

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 ANNUAL REPORT



OVER 220 OUTLETS WORLDWIDE

燙 HOT

請小心食用。兒童請在成人照料下食用

最佳風味期於購買的一小時內

Best consumed within 1 hour of purchase

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Daniel Tay
Mr. Melvyn Wong (*Chief Executive Officer*)

Independent non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Jong Voon Hoo (*Chairman*)
Ms. Tan Chiu Yang
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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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

Forvis Mazars LLP (F.K.A. 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 Queens 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

Message to Shareholders

Dear Shareholders,

On behalf of the Board, I am pleased to announce the Group's audited annual results for the Year.

YEAR IN REVIEW

The Year marked the start of a year of digitalisation and expansion for the Group. During the Year, the Group has commenced the journey of digitalisation via setting up of an ERP system. The system will bring about operational efficiencies by streamlining and automating majority of the current processes. The entire ERP system is targeted to be completed by the 2nd quarter of 2024/2025.

Where expansion of the business is concerned, during the Year, the Group has implemented different strategies to try to increase revenue, despite facing direct and indirect competitions from other similar quick service restaurant as well as other food and beverage brands.

Firstly, the Group has been actively looking for locations for expansion. While we have closed 1 Shihlin Outlet each in Singapore and Malaysia, the Group has managed to open 4 Outlets in Singapore and 2 Outlets in Malaysia. Out of the 4 new Outlets in Singapore, 2 are in malls with high tourist footfall which will help to promote the branding of Shihlin. Notwithstanding the expansion in Singapore and Malaysia, the Group has witnessed the closure of outlets in Cambodia under franchise model during the Year.

Secondly, the Group has extended the operating hours at 2 of its Outlets, and launched late-night offerings during weekends. It has also started the offerings of bulk ordering as well as events menu.

Thirdly, the Group has secured the master franchise rights for a Korean pizza brand "Eat Pizza" for Singapore and Malaysia territory. The first Eat Pizza's Outlet was opened on 13 January 2024 at Paya Lebar Quarter in Singapore. The brand has attracted a lot of social media attention, thanks to our marketing efforts. The brand has opened 2 Outlets during the Year. As at the date of this annual report, the Group has opened another 2 new Outlets under the brand and has further secured 3 more locations to be opened in Singapore. As the Group stabilises the expansion of Eat Pizza in Singapore, we will be moving on to opening Outlets in Malaysia.

Lastly, the Group has also acquired a central kitchen ("CK") in Singapore which is expected to be operational by the end of the 2nd quarter of 2024/2025. The CK is acquired with the aim of increasing the menu offerings at Shihlin's and Eat Pizza's Outlets, offering catering and/or events services and streamlining current operations at our Outlets to achieve operational efficiencies.

The Group continues to face rising manpower costs and manpower crunches at our Outlets as well as rising costs for food ingredients supplies and rental in Singapore and Malaysia due to the inflation post-COVID-19. The Group will continue with its efforts to reduce operating costs while exploring ways to improve efficiency in Outlet operations via the CK.

The Group has continued its marketing efforts by engaging influencers for the purpose of reaching out to more consumers. We have also created our own accounts at TikTok and Xiaohongshu to engage more consumers. We will also continue to participate in regional franchise exhibitions to look out for potential master/single-unit franchisees for both brands.

As the Group prepares itself for digitalisation and expansion, it has further strengthened the team at the Singapore headquarters during the Year. The Group's Chief Operating Officer will continue to review the business strategies of the Group in the coming year and ensure the targets set for the Group's growth are being achieved.

Message to Shareholders

OUTLOOK

The Group will continue its efforts in expanding the business as well as introducing more menu offerings at our Outlets. Marketing efforts on social media will continue to create more attention on our brands.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express our heartfelt thanks to the customers for their patronage and our shareholders and business associates for their trust and support during the Year. I would also like to thank the management and staff of the Group for their hard work during the Year to support the digitalisation and expansion journey. I look forward to collaborating with everyone to foster the growth of our business and consistently deliver value to all our stakeholders in the future.

Mr. Fok Chee Khuen

Chairman and Independent Non-Executive Director

Singapore, 27 June 2024



Management Discussion and Analysis

BUSINESS REVIEW

During the Year, the Group continued to focus on bringing authentic Taiwanese Snacks and Beverages under our Shihlin Taiwan Street Snacks® brand through a network of 226 Shihlin Outlets and Restaurants in Singapore, Malaysia, Indonesia, United States and Egypt via (i) Self-Operated model; and (ii) franchise and license model. Our country master franchisee in Cambodia has ceased operations in December 2023 because Cambodia's post-COVID-19 economic recovery was softer than expected. The Group noted a decrease in the revenue in the Singapore segment which could be due to more dine-in options available post-COVID-19 and we also see a trend of direct competitors offering Taiwanese food opening near our outlets in Singapore during the Year. However, we see an increase in the revenue from Malaysia's Self-operated Outlets. The Group is actively engaging the landlords of shopping malls and continues looking out for suitable venues for new Shihlin Outlets and Restaurants.

