

# Snack Empire Holdings Limited

## 快餐帝國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

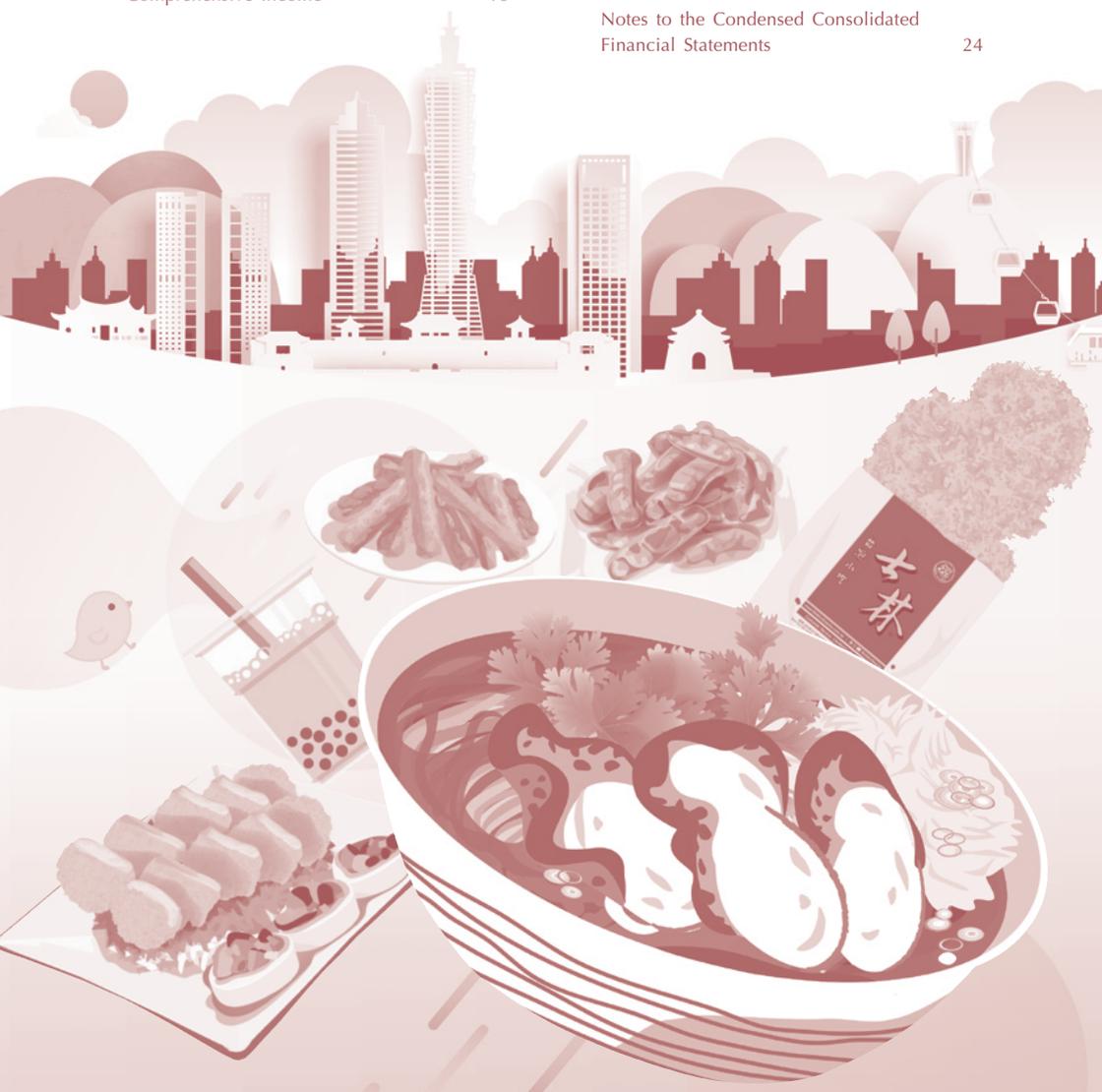
Stock Code: 1843

# 2022 INTERIM REPORT



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

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

### Independent non-executive Directors

Mr. Jong Voon Hoo  
Mr. Koh Boon Chiao  
Mr. Fok Chee Khuen  
*(appointed on 27 August 2021)*  
Mr. Lim Wee Pin *(retired on 27 August 2021)\**

