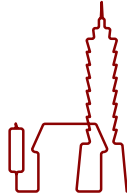


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Snack Empire Holdings Limited

快餐帝國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1843)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES

SUMMARY

The Board would like to announce that, on 26 August 2024 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Letters of Offer with the Vendor, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Properties at the consideration of RM9,000,000 in aggregate.

LISTING RULES IMPLICATION

As the relevant percentage ratios in respect of the acquisition of the Properties is more than 5% but less than 25%, the acquisition of the Properties constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board would like to announce that, on 26 August 2024 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Letters of Offer with the Vendor, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Properties at the consideration of RM9,000,000 in aggregate.

THE LETTERS OF OFFER

The principal terms of the Letters of Offer are summarised as follows:

Date: 26 August 2024

Parties:

- (1) Vendor: Tan York Soon Holdings Sdn. Bhd.;
- (2) Purchaser: STSS Concepts Sdn. Bhd., an indirect wholly-owned subsidiary of the Company; and
- (3) Agent: PropNex Realty Sdn. Bhd..

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor, the Agent and their respective ultimate beneficial owners are Independent Third Parties.

Properties to be acquired

No. 14 and No. 16 Jalan Kilang Midah Taman Midah Jalan Budiman 56000 Kuala Lumpur, being the Properties, have a total land size of 25,000 square feet. The Properties are warehouses and are currently tenanted out.

Pursuant to the Letters of Offer, the Vendor shall deliver the Properties in vacant possession to the Purchaser.

Consideration and payment terms

The Consideration for the acquisition of the Properties is RM9,000,000, which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit (the "Initial Deposit") of RM270,000 has been paid upon signing of the Letters of Offer;
- (b) a further deposit of RM630,000 shall be paid on the signing of Sale and Purchase Agreement; and
- (c) the remaining balance in the sum of RM8,100,000 shall be paid within 90 days from date of Sale and Purchase Agreement.

The Consideration was agreed between the Vendor and the Purchaser after arm's length negotiations on normal commercial terms with reference to, among others, the current market value of comparable properties in the proximity of the Properties and the current property market conditions in Malaysia. The Consideration will be financed partly by the Group's internal resources and partly via a bank loan.

Formal agreement

The Purchaser has undertaken to prepare and execute the Sale and Purchase Agreement within 30 working days (the “Said Period”) from the date of acceptance of the offer by the Vendor, failing which the Initial Deposit shall be forfeited. Thereafter the Letters of Offer shall be terminated and be null and void and neither party shall have any rights over the other party.

In the event that the Vendor fails to execute the Sale and Purchase Agreement within the Said Period, the Purchaser shall be entitled to the remedy of specific performance against and at the cost of expenses of the Vendor. If the Purchaser does not institute an action for specific performance, then the Purchaser may have the Initial Deposit refunded plus a sum equivalent to the Initial Deposit paid to the Purchaser by the Vendor as compensation.

The Acquisition is subject to the Purchaser’s loan approval within 30 working days from the date of the Letters of Offer. The Initial Deposit shall be fully refunded in the event the Purchaser’s loan application is being rejected by at least two financial institutions.

INFORMATION OF THE PARTIES

The Purchaser is a company incorporated in Malaysia with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in wholesale of food & beverages.

The Group is principally engaged in retail and wholesale of food & beverages.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor is a company incorporated in Malaysia with limited liability. The Vendor is principally engaged in property holding, and the ultimate beneficial owners of the Vendor are Tan Yee Sun, Tan Yee Ping, Tan Kuching and Wong Choi Yeok, all Independent Third Parties.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Agent is an estate agency company incorporated in Malaysia with limited liability, an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE PROPERTIES

The Group currently leases premises for use as its warehouse in Malaysia. To cope with the future expansion of the Malaysia’s subsidiaries business, it is intended that the acquisition of the Properties will (i) reduce rental expenses and relocation expenses upon expiry of the existing leases; and (ii) provide additional space for business expansion as the Group adds on new brands in the future.

In addition, the Properties will enhance the fixed asset base of the Group.

In view of the above, the Directors (including the independent non-executive Directors) considered that the terms of the Letters of Offer (including the Consideration) are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios in respect of the acquisition of the Properties is more than 5% but less than 25%, the acquisition of the Properties constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agent”	PropNex Realty Sdn. Bhd., a company incorporated in Malaysia with limited liability;
“Board”	the board of Directors;
“Company”	Snack Empire Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Consideration”	the consideration of RM9,000,000 in aggregate payable by the Purchaser to the Vendor in relation to the acquisition of the Properties pursuant to the Letters of Offer;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules;
“Letters of Offer”	the provisional agreements for sale and purchase dated 26 August 2024 entered into between the Vendor, the Purchaser and the Agent in relation to the sale and purchase of the Properties;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Properties”	No. 14 and No. 16 Jalan Kilang Midah Taman Midah Jalan Budiman 56000 Kuala Lumpur;
“Purchaser”	STSS Resources Sdn. Bhd., a company incorporated in Malaysia with limited liability and an indirect wholly-owned subsidiary of the Company;
“RM”	Malaysia Ringgit, the lawful currency of Malaysia;
“Sale and Purchase Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Properties pursuant to the provisions of the Letters of Offer;
“Shareholders”	the holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Tan York Soon Holdings Sdn. Bhd., a company incorporated in Malaysia with limited liability; and
“%”	per cent.

For and on behalf of
Snack Empire Holdings Limited
Fok Chee Khuen
Chairman and Independent Non-Executive Director

Singapore, 21 October 2024

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