Besides growing our very own Shihlin brand, the Group has signed the master franchise rights for a Korean pizza brand — Eat Pizza for Singapore and Malaysia. As at 31 March 2024, we have opened 2 Self-operated Outlets in Singapore and as at the date of this report, the number of Self-operated Outlets has increased to 4 outlets in Singapore. Apart from Self-Operated model, the Group will operate its brand via franchise and license model.

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly generated from (i) Outlet and Restaurant sales; (ii) sales of food ingredients to franchisees; (iii) franchise fees; (iv) royalty income; and (v) advertising and promotion fees. The table below sets forth the Group's revenue breakdown by nature for the years ended 31 March 2024 and 2023.

	Year ended 31 March	
	2024 S\$'000	2023 S\$'000
Sale of goods		
— Outlet and Restaurant sales	16,626	16,718
— Franchisees/licensees	6,960	7,837
Royalty	841	937
Franchise fees	521	636
Advertising and promotion fees	212	277
	25,160	26,405

Management Discussion and Analysis

The total revenue of the Group has decreased from approximately S\$26.4 million for the Year 2022/2023 to approximately S\$25.2 million for the Year, representing a decrease of approximately 4.5%. The decrease in revenue was mainly due to the decreases in (i) sales from Self-operated Outlets in Singapore; (ii) sales of goods to franchisees/licensees in Malaysia; (iii) outlet fees charged to franchisees for new outlets opening and (iv) royalty income received.

The decrease in Self-operated Outlet sales in Singapore for Shihlin brand was approximately S\$0.6 million. This was due to more dine-in options available for consumers post-COVID as well as the increasing number of direct competitors offering Taiwanese food near our Outlet(s). This decrease was cushioned by the additional revenue from the new brand Eat Pizza of approximately S\$0.3 million. In order to navigate the revenue decline from the Outlets, the Group has acquired the CK to increase new menu offerings as well as to venture into other revenue streams (catering/events). The Group has also embarked on its rebranding journey to attract consumers of the younger generation.

During the Year, we had 5 Malaysian franchisees who ceased the franchise and only 2 who signed on the franchise with the Group. This has affected the sales of goods to Malaysian franchisees of about S\$0.5 million. This is also evidenced by the drop in royalty income and advertising & promotion fees contributed from Malaysian franchisees. Due to the depreciation of MYR against SGD, the translated SGD equivalent of the sales of goods to Malaysian franchisees has also been affected by about S\$0.3 million.

Franchise fees also decreased by about S\$0.1 million mainly due to the drop in new outlet opening fees from Indonesia and the United States.

Cost of inventories sold

Cost of inventories sold relates to the cost of food ingredients, beverages and packagings consumed in the Group's Self-operated Outlets and Self-operated Restaurants in Singapore and Malaysia for our retail sales, and the cost of food ingredients, beverages and packagings sold to our franchisees and licensees in Singapore, Malaysia, Indonesia, United States, Egypt and Cambodia.

The decrease in cost of goods sold during the Year is in line with the decrease in revenue with gross profit margin, staying relatively constant at approximately 61–63%.

Gross profit

The Group's gross profit (which is equivalent to revenue subtracting the cost of inventories sold) for the Year was approximately S\$15.6 million, representing a decrease of approximately 3.1% from approximately S\$16.1 million for the Year 2022/2023.

Human resources and remuneration policy

As at 31 March 2024, the Group employed 167 employees. The Group's staff costs increased by approximately S\$1.2 million from approximately S\$8.6 million for the Year 2022/2023 to approximately S\$9.8 million for the Year. As the Group continues to face manpower crunches in both Singapore and Malaysia, the Group has increased salaries and offered certain incentives for the Outlet employees during the Year according to the performance of the employees and the industry's level to attract and retain talents. The Group has also increased the number of office staff in preparation for the expansion of business to be brought about by the new brand and the central kitchen.

Remuneration packages are generally determined by reference to market norms, individual qualifications, relevant experience and performance. The Group periodically reviews the remuneration and performance of its employees and will make increments to the base salary of its staff based on market norms and their performance for the Year.

In addition, the Company adopted the Share Option Scheme as incentives or rewards to eligible persons for their contributions or potential contributions to the Group. No share option has been granted under the Share Option Scheme since the Listing Date.

Management Discussion and Analysis

Administrative expenses

Administrative expenses increased from approximately S\$7.6 million for the Year 2022/2023 to approximately S\$9.2 million for the Year, representing an increase of approximately 21%.