## AUDIT COMMITTEE

Mr. Fok Chee Khuen *(Chairman)*  
*(appointed on 27 August 2021)*  
Mr. Jong Voon Hoo  
Mr. Koh Boon Chiao

## REMUNERATION COMMITTEE

Mr. Koh Boon Chiao *(Chairman)*  
Mr. Jong Voon Hoo  
Mr. Fok Chee Khuen  
*(appointed on 27 August 2021)*  
Mr. Daniel Tay  
Mr. Melvyn Wong

## NOMINATION COMMITTEE

Mr. Jong Voon Hoo *(Chairman)*  
Mr. Koh Boon Chiao  
Mr. Fok Chee Khuen  
*(appointed on 27 August 2021)*

## 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

10 Anson Road  
#21-02, International Plaza  
Singapore 079903

## WEBSITE

<http://www.snackemp.com>

\* Mr. Lim Wee Pin retired on 27 August 2021 as an independent non-executive Director, the chairman of the audit committee, a member of each of the remuneration committee and the nomination committee.

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## PRINCIPAL BANKER

Oversea-Chinese Banking Corporation Limited  
65 Chulia Street  
Singapore 049513

## INDEPENDENT AUDITORS

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

## 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 2021 (the “Reviewed Period”), the overall global economy continues to be affected by the novel coronavirus disease (COVID-19) pandemic (the “COVID-19 Pandemic”). During the Reviewed Period, Snack Empire Holdings Limited (the “Company”, collectively with its subsidiaries, the “Group”) recorded an increase in revenue mainly from (i) sales from self-operated outlet(s) operated by the Group in the Republic of Singapore (“Singapore”), and (ii) sales of goods to franchisees in the Republic of Indonesia (“Indonesia”) and in the state of Northern California in the United States of America (“United States”).

During the Reviewed Period, where Singapore implemented the Heightened Alert and Stabilisation measures, sales has increased positively due to the takeaway nature of the Singapore outlet business.

In addition, the Group continues its marketing efforts to boost sales via (i) active presence in social media, (ii) actively promoting delivery sales via food delivery vendors, and (iii) development of new food items.

With the relaxation of COVID-19 restrictions in Indonesia and United States where the franchisees and licensee are operating in, the Group sees a rebound of sales of goods to them.

## 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 2020 (the “Corresponding Period”):

	Six months ended 30 September			
	2021		2020	
	S\$'000 (unaudited)	% of total revenue	S\$'000 (unaudited)	% of total revenue
<b>Revenue</b>				
Sales of goods				
— Outlet sales	8,020	68.0%	7,351	68.1%
— Franchisees/licensee	2,934	24.9%	2,736	25.4%
Franchise fee	284	2.4%	190	1.8%
Advertising and promotion fees	215	1.8%	264	2.4%
Royalty	338	2.9%	247	2.3%
<b>Total</b>	<b>11,791</b>	<b>100.0%</b>	<b>10,788</b>	<b>100.0%</b>

# Management Discussion and Analysis

The total unaudited revenue of the Group increased from approximately S\$10,788 thousand for the Corresponding Period to approximately S\$11,791 thousand for the Reviewed Period, resulting in an increase in total revenue of approximately 9.3% as compared to the Corresponding Period. Such increase was mainly due to:

- a) sales of goods generated by the Singapore Self-operated Outlets, due to the predominantly take away nature of its Singapore Self-operated Outlets which sits well with the safety distancing measures and dining in restrictions imposed during the Heightened Alert and Stabilisation Phase during the Reviewed Period;
- b) increase in outlet fees income due to the opening of new outlets in Indonesia and United States; and
- c) royalty income has increased as the countries where the franchisees and licensee operate in have loosened the lock down situations during the Reviewed Period as compared to the Corresponding Period.

Royalty income is charged at a fixed predetermined percentage of non-self-operated outlets' revenue.

Overall sales of goods to the franchisees in Indonesia and United States increased by approximately S\$540 thousand or 149% and approximately S\$229 thousand or 1,145%, respectively as compared to the Corresponding Period. This was mainly due to the loosened COVID-19 restrictions in Indonesia and United States. However, our sales of goods to Malaysia fell by approximately S\$528 thousand or 25% as a result of the continued lockdown to curb the spread of COVID-19 infection in Malaysia.

Revenue from franchise fee and advertising and promotion fees remained relatively constant for the Reviewed Period as compared to the Corresponding Period and contributed to 1.8% to 2.4% of the Group's total revenue.

