards Board (the “IASB”) as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules. The condensed consolidated interim financial statements has been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The Condensed Consolidated Interim Financial Information is presented in Singapore dollars (“S\$”) which is also the functional currency of the Company.

The Condensed Consolidated Interim Financial Information should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 March 2023, which have been prepared in accordance with International Financial Reporting Standards issued by the IASB, as set out in the FY2022/2023 annual report of the Company.

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation used in the Condensed Consolidated Interim Financial Information are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2023.

Notes to the Condensed Consolidated Financial Statements

4 ESTIMATES

The preparation of the Condensed Consolidated Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Condensed Consolidated Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 March 2023 as disclosed in the FY2022/2023 annual report.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Condensed Consolidated Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2023.

There have been no significant changes in the risk management policies during the Reviewed Period.

5.2 Fair value estimation

The carrying amounts of the Group's current financial assets, including trade receivables, deposits with external parties, other receivables and cash and cash equivalents, and current financial liabilities, including trade payables, accruals, deposits received, other payables and borrowings, approximate their fair values as at reporting date due to their short maturities.

Notes to the Condensed Consolidated Financial Statements

6 SEGMENT INFORMATION

The Group's executive Directors, who are the Chief Operating Decision-Makers ("CODMs") monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. The Group's CODMs consider all businesses to be included in a single operating segment. Information reported to the Group's CODMs, 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.

The following is an analysis of revenue and non-current assets by geographical areas. Revenue is attributed to countries by locations of customers.

	Revenue from external customers	
	Six months ended	
	30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)

Revenue

Singapore	5,079	5,867
Malaysia	5,506	5,887
Indonesia	1,500	1,841
USA	264	222
Others	23	28
	12,372	13,845

	30 September	31 March
	2023	2023
	S\$'000	S\$'000
	(unaudited)	(audited)

Non-current assets

Property, plant and equipment

Singapore	5,389	5,019
Malaysia	1,252	740
	6,641	5,759

Notes to the Condensed Consolidated Financial Statements

7 OTHER INCOME

	Six months ended	
	30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Government grants	—	73
Operating fee income	24	22
Rental rebates	—	20
Others	108	180
	132	295

8 FINANCE INCOME/(COST) — NET

	Six months ended	
	30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Interest income	171	41
Interest expense	(111)	(64)
	60	(23)

Notes to the Condensed Consolidated Financial Statements

9 INCOME TAX EXPENSE

	Six months ended	
	30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Current tax		
Singapore profits tax	42	175
Malaysia profits tax	156	215
	198	390

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 rate has been provided at 17% on the estimated profit before corporate tax exemption, whilst under the Income Tax Act, 1967, the applicable income tax rates for the Group entities in Malaysia approximates 24%.

10 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended	
	30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Total employee benefit costs and Directors' remuneration		
Wages, salaries and allowances	4,087	3,609
Retirement benefit costs — defined contribution plans	274	226
Depreciation of property, plant and equipment	1,043	1,058

Notes to the Condensed Consolidated Financial Statements

11 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 six months ended 30 September 2023 and 2022.

	Six months ended	
	30 September	
	2023	2022
	(unaudited)	(unaudited)
Profit attributable to equity holders of the Company (S\$'000)	323	1,666
Weighted average number of ordinary shares in issue	800,000,000	800,000,000
Basic and diluted earnings per share (Singapore cents per share)	0.04	0.21

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 September 2023 and 2022.

12 MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the Reviewed Period, the Group acquired computers, furniture and fittings, kitchen equipment, office equipment, and renovation works of approximately S\$35 thousand (31 March 2023: S\$15 thousand), S\$0 thousand (31 March 2023: S\$0 thousand), S\$ 10 thousand (31 March 2023: S\$11 thousand), S\$5 thousand (31 March 2023: S\$72 thousand) and S\$1,179 thousand (31 March 2023: S\$2,083 thousand). The right of use asset capitalised under IFRS 16 approximates to S\$5.2 million (31 March 2023: S\$4.7 million).

13 INVENTORIES

Inventories comprise fast moving consumables items. The cost of inventories included in cost of sales amounted to S\$4,770 thousand and S\$5,499 thousand, for the periods ended 30 September 2023 and 2022, respectively.

Notes to the Condensed Consolidated Financial Statements

14 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 September 2023 S\$'000 (unaudited)	As at 31 March 2023 S\$'000 (audited)
Trade receivables	477	369
Other receivables	1,419	1,335
	<hr/>	<hr/>
Trade and other receivables	1,896	1,704
	<hr/>	<hr/>

The ageing analysis of trade receivables based on the invoice date at the end of the reporting period is as follows:

Current to 30 days	400	258
31 to 60 days	10	3
61 to 90 days	24	4
Over 90 days	43	104
	<hr/>	<hr/>
	477	369
	<hr/>	<hr/>

15 CASH AND CASH EQUIVALENTS

	As at 30 September 2023 S\$'000 (unaudited)	As at 31 March 2023 S\$'000 (audited)
Cash at banks	23,774	23,474
Cash on hand	22	19
	<hr/>	<hr/>
	23,796	23,493
	<hr/>	<hr/>

Notes to the Condensed Consolidated Financial Statements

16 TRADE AND OTHER PAYABLES

	As at 30 September 2023 S\$'000 (unaudited)	As at 31 March 2023 S\$'000 (audited)
Trade payables	496	506
Other payables and accruals	2,071	2,237
	2,567	2,743
The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:		
Current to 30 days	476	486
Over 60 days	20	20
	496	506

17 BORROWINGS

	As at 30 September 2023 S\$'000 (unaudited)	As at 31 March 2023 S\$'000 (audited)
Current		
Bank borrowings	130	130
Non-current		
Bank borrowings	1,885	1,950
The weighted average effective interest rate of the borrowings per annum is:		
	5.0%	3.4%
The Group's bank borrowings are repayable as follows:		
Within 1 year	130	130
Over 1 year to 2 years	130	130
Over 2 years to 5 years	1,755	1,820
Over 5 years	—	—
	2,015	2,080

As at 30 September 2023, all of the Group's borrowings are secured by properties of the Group with carrying value of approximately S\$3,014 thousand.

Notes to the Condensed Consolidated Financial Statements

18 SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transaction and balances

There are no significant related party transactions during the Reviewed Period (30 September 2022: Nil) and there are no significant related party balances as at 30 September 2023 (31 March 2023: Nil), other than key management compensation shown below:

Key management compensation

Key management includes the directors of the Company. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Salaries and other short-term employee benefits	1,263	1,594

19 DIVIDENDS

	Six months ended 30 September	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Interim dividend declared of 0 Singapore cents (2022: 0.133 Singapore cents) per ordinary share	—	1,066