The increase was due to (i) an increase in overall payroll costs for the office expansion and the yearly increments for existing staff of approximately S\$1.3 million; and (ii) expenses incurred in relation to the new brand of approximately S\$0.3 million.

Liquidity, financial resources and capital structure

The Group financed its business with internally generated cash flows and the proceeds received from the Listing. There has been no change in the Company's capital structure since the Listing Date. The capital structure of the Group comprises of issued share capital and reserves.

As at 31 March 2024, the Group had cash and cash equivalents amounting to approximately S\$22.1 million, representing a decrease of approximately S\$1.4 million from approximately S\$23.5 million as at 31 March 2023. Most of the Group's bank deposits and cash were denominated in MYR, HKD and SGD. As at 31 March 2024, the Group's total current assets and current liabilities were approximately S\$25.8 million (31 March 2023: approximately S\$26.8 million) and S\$5.4 million (31 March 2023: approximately S\$4.7 million), respectively, while the current ratio calculated by dividing the total current assets over the total current liabilities was approximately 4.8 times (31 March 2023: approximately 5.7 times).

As at 31 March 2024, the Group recorded interest-bearing bank borrowings of approximately S\$2.0 million (31 March 2023: S\$2.1 million). The interest-bearing bank borrowings were secured and denominated in SGD and bore interest at 4.8% per annum (31 March 2023: 3.4% per annum). During the Year, no financial instruments were used for hedging purposes. Details of the bank borrowings of the Group are set out in note 23 to the consolidated financial statements.

As at 31 March 2024, the Group's gearing ratio, calculated based on the sum of interest-bearing bank borrowings, and lease liabilities divided by the equity attributable to owners of the Company, was approximately 22% (31 March 2023: approximately 18%).

Material acquisitions and disposals

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year and the Year 2022/2023.

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. 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 changes in use of net proceeds, please refer to the Change of UOP Announcements. The use of the net proceeds from the Listing up to 31 March 2024 was as follows:

Use of net proceeds	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 Year (\$S'000)	Amount remaining as at 31 March 2024 (\$S'000)	Expected timeline of full utilisation of the revised net proceeds
New Self-operated Outlets in Singapore	9.8%	1,280	(465)	(527)	288	March 2025
New Self-operated Outlets in West Malaysia	9.4%	1,228	(802)	(175)	251	March 2025
Expansion of Non-self-operated Outlets and Restaurants network	5.5%	720	(156)	(82)	482	March 2026
Refurbishment of Self-operated Outlets and Restaurants	5.8%	752	(226)	(90)	436	March 2026
Strengthening manpower	8.2%	1,060	(637)	(377)	46	March 2025
Marketing and promotional initiatives	5.4%	700	(414)	(142)	144	March 2026
Upgrade our IT infrastructure, data management and franchise management system	8.2%	1,060	(21)	(210)	829	March 2027
General working capital	47.7%	6,200	(2,361)	(3,839)	—	
	100.0%	13,000	(5,082)	(5,442)	2,476	

Due to the delay of expansion plans caused by the COVID-19, additional time is required to expand the businesses via Self-operated and franchise models. As such, the Board has decided to extend the expected timeline of full utilisation of the revised net proceeds in accordance with the business strategies for approximately 2 to 3 years.

For new Self-operated Outlets in Singapore and West Malaysia, the Group has opened a total of 6 Outlets during the Year and the Group is actively looking for more suitable locations to open in these territories in the upcoming year. With the expansion of the Outlets in both Singapore and Malaysia, the Group will extend the timeline of "Strengthening manpower" by 1 more year to cater to the expansion of the operations teams in both Singapore and Malaysia.

The Group has also been actively participating in exhibitions in Asia and is looking to participate in more international exhibitions in the upcoming 2 years.

Management Discussion and Analysis

For marketing, the Group will be undertaking a rebranding exercise with the objective of attracting the new generation of customers with an improved brand image. This rebranding exercise is currently projected to be completed by March 2026.

Lastly, the Group is migrating to an ERP system and will also be changing the existing systems (e.g., HR system, CRM system, etc.) and looking at the integration of these systems with the ERP system. The usage timeline has been extended in order to support the entire transition to the systems and to ensure operational efficiency is achieved.

Foreign currency exposure

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets, mainly cash and cash equivalents and trade and other receivables that are denominated in currencies other than the functional currencies of the respective entities in the Group. The Group holds certain cash amounts in MYR and HKD. There are also monetary assets and liabilities which are denominated in MYR and HKD, for which they will be exposed to foreign currency exposure risks. Currently the Group does not use derivative financial instruments to hedge its foreign currency risk. The Group will continue to closely monitor its exposure to foreign currency movements and will take measures when needed to ensure the foreign currency exposure risks are manageable.

Contingent liabilities

As at 31 March 2023 and 2024, the Group does not have any material contingent liabilities.