The overall increase in the Group's unaudited revenue for the Reviewed Period as compared to the Corresponding Period attributed to the increase in the Group's net profit.



# Management Discussion and Analysis

## 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.

For the Reviewed Period, the increase in cost of sales was in line with the increase in revenue with gross profit margin staying relatively constant at approximately 64% 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 increased as compared to the Corresponding Period by approximately S\$155 thousand or 5.7% largely due to the increase in freight and delivery charges, additional staff salaries, rental expenses and depreciation of the right of use assets as part of the Group's expansion plans.

Administrative expenses increased by approximately S\$85 thousand or 2.6% mainly due to higher staff cost and partially offset by reduced professional fees paid to professional parties.

## OTHER INCOME

Decrease in other income mainly pertains to government grants received amounting to approximately S\$496 thousand for the Reviewed Period as compared to approximately S\$906 thousand received in the Corresponding Period.

The above was offsetted with rental rebates given by the landlords of approximately S\$75 thousand.

## OUTLOOK

The Group continues to be mindful of the impact of the COVID-19 Pandemic and other market uncertainties as the global economy gradually opens up.

Looking forward, the Group plans to continue to (i) open new Self-operated Outlets and Restaurants 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 the Group's information technology system. The Group will also keep a lookout for potential business opportunities that may broaden the Group's source of income and enhance value to the shareholders of the Company (the "Shareholder(s)").



# Management Discussion and Analysis

## 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.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group had 188 employees with a total employee benefit costs and Directors’ remuneration for the Reviewed Period amounting to approximately S\$3,419 thousand.

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 ordinary shares of the Company (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 2021 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.



# Management Discussion and Analysis

## (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.

## (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.



# Management Discussion and Analysis

**(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.

**(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 net proceeds from the Share Offer (as defined in the prospectus of the Company dated 30 September 2019 (the “Prospectus”)) were approximately S\$13.0 million or equivalent to HK\$74.8 million (after deducting underwriting fees and related listing expenses) (the “Net Proceeds”). 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 announcement of the Company dated 27 November 2020 (the “Announcement”). For details of the change in use of Net Proceeds, please refer to the Announcement. The use of the Net Proceeds from the Listing up to 30 September 2021 was approximately as follows:

	Original allocation of Net Proceeds (S\$'000)	Proposed change in allocation of Net Proceeds (S\$'000)	Revised allocation of Net Proceeds (S\$'000)	Utilised Net Proceeds as at 30 September 2021 (S\$'000)	Unutilised balance of revised Net Proceeds as at 30 September 2021 (S\$'000)	Estimated timeline of full utilisation of unutilised Net Proceeds
New Self-operated Outlets in Singapore	2,900	—	2,900	(318)	2,582	March 2024
New Self-operated Outlets in West Malaysia	2,150	—	2,150	(401)	1,749	March 2024
Expansion of Non-self-operated Outlets and Restaurants network	2,720	(990)	1,730	(84)	1,646	March 2024
Refurbishment of Self-operated Outlets and Restaurants	2,050	(590)	1,460	(122)	1,338	March 2023
Strengthening manpower	1,060	—	1,060	(258)	802	March 2024
Marketing and promotional initiatives	1,060	(360)	700	(268)	432	March 2024
Upgrade IT infrastructure, data management and franchise management system	1,060	—	1,060	—	1,060	March 2023
General working capital	—	1,940	1,940	(1,940)	—	Not applicable
<b>Total</b>	<b>13,000</b>	<b>—</b>	<b>13,000</b>	<b>(3,391)</b>	<b>9,609</b>	

The Net Proceeds were used according to the intentions and were generally in line with the expected timeframe, both as disclosed in the Prospectus and the Announcement.

# 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 2021.

## **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 2021, the Group did not have any significant capital commitment.

## **CHARGES ON THE GROUP'S ASSETS**

As at 30 September 2021, the Group did not have any other banking charges except secured bank borrowings of approximately S\$2,274 thousand denominated in Singapore dollars and secured by properties of the Group with carrying values of approximately S\$3,148 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 2021 ("FY2021") as disclosed in the FY2021 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 2021 was approximately S\$27.8 million (31 March 2021: S\$26.1 million). As at 30 September 2021, the Group had current assets of approximately S\$30.3 million (31 March 2021: S\$28.5 million) and current liabilities of approximately S\$4.6 million (31 March 2021: S\$4.3 million). The current ratio (calculated by dividing current assets by current liabilities) was approximately 6.6 as at 30 September 2021 as compared to approximately 6.6 as at 31 March 2021.

The Group generally finances its operations with internally generated cash flow. As at 30 September 2021, the Group had outstanding bank borrowings of approximately S\$2,274 thousand (31 March 2021: S\$2,339 thousand). As at 30 September 2021, the Group maintained cash and cash equivalents of approximately S\$27.1 million (31 March 2021: S\$25.4 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 2021 (31 March 2021: 0.9).

As at 30 September 2021, 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 2021, the gearing ratio of the Group was approximately 16% (31 March 2021: 16%). 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.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at 30 September 2021, the Group had not entered into any material off-balance sheet commitments or arrangements.



# Management Discussion and Analysis

## **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 2021, the Group did not have any material contingent liabilities.

## **DISCLOSURE OF INFORMATION**

This interim report of the Company for the Reviewed Period 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 2021, 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
Mr. Daniel Tay <i>(Note)</i>	Interest of controlled corporation	Corporate interest	600,000,000	75%
Mr. Melvyn Wong <i>(Note)</i>	Interest of controlled corporation	Corporate interest	600,000,000	75%

# Corporate Governance and Other Information

## (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)	Beneficial owner	Personal interest	1	50%
Mr. Melvyn Wong	Brilliant Stride (Note)	Beneficial owner	Personal interest	1	50%

*Note:*

All the issued shares of Brilliant Stride are legally and beneficially owned as to 50% by Mr. Daniel Tay, the chairman of the Board and 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.

Save as disclosed above, as at 30 September 2021, 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.



# Corporate Governance and Other Information

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

As at 30 September 2021, the following corporation and persons (other than a Director or the chief executive of the Company) had interests or short positions in the Shares as 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
Brilliant Stride (Note 1)	Beneficial owner	Personal interest	600,000,000	75%
Ms. Chong Yi May Cheryl (Note 2)	Interest of spouse	Family interest	600,000,000	75%
Ms. Lim Michelle (Note 3)	Interest of spouse	Family interest	600,000,000	75%

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 Yi May Cheryl, 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 Michelle, 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.

Save as disclosed above, as at 30 September 2021, 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 were recorded in the register required to be kept under section 336 of the SFO.



# Corporate Governance and Other Information

## **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, the change in information of the Director since the date of the Company's FY2021 annual report and up to the date of this interim report is set out below:

- Mr. Koh Boon Chiao, an independent non-executive Director, was appointed as head of legal of EVYD Technology Limited and resigned as head of legal from Digitrade Fintech Pte. Ltd., both with effect in October 2021.

## **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 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.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with the Directors, all of the Directors confirmed that he has complied with the required standards as set out in the Model Code during the Reviewed Period.



# Corporate Governance and Other Information

## AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) on 23 September 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG Code. The Audit Committee currently consists of three members, all of them are independent non-executive Directors, being Mr. Fok Chee Khuen, Mr. Jong Voon Hoo and Mr. Koh Boon Chiao and 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. Daniel Tay**

*Chairman and Executive Director*

Singapore, 29 November 2021



# Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended	
		30 September	
		2021	2020
		S\$'000	S\$'000
		(unaudited)	(unaudited)
Revenue	6	11,791	10,788
Cost of sales		(4,185)	(3,868)
<b>Gross profit</b>		<b>7,606</b>	<b>6,920</b>
Other income	7	829	1,059
Other gains/(losses) — net		64	(371)
Selling and distribution expenses		(2,865)	(2,710)
Administrative expenses		(3,322)	(3,237)
Finance (cost)/income — net	8	(51)	13
<b>Profit before income tax</b>		<b>2,261</b>	<b>1,674</b>
Income tax expense	9	(566)	(442)
<b>Profit for the period attributable to equity holders of the Company</b>	10	<b>1,695</b>	<b>1,232</b>
<b>Other comprehensive income/(loss)</b>			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Currency translation difference arising from translation of foreign operations		9	(4)
		9	(4)
<b>Total comprehensive income for the period attributable to equity holders of the Company</b>		<b>1,704</b>	<b>1,228</b>
<b>Earnings per share for the profit attributable to equity holders of the Company</b>	11		
Basic and diluted (Singapore cents)		0.21	0.15



