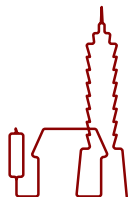


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Snack Empire Holdings Limited

快餐帝國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1843)

FURTHER CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of Snack Empire Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 September 2019 (the “**Prospectus**”), the announcement of the Company dated 27 November 2020 in relation to the change in use of proceeds (the “**Announcement**”) and the interim report of the Company for the six months ended 30 September 2022 published on 15 December 2022. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

PREVIOUS CHANGE IN USE OF PROCEEDS

The net proceeds from the Share Offer were approximately S\$13.0 million or equivalent to approximately HK\$74.8 million (after deducting underwriting fees and related listing expenses) (the “**Net Proceeds**”). As disclosed in the Announcement, the Company resolved to re-allocate part of the unutilised Net Proceeds amounted to approximately S\$1,940,000 for general working capital. For further details, please refer to the Announcement.

FURTHER CHANGE IN USE OF PROCEEDS

As at 31 January 2023, the Company has utilised approximately S\$4,441,000, accounting for approximately 34% of the Net Proceeds. For the reasons set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” below in this announcement, the Board has resolved to further reallocate the Net Proceeds as follows:

	Planned use of Net Proceeds as disclosed in the Announcement (S\$'000)	Proposed change in allocation of Net Proceeds (S\$'000)	Revised allocation of Net Proceeds (S\$'000)	Utilised Net Proceeds as at 31 January 2023 (S\$'000)	Unutilised balance of revised Net Proceeds as at 31 January 2023 (S\$'000)	Estimated timeline of full utilisation of unutilised Net Proceeds
New Self-operated Outlets in Singapore	2,900	(1,620)	1,280	(368)	912	March 2024
New Self-operated Outlets in West Malaysia	2,150	(922)	1,228	(776)	452	March 2024
Expansion of Non-self-operated Outlets and Restaurants network	1,730	(1,010)	720	(142)	578	March 2024
Refurbishment of Self-operated Outlets and Restaurants	1,460	(708)	752	(212)	540	March 2026
Strengthening manpower	1,060	—	1,060	(582)	478	March 2024
Marketing and promotional initiatives	700	—	700	(403)	297	March 2024
Upgrade IT infrastructure, data management and franchise management system	1,060	—	1,060	(18)	1,042	March 2024
General working capital	1,940	4,260	6,200	(1,940)	4,260	March 2024
Total	<u>13,000</u>	<u>—</u>	<u>13,000</u>	<u>(4,441)</u>	<u>8,559</u>	

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

Due to the impact of the outbreak of the coronavirus disease COVID-19 (the “**COVID-19 Outbreak**”) worldwide, people’s lifestyles in participation in retail sales and visiting outlets physically have decreased during lockdown and affected the planned use of Net Proceeds of the Company. Firstly, the Company’s expansion plans for new Self-operated Outlets were slower than expected due to the uncertainties in the economic outlook and global financial market conditions caused by the COVID-19 Outbreak. Secondly, wear and tear of the Group’s Self-operated Outlets were also lower than expected due to less customers physically visiting the outlets during lockdown in Singapore and Malaysia. As such, the Group has incurred lower refurbishments costs and does not foresee any major refurbishments required in the Self-operated Outlets in the short term. Thirdly, there were government grants provided to the Group for its overseas franchise exhibitions, which helped to offset the costs of the Group’s expansion of Non-self-operated Outlets and Restaurants. The Group is also looking to set up exhibition items in-house which will

reduce the manpower costs required to set up exhibitions. For the reasons stated above, the Board proposes to reallocate part of the Net Proceeds to partly support the current operations of the Group.

The Group weighed its costs and benefits and decided to take a prudent approach to reallocate a certain portion of the Net Proceeds, being (i) opening of new Self-operated Outlets in Singapore of S\$1,620,000; (ii) opening of new Self-operated Outlets in West Malaysia of S\$922,000; (iii) expansion of Non-self-operated Outlets and Restaurants of S\$1,010,000; and (iv) refurbishment of Self-operated Outlets and Restaurants of S\$708,000 to general working capital thereby improving the Group's liquidity and providing more buffer to cope with the economic uncertainties in the near future, in particular, to cope with expected inflation as well as in order to increase remuneration to retain existing outlet staff. The Board has decided that the proposed further reallocation of Net Proceeds is conducive to the business operation of the Group.

The Board (including the independent non-executive Directors) confirmed that there had been no significant changes to the principal business nature of the Company. The Board considers that the above changes in use of proceeds from the Share Offer would allow the Group to deploy its financial resources more efficiently and therefore, are in the best interest of the Company and the Shareholders as a whole and it will not have any material adverse effect on the existing business and operations of the Group.

The Board will continuously assess the plan for the use of the unutilised Net Proceeds and may revise or amend such plan where necessary to respond to the changing market conditions and strive for better business performance of the Group.

For and on behalf of
Snack Empire Holdings Limited
Fok Chee Khuen

Chairman and Independent Non-executive Director

Singapore, 6 March 2023

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.