Charge on the Group's assets

As at 31 March 2024, the Group did not have any other banking charges except secured bank borrowings of approximately S\$2.0 million (31 March 2023: S\$2.1 million) secured by properties held for own use by the Group with carrying values of approximately S\$3.0 million (31 March 2023: S\$3.0 million).

Training and continuing development

During the Year, comprehensive training programs and development initiatives pertaining to operational and occupational safety as well as customer services were provided to relevant employees in order to enhance the quality of services expected from customer-facing staff. The Company's lawyer provides updates from time to time on Directors' duties and responsibilities under statutory and regulatory requirements as well as updates to the amendments on the Listing Rules to the senior management who are the Directors.

Significant investments held by the Group

The Group did not have any significant investments as at 31 March 2023 and 2024.

Future plans for material investments or capital assets

Apart for the use of proceeds from the Share Offer, the Group did not have any plan for material investment and capital asset as at 31 March 2023 and 2024.

ESG performance

The Group continually reviews its ESG efforts, corporate governance and risk management practices with an aim to create and deliver sustainable value to all its key stakeholders. The Group is constantly exploring more efficient opportunities to reduce the consumption of resources in order to reduce its impact on the environment.

For more information regarding the Group's ESG performance for the Year, please refer to the section headed "Environmental, Social and Governance Report" (the "ESG Report") on pages 25 to 48.

Outlook

Moving forward, the Group will (i) continue its journey to digitalise and automate in order to achieve operational efficiency; (ii) look for suitable locations to expand the outlet network; (iii) improve the menu offerings to consumers and (iv) explore additional revenue streams to enhance value for our Shareholders.

Biographies of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Daniel Tay, aged 46, is the co-founder of the Group and has been with us since 4 June 2003. He was appointed as a Director on 2 February 2018. On 11 September 2018, Mr. Daniel Tay was re-designated as an executive Director and appointed as the Chairman of the Board. On 1 April 2023, Mr. Daniel Tay ceased to be the Chairman and remained as an executive Director. He is also a member of the Remuneration Committee. Mr. Daniel Tay is a director of Brilliant Stride, a Controlling Shareholder. He is also a director of all of the Company's subsidiaries. Mr. Daniel Tay is responsible for the overall management, financial performance and business development of the Group.

Mr. Daniel Tay obtained a Bachelor of Arts degree in August 2002 and completed a Bachelor of Social Sciences in Economics degree programme in June 2003, both from The National University of Singapore. Upon graduation, Mr. Daniel Tay co-founded the Group with Mr. Melvyn Wong in June 2003 and has been the Group's director for business development.

Save as disclosed herein, Mr. Daniel Tay did not hold in the past three years any directorship in other public listed companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Melvyn Wong (黃志達), aged 45, is the co-founder of the Group and has been with the Group since 4 June 2003. He was appointed as a Director on 2 February 2018. He was re-designated as an executive Director and appointed as the chief executive officer on 11 September 2018. He is also a member of the Remuneration Committee. Mr. Melvyn Wong is a director of Brilliant Stride, a Controlling Shareholder. He is also a director of all of the Company's subsidiaries. Mr. Melvyn Wong is responsible for overseeing the execution of strategic planning and supervising the operations of the Group.

Mr. Melvyn Wong obtained a Bachelor of Engineering (Mechanical Engineering) degree from The National University of Singapore in June 2003. Upon graduation, Mr. Melvyn Wong co-founded the Group with Mr. Daniel Tay in June 2003 and has been the Group's director for operations.

Save as disclosed herein, Mr. Melvyn Wong did not hold in the past three years any directorship in other public listed companies the securities of which are listed on any securities market in Hong Kong or overseas.

INEDS

Mr. Jong Voon Hoo (楊文豪) ("Mr. Jong"), aged 51, was appointed as an INED on 23 September 2019. Mr. Jong is currently a director of Global Invest & Advisory Pte. Ltd., an investment consultancy and advisory firm, since October 2015. Mr. Jong is the chairman of the Nomination Committee, member of the Audit Committee and the Remuneration Committee, providing independent judgement on issues of strategy, policy, accountability and standard of conduct.

Mr. Jong has over 24 years of experience in accounting and auditing. Mr. Jong joined Arthur Andersen LLP in July 1996 as a staff accountant in the assurance & business advisory division. He was promoted to senior in September 1998 and further promoted to manager in September 2001 until he left the firm in June 2002. Mr. Jong served as a manager of Deloitte & Touche LLP and engaged in audit work from November 2002 to June 2004, and subsequently promoted to senior manager in July 2004 until he left the firm in September 2004. He was a chief financial officer of Green Build Technology Limited (formerly known as Youcan Foods International Limited and Youyue International Limited), a company listed on the Singapore Exchange (stock code: Y06), from October 2004 to August 2015.