# Condensed Consolidated Statement of Financial Position

		As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6, 12	6,126	5,768
<b>Current assets</b>			
Inventories	13	1,207	1,261
Trade and other receivables and prepayments	14	1,978	1,803
Cash and cash equivalents	15	27,148	25,388
		<b>30,333</b>	28,452
<b>Total assets</b>		<b>36,459</b>	34,220
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1,392	1,392
Share premium		17,092	17,092
Reserves		9,287	7,583
<b>Equity attributable to equity holders of the Company</b>		<b>27,771</b>	26,067

# Condensed Consolidated Statement of Financial Position (Continued)

		As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	16	2,162	2,225
Borrowings	17	130	130
Provisions		112	112
Deferred revenue		710	622
Current income tax and liabilities		375	163
Lease liabilities		1,115	1,063
		<b>4,604</b>	4,315
<b>Non-current liabilities</b>			
Deferred revenue		742	842
Deferred tax liabilities		16	16
Borrowings	17	2,144	2,209
Lease liabilities		1,182	771
		<b>4,084</b>	3,838
<b>Total liabilities</b>		<b>8,688</b>	8,153
<b>Total equity and liabilities</b>		<b>36,459</b>	34,220



# 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
<b>As at 1 April 2020 (audited)</b>	1,392	17,092	261	(187)	6,508	25,066
Profit for the period	—	—	—	—	1,232	1,232
Other comprehensive loss for the period	—	—	—	(4)	—	(4)
<b>Total comprehensive (loss)/ income for the period</b>	—	—	—	(4)	1,232	1,228
<b>As at 30 September 2020 (unaudited)</b>	1,392	17,092	261	(191)	7,740	26,294

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
<b>As at 1 April 2021 (audited)</b>	1,392	17,092	261	(224)	7,546	26,067
Profit for the period	—	—	—	—	1,695	1,695
Other comprehensive income for the period	—	—	—	9	—	9
<b>Total comprehensive income for the period</b>	—	—	—	9	1,695	1,704
<b>As at 30 September 2021 (unaudited)</b>	1,392	17,092	261	(215)	9,241	27,771



# Condensed Consolidated Statement of Cash Flows

	Six months ended 30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
<b>Cash flow from operating activities</b>		
Profit before income tax	2,261	1,674
Adjustments for:		
— Depreciation of property, plant and equipment	993	779
— Interest income	(11)	(75)
— Interest paid	62	62
— Unrealised foreign exchange loss	—	461
<b>Operating profit before working capital changes</b>	<b>3,305</b>	<b>2,901</b>
<b>Changes in working capital</b>		
— Inventories	54	(105)
— Trade and other receivables and prepayments	(175)	313
— Trade and other payables including provisions	(63)	451
— Deferred revenue	(12)	(49)
Cash generated from operations	<b>3,109</b>	3,511
Income tax paid	(355)	(491)
<b>Net cash generated from operating activities</b>	<b>2,754</b>	<b>3,020</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(110)	(148)
Interest received	11	75
<b>Net cash used in investing activities</b>	<b>(99)</b>	<b>(73)</b>



# Condensed Consolidated Statement of Cash Flows (Continued)

	Six months ended	
	30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
<b>Cash flow from financing activities</b>		
Principal elements of lease payment	(777)	(646)
Interest paid	(62)	(62)
Repayment of borrowings	(65)	(40)
<b>Net cash used in financing activities</b>	<b>(904)</b>	<b>(748)</b>
Net increase in cash and cash equivalents	<b>1,751</b>	<b>2,199</b>
<b>Cash and cash equivalents</b>		
Beginning of Reviewed Period	<b>25,388</b>	21,554
Net effect of exchange rate changes in consolidating subsidiaries	<b>9</b>	(461)
End of Reviewed Period	<b>27,148</b>	23,292

# 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 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the IASB, as set out in the annual report for the year ended 31 March 2021 (the “2021 Annual Report”). Some of the comparative financial information has been reclassified for better comparability purposes.

## 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 2021.

## 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 2021 as disclosed in the 2021 Annual Report.



# Notes to the Condensed Consolidated Financial Statements

## 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 2021.

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.

