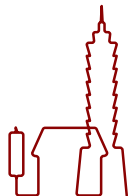


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Snack Empire Holdings Limited

快餐帝國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1843)

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**”) and the annual report of the Company for the year ended 31 March 2020 published on 29 July 2020. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

PLANNED USE OF PROCEEDS

The net proceeds from the Share Offer were approximately S\$13.0 million or equivalent to HK\$74.8 million (after deducting underwriting fees and related listing expenses) (the “**Net Proceeds**”). As disclosed in the Prospectus, the Net Proceeds would be applied for (i) opening up to 16 new Self-operated Outlets in Singapore by 31 March 2024; (ii) opening 20 new Self-operated Restaurants in West Malaysia by 31 March 2024; (iii) expansion of the Group’s Non-self-operated Outlets and Restaurants network; (iv) refurbishing around five Self-operated Outlets in Singapore and four Self-operated Restaurants in West Malaysia each year up to 31 March 2023; (v) recruiting staff in Singapore and West Malaysia; (vi) the Group’s *Shihlin Taiwan Street Snacks*[®] brand development and targeted sales and marketing campaigns; and (vii) developing the Group’s customised enterprise resources planning system to enhance the Group’s data infrastructure and analysis systems and facilitate franchise management.

CHANGE IN USE OF PROCEEDS

As at 30 September 2020, the Company has utilised approximately S\$650 thousands, accounting for approximately 5.0% 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 reallocate the Net Proceeds 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 2020 (S\$'000)	Unutilised balance of revised Net Proceeds as at 30 September 2020 (S\$'000)	Estimated timeline of full utilisation of unutilised Net Proceeds
New Self-operated Outlets in Singapore	2,900	—	2,900	(169)	2,731	March 2024
New Self-operated Outlets in West Malaysia	2,150	—	2,150	(205)	1,945	March 2024
Expansion of Non-self-operated Outlets and Restaurants network	2,720	(990)	1,730	(12)	1,718	March 2024
Refurbishment of self-operated Outlets and Restaurants	2,050	(590)	1,460	(54)	1,406	March 2023
Strengthening manpower	1,060	—	1,060	(54)	1,006	March 2024
Marketing and promotional initiatives	1,060	(360)	700	(156)	544	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	March 2024
Total	13,000	—	13,000	(650)	12,350	

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

Since the outbreak of the coronavirus disease COVID-19 (the “COVID-19 Outbreak”) worldwide, the global economic volatility has increased and respective governments of the world including Singapore, Malaysia and Indonesia, being the predominant markets of the Group have implemented varying degrees of national lock downs, social distancing measures and travel restrictions to prevent the spread of COVID-19.

As a general principle, governments have broadly aimed to minimise the movement and interaction of citizens on both commercial and retail side in order to prevent transmission and reduce the overall impact of the virus on public health. The respective government(s) restrictions resulted in a decrease in retail traffic and hence led to reduction in retail sales in the food and beverage (“F&B”) industry. In addition, it has created unintended challenges such as labour shortages in an already labour intensive F&B industry where remote working is limited, and potential food spoilage(s) due to supply chain disruptions which decreases existing supplies and may increase food ingredients cost.

Having considered the above factors, the Group’s expansion plans have slowed down accordingly, in order to cope with the uncertainties that the COVID-19 Outbreak may bring to the Group’s F&B business in the near future. The Group therefore weighed its costs and benefits and decided to take a prudent approach to reallocate a certain portion of the Net Proceeds, (i) expansion of Non-self-operated Outlets and Restaurants network of S\$990 thousands or approximately HK\$5.7 million, (ii) refurbishment of Self-operated Outlets and Restaurants of S\$590 thousands or approximately HK\$3.4 million, and (iii) marketing and promotion initiatives of S\$360 thousands or approximately HK\$2.1 million 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 view of the above, the Board considers that the above changes in use of proceeds from the Share Offer would allow the Company 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.

For and on behalf of
Snack Empire Holdings Limited
Daniel Tay Kok Siong
Chairman and Executive Director

Hong Kong, 27 November 2020

As of the date of this announcement, the Board comprises Mr. Daniel Tay Kok Siong (chairman) and Mr. Wong Chee Tat (chief executive officer) as executive Directors; and Mr. Jong Voon Hoo, Mr. Koh Boon Chiao and Mr. Lim Wee Pin as independent non-executive Directors.