Mr. Jong obtained a Bachelor of Accountancy degree from the Nanyang Technological University in Singapore in June 1996. He has been a Chartered Accountant of Singapore and a member of the Institute of Singapore Chartered Accountants since September 1999.

Biographies of Directors and Senior Management

Mr. Jong has been an independent non-executive director of SingAsia Holdings Limited (stock code: 8293), a company whose shares are listed on GEM of the Stock Exchange, since June 2016 and he has stepped down from the position with effect from 08 December 2023. He has been an independent director of Sheng Siong Group Ltd., a company listed on the Singapore Exchange (stock code: OV8) from June 2011 to December 2021. He has been a lead independent director of Reclaims Global Limited, a company listed on the Singapore Exchange (stock code: NEX), since January 2019. Mr. Jong was appointed as independent non-executive director of Nam Lee Pressed Metal Industries Limited, a company listed on the Singapore Exchange (stock code: G0I), with effect from 15 March 2023. He has been appointed as a lead independent non-executive director of Overseas Education Limited, a company listed on the Singapore Exchange (stock code: RQ1), with effect from 25 April 2024. Save as disclosed herein, Mr. Jong did not hold in the past three years any directorships in other public listed companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Fok Chee Khuen (霍志權) (“Mr. Fok”), aged 45, was appointed as an INED and the Chairman on 27 August 2021 and 1 April 2023, respectively. Mr. Fok is the co-founder and director of Quality Accountants Pte Ltd and FE Advisory Pte Ltd since August 2017.

Mr. Fok has 23 years of audit, accounting and inspection experience. Mr. Fok joined KPMG Singapore in the assurance unit in August 2002. He left the firm in September 2006 as an audit assistant manager. He joined UBS AG as a business analyst from September 2006 to June 2007. Mr. Fok served as an audit manager in Mazars Moores Rowland LLP and engaged in audits of listed corporations in Singapore and United States from June 2007 to December 2008. He joined Accounting & Corporate Regulatory Authority (ACRA) in December 2008 in the Practice Monitoring Department and left in June 2013 as a senior lead audit inspector. Mr. Fok was an associate director in quality control and audit with Foo Kon Tan LLP from June 2013 to April 2015. He re-joined ACRA in April 2015 and left as the Head of Practice Monitoring Department in August 2017. Mr. Fok was appointed as an independent non-executive director of Rectitude Holdings Limited, a company listed on Nasdaq (stock code: RECT), since 21 June 2024. Save as disclosed herein, Mr. Fok did not hold in the past three years any directorships in other public listed companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Fok obtained a Bachelor of Accountancy Degree (1st Class Honours) from the Nanyang Technological University in Singapore in June 2002. He is a Chartered Accountant of Singapore and a member of the Institute of Singapore Chartered Accountants.

Ms. Tan Chiu Yang (陳秋燕) (“Ms. Tan”), aged 44, was appointed as an INED on 29 August 2022. Ms. Tan is currently the Chief Operating Officer (COO) at HSBC Singapore, leading technology, operations, transformation, chief data office and corporate services in the location. Ms. Tan has over 18 years of experiences running large scale transformation programs in Financial Services. In her career, she has rolled out new products, setting up new markets, led post-merger integration, built client platforms, improved operations efficiencies and spearheaded digitalisation. She has built her skillset across different roles ranging from technologist, data architect, client relationship manager, operations manager and product/platform lead which have created a unique advantage for her to lead complex transformation successfully and created lasting business impact. Prior to joining HSBC Singapore, Ms. Tan spent more than 15 years at JPMorgan Chase, where she was the global head for the center of excellence for Intelligent Automation for Asset and Wealth Management business. Ms. Tan is the chairlady of the Remuneration Committee, member of the Audit Committee and the Nomination Committee, providing independent judgement on issues of strategy, policy, accountability and standard of conduct.

Save as disclosed herein, Ms. Tan did not hold in the past three years any directorships in other public listed companies the securities of which are listed on any securities market in Hong Kong or overseas.

SENIOR MANAGEMENT

Our senior management consists of all of the executive Directors. For the biographical details of our executive Directors who are our senior management, please refer to the paragraph headed “Executive Directors” in this section.