## 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	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
<b>Revenue</b>		
Singapore	6,301	5,825
Malaysia	3,950	4,362
Indonesia	1,104	445
United States	344	55
Others	92	101
	<b>11,791</b>	<b>10,788</b>

# Notes to the Condensed Consolidated Financial Statements

## 6 SEGMENT INFORMATION (Continued)

	30 September 2021 S\$'000 (unaudited)	31 March 2021 S\$'000 (audited)
<i>Non-current assets</i>		
Property, plant and equipment		
Singapore	5,199	5,171
Malaysia	927	597
	6,126	5,768

## 7 OTHER INCOME

	Six months ended 30 September	
	2021 S\$'000 (unaudited)	2020 S\$'000 (unaudited)
Government grants	496	906
Operating fee income	42	33
Rental rebates	75	—
Others	216	120
	829	1,059



# Notes to the Condensed Consolidated Financial Statements

## 8 FINANCE (COST)/INCOME — NET

	Six months ended	
	30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Interest income	11	75
Interest expense	(62)	(62)
	<b>(51)</b>	<b>13</b>

## 9 INCOME TAX EXPENSE

	Six months ended	
	30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Current tax		
Singapore profits tax	440	324
Malaysia profits tax	126	118
	<b>566</b>	<b>442</b>

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%.

# Notes to the Condensed Consolidated Financial Statements

## 10 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended	
	30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Total employee benefit costs and Directors' remuneration		
Wages, salaries and allowances	3,208	2,711
Retirement benefit costs — defined contribution plans	211	217
Depreciation of property, plant and equipment	993	779

## 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 2021 and 2020.

	Six months ended	
	30 September	
	2021	2020
	(unaudited)	(unaudited)
Profit attributable to equity holders of the Company (S\$'000)	1,704	1,228
Weighted average number of ordinary shares in issue	800,000,000	800,000,000
Basic and diluted earnings per share (Singapore cents per share)	0.21	0.15

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 2021 and 2020.



# Notes to the Condensed Consolidated Financial Statements

## 12 MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the Reviewed Period, the Group acquired furniture and fittings, kitchen equipment, office equipment, and renovation works of approximately S\$12 thousand (30 September 2020: S\$6 thousand), S\$21 thousand (30 September 2020: S\$31 thousand), S\$22 thousand (30 September 2020: S\$30 thousand) and S\$112 thousand (30 September 2020: S\$85 thousand), respectively. The right of use asset capitalised under IFRS 16 approximates to S\$3.9 million (31 March 2020: S\$5.8 million).

## 13 INVENTORIES

Inventories comprise fast moving consumables items. The cost of inventories included in cost of sales amounted to approximately S\$4,185 thousand and S\$3,868 thousand, for the periods ended 30 September 2021 and 2020, respectively.

## 14 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Trade receivables	325	173
Other receivables	1,653	1,630
	<hr/>	<hr/>
Trade and other receivables	1,978	1,803

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	78	13
31 to 60 days	74	63
61 to 90 days	38	27
over 90 days	135	70
	<hr/>	<hr/>
	325	173

# Notes to the Condensed Consolidated Financial Statements

## 15 CASH AND CASH EQUIVALENTS

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Cash at banks	27,127	25,362
Cash on hand	21	26
	<b>27,148</b>	<b>25,388</b>

## 16 TRADE AND OTHER PAYABLES

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
Trade payables	450	468
Other payables and accruals	1,712	1,757
	<b>2,162</b>	<b>2,225</b>

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	408	392
31 to 60 days	3	17
Over 60 days	39	59
	<b>450</b>	<b>468</b>



# Notes to the Condensed Consolidated Financial Statements

## 17 BORROWINGS

	As at 30 September 2021 S\$'000 (unaudited)	As at 31 March 2021 S\$'000 (audited)
<b>Current</b>		
Bank borrowings	130	130
<b>Non-current</b>		
Bank borrowings	2,144	2,209
The weighed average effective interest rate of the borrowings per annum is:		
	1.3%	1.9%
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	389	389
Over 5 years	1,625	1,690
	<b>2,274</b>	<b>2,339</b>

As at 30 September 2021, all of the Group's borrowings are secured by properties of the Group with carrying value of approximately S\$3,148 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 2020: Nil) and there are no significant related party balances as at 30 September 2021 (31 March 2021: Nil), other than key management compensation shown below:

### Key management compensation

Key management includes executive Directors and senior management personnel. The compensation paid or payable to key management for employee services is shown below:

	Six months ended	
	30 September	
	2021	2020
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Salaries and other short-term employee benefits	<b>1,031</b>	977