COMPANY SECRETARY

Ms. Tung Wing Yee Winnie (董穎怡) (“Ms. Tung”) is a senior corporate secretarial manager of Boardroom Corporate Services (HK) Limited. Ms. Tung has extensive experience in the corporate secretarial field, audit and assurance, financial management and corporate finance, gained from her working experience with an international accounting firm and certain listed companies in Hong Kong. She is a fellow member of The Hong Kong Institute of Certified Public Accountants and a Fellow Certified Practising Accountant of the CPA Australia. Ms. Tung obtained a master’s degree in business administration from the University of Western Sydney, Australia in 2002 and a bachelor’s degree in commerce from the University of Canberra, Australia in 1994.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining a high standard of corporate governance that properly protects and promotes the interest of its Shareholders and devotes considerable effort to identifying and formalising good corporate governance practices. The Company has adopted and adhered to the principles in the CG Code. The corporate governance principles of the Company place strong emphasis on an effective board with a high level of integrity, proper internal controls, as well as a high degree of transparency and accountability, which not only maximise the corporate value for the Shareholders but also protect the long-term sustainability of the Group as a whole.

During the Year, the Company has complied with all the mandatory disclosure requirements and all the provisions as set out in the section headed "Part 2 — Principles of good corporate governance, code provisions and recommended best practices" of the CG Code.

The Board periodically reviews and continues to abide by the Company's corporate governance policies to ensure compliance with the CG Code.

CORPORATE CULTURE AND VALUES

The Group's vision is to bring authentic street cuisine to its customers worldwide. The Directors and senior management are committed to bringing the Shihlin Taiwan Street Snacks brand to countries where it has yet to have a presence in, by actively participating in exhibitions to attract franchisees, as well as bringing the Eat Pizza brand to Singapore and Malaysia where the franchise rights are signed for.

With the vision in mind, its innovation team also continues to work on adding new menu offerings.

There are four core values which form the Group's commitment and belief:

- a) **Serve** — in a welcoming and sincere manner — be it the front-line Outlet employees or back-end office employees, the Group strongly believes that good customer service will earn us loyalty in our customers.
- b) **Taste** — the Group's employees put in the efforts to ensure the authenticity and food quality remains consistent across Outlets.
- c) **Standard of service** — the Group endeavours to perform at a top-grade standard in everything we do.
- d) **Synergy** — the Group is committed to working as a team to make the work environment productive and conducive for all employees in the Group.

The Directors and employees uphold the values by maintaining consistency in quality and level of services delivered at the Outlets. Trainings are given to the employees to enable them to perform their work with quality and the service standards of our employees. The Group and the Board strongly believe that by prioritizing good service and quality, the customers' needs will be met.

The Group inculcates the corporate culture in its employees by including the values as part of its new employee's orientation as well as continuously reminding the existing employees during internal get-together sessions.

DIRECTORS

The Board

The Board, led by the Chairman, is responsible for the leadership and control of the Company and is vested with the overall management of the Group's business. The Board is collectively responsible for promoting the success of the Company, by making decisions objectively, having regard to the best interests of the Company at all times. The Board has delegated the authority and responsibility for the day-to-day management and operation of the Group to the senior management team of the Company. Such responsibilities include implementing the decisions of the Board, directing and co-ordinating day-to-day operations, managing the Group in accordance with the strategies and plans as approved by the Board, as well as supervising and monitoring the control systems. In addition, the Board has established the Board committees and has delegated various responsibilities to these Board committees as set out in their respective terms of reference.

The Board undertakes responsibility for its decision for all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies, internal control and risk management systems, material transactions (in particular those that may involve a conflict of interest), financial information, appointment of Directors and other significant financial and operational matters.

Corporate Governance Report

With the assistance of the Company Secretary, the Chairman has sought to ensure that all Directors were properly consulted on all major matters relating to the Company. The Directors are provided with monthly operating information which contains up-to-date performance of the Group and information of the Company. The Directors were sufficiently briefed on issues raised during Board meetings and that all relevant information had been received in a timely manner. To the extent that any of the Directors required independent professional advice, this would be met by the Group, at the Group's expense, upon the Director having made a reasonable request to the Board.

Board Meetings and General Meeting

During the Year, four Board meetings and an AGM were held. The attendance record of each Director is set out below:

Name of Directors	Number of Board meeting(s) attended/ eligible to attend	Number of AGM attended/ eligible to attend
<i>Executive Directors:</i>		
Mr. Daniel Tay	4/4	1/1
Mr. Melvyn Wong (<i>Chief Executive Officer</i>)	4/4	1/1
<i>INEDs:</i>		
Mr. Jong Voon Hoo	4/4	1/1
Mr. Fok Chee Khuen (<i>Chairman</i>)	4/4	1/1
Ms. Tan Chiu Yang	4/4	1/1

Board Composition

As at 31 March 2024, the Board comprised five Directors, including two executive Directors and three INEDs as below:

Name of Directors	Membership of Board Committee(s)
<i>Executive Directors:</i>	
Mr. Daniel Tay	Member of the Remuneration Committee
Mr. Melvyn Wong (<i>Chief Executive Officer</i>)	Member of the Remuneration Committee
<i>INEDs:</i>	
Mr. Fok Chee Khuen (<i>Chairman</i>)	Chairman of the Audit Committee
	Member of the Remuneration Committee
	Member of the Nomination Committee
Mr. Jong Voon Hoo	Chairman of the Nomination Committee
	Member of the Audit Committee
	Member of the Remuneration Committee
Ms. Tan Chiu Yang	Chairlady of the Remuneration Committee
	Member of the Audit Committee
	Member of the Nomination Committee

Corporate Governance Report

The Board has maintained the necessary balance of skills and experience appropriate for the business requirements and objectives of the Group and for the exercise of independent judgement. During the Year, the Company had three INEDs and the number of INEDs met the requirements at least one-third of the Board under Rules 3.10(1) and 3.10A of the Listing Rules. In addition, pursuant to Rule 3.10(2) of the Listing Rules, the Board ensured that at least one of the INEDs possess appropriate professional qualifications, or accounting or related financial management expertise. Mr. Jong Voon Hoo and Mr. Fok Chee Khuen are fellow members of the Institute of Singapore Chartered Accountants, while Ms. Tan Chiu Yang is the Chief Operating Officer of HSBC Singapore.

The Company has received a confirmation in writing from each of the INEDs of their independence pursuant to Rule 3.13 of the Listing Rules. The Board is not aware of any circumstance which would affect the independence and exercise of impartial judgment from the INEDs. As such, the Board notes that all the INEDs are independent.

In compliance with the Listing Rules, the Directors believe that there are no family, financial or business relationship that requires to be disclosed.

The Group recognise that a comprehensive corporate governance management structure is crucial in helping the Company to implement its strategies and policies effectively and consistently throughout the Group, and safeguard the long-term interests of its Shareholders. Accordingly, the Company has established the following policies and mechanism and has continuously reviewed them to ensure that the Group meets the requirements of the applicable laws and regulations:

- Board Diversity Policy
- Mechanisms Ensuring Independent Views Available to the Board
- Anti-corruption Policy
- Whistleblowing Policy

BOARD DIVERSITY POLICY

The Board adopts a board diversity policy (the "Board Diversity Policy") which conforms with the requirement set out in Rule 13.92 of the Listing Rules. The Board Diversity Policy recognises and embraces the benefits of diversity in the composition of the Board. It requires that all Board appointments and selection of candidates shall be based on merits and a range of diversity factors. The Company believes that a diversity of perspectives can be achieved through a number of factors, including but not limited to knowledge, gender, age, skills, functional expertise, cultural and educational background as well as professional experience and qualifications. In reviewing the Board Diversity Policy, the Company will also take into account of factors based on its own business model and specific needs from time to time as well as the merits and contributions that the selected candidates will bring to the Board.

The Board currently has one female Director and as such has achieved gender diversity in respect of the Board. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the shareholders' expectations and international and local recommended best practices.

The Nomination Committee will review the Board Diversity Policy at least annually to ensure that its continued effectiveness, and where necessary, will make revisions that may be required and recommend any such revision to the Board for consideration and approval.

At the meeting held on 27 June 2024, the Nomination Committee reviewed the implementation and effectiveness of the Board Diversity Policy during the Year. After considering the nature of the food and catering industry and the characteristics of the Group's business model, the Nomination Committee has opined that the current composition of the Board maintains an appropriate range and reflects the balance of skills, educational background, experience and diversity of perspectives desirable for the effective management of the Company. The Nomination Committee also considered that the existing gender diversity in respect of the Board is sufficient, and that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board.

Corporate Governance Report

Workforce Diversity

As at 31 March 2024, the gender ratio the Group's workforce (calculated by dividing the no. of female staff by the no. of male staff) was 1.2 female per 1 male. The Group's hiring is merit-based and non-discriminatory. The Board is satisfied that the Group has achieved gender diversity in its workforce.

The Group plans to offer all-rounded trainings to all employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development.

INDEPENDENT VIEWS OF THE BOARD

In compliance with code provision B.1.4 of the CG Code, the Company has established mechanisms to ensure that a strong independent element on, and independent views and input are available to the Board (the "Mechanisms").

The Mechanisms cover the composition of the Board and Board Committees, the independence assessment of the INED, Board decision making progress and guideline of policy implementation review.

The Board will review the implementation and effectiveness of the Mechanisms annually. At the meeting held on 27 June 2024, the Board has reviewed the implementation and effectiveness of the Mechanisms during the Year and considered that the existing Mechanisms is sufficient and effective.

The Board have also taken into account the respective contributions of the INEDs to the Board and their firm commitments to their independent roles. During the Year, all the INEDs do not hold any cross-directorships or have any significant links with other Directors through involvement in other companies or bodies that could give rise to conflicts of interest in their roles as INEDs and they are not involved in the daily management of the Company nor in any relationships or circumstances which would affect the exercise of their independent judgment. They continue to demonstrate their ability to provide an independent, balanced and objective view to the affairs of the Company.

ANTI-CORRUPTION POLICY

To outline the Company's expectations and requirements on prevention, detection, reporting and investigation of any suspected fraud, corruption and other similar irregularities; and to provide information and guidance on recognizing and dealing with bribery and corruption, the Company has established its group-wise anti-corruption policy that complies with code provision D.2.7 of the CG Code.

Our staff can anonymously report any suspected corrupt incident directly to the Financial Controller of the Group, who will review the complaints and determine the appropriate mode of investigation and subsequent corrective action. Where the matter is deemed potentially serious it will be promptly reported to the Chief Executive Officer, the Chairman of the Audit Committee, and where appropriate, to the Chairman of the Board.

Upon completion of investigation, the results of investigation together with corrective action plans (if any) will be communicated to the senior management of the Company. No incident of fraud or misconduct was considered to have material effect on the Group's consolidated financial statements or overall operations for the Year. The anti-corruption policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

WHISTLEBLOWING POLICY

The Group is committed to achieving and maintaining the highest standards of openness, probity and accountability, the Company has established a whistleblowing policy which forms an important part of its effective risk management and internal control systems.

The whistleblowing policy is applicable to all stakeholders, including employees, Shareholders, customers and suppliers. The system allows stakeholders to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company. The whistleblowers who wish to report a concern can send the relevant information to the Chairman of the Audit Committee directly by email or by phone call.

Corporate Governance Report

The whistleblowing policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

The Group strictly adheres to the rules and regulations relating to anti-corruption and fraudulent behaviors set out by the relevant authorities. At the same time, the Group maintains a high standard of business integrity throughout its operations. We require our employees to follow our employee manual and code of business conduct and ethics, negligence and corruption. We also carry out regularly on-the-job compliance training for our senior management and employees to maintain a healthy corporate culture and enhance their compliance perception and responsibility.

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year, Mr. Fok Chee Khuen acted as the Chairman and Mr. Melvyn Wong acted as the chief executive officer of the Company. The roles of the Chairman and the chief executive officer have been separated and assumed by different individuals to ensure a balance of power and authority so that power is not concentrated in any member of the Board.

Directors' Liabilities Insurance

During the Year, an appropriate and adequate directors' and officers' liability insurance is in place to protect the Directors from legal action arising from the performance of their duties as a Director. Such insurance coverage will be reviewed and renewed on an annual basis. No claims under the insurance policy have been made during the Year.

Appointment and Re-Election of Directors

In compliance with the Listing Rules, and in accordance with the Articles of Association, (i) all Directors should be subject to retirement by rotation at least once every three years and are eligible for re-election, and (ii) any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the first AGM after his/her appointment and be subject to re-election at such meeting.

Continuous Professional Development

On the first occasion of each Director's appointment, the Company will arrange a comprehensive, formal and detailed introduction to each Director to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of the Director's responsibilities under statutory and common law, the Listing Rules, other legal and regulatory requirements and the Company's business and governance policies.

During the Year, all Directors have participated in continuous professional development to develop, refresh and update their knowledge and skills. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records.

Corporate Governance Report

A summary of the training received by the Directors for the Year is set out below:

Name of Directors	Type of trainings
<i>Executive Directors:</i>	
Mr. Daniel Tay	A & B
Mr. Melvyn Wong (<i>Chief Executive Officer</i>)	A & B
<i>INEDs:</i>	
Mr. Fok Chee Khuen (<i>Chairman</i>)	A & B
Mr. Jong Voon Hoo	A & B
Ms. Tan Chiu Yang	A & B

A: attending in-house training/external seminars/briefings/conference/forums and workshops

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

Directors' Securities Transactions

The Company has adopted the Model Code as its own code of conduct governing the Directors' securities transactions in the Shares.

Following the specific enquiries made to them by the Company, all Directors confirmed that they had complied with the Model Code for the Year.

BOARD COMMITTEES

The Board has established the Nomination Committee, Remuneration Committee and Audit Committee to oversee particular aspects of the Company's affairs. Each of these committees has specific written terms of reference setting out its duties and authority and is available on the respective websites of the Company and the Stock Exchange. The committees have sufficient resources to execute their requisite duties and enjoy the support of management. To the extent that any independent professional advice is required, the committees have access as necessary at the Group's expense.

Nomination Committee

The primary duties of the Nomination Committee are (a) reviewing the structure, size and composition of the Board; (b) assessing the independence of INEDs; (c) identifying suitably qualified candidates to become members of the Board and giving adequate consideration to the Board Diversity Policy; (d) making recommendations to the Board on any proposed changes to the Board or selection of individuals nominated for directorships, or on the appointment or re-appointment of Directors; (e) developing and reviewing the Board Diversity Policy and measurable objectives for implementing such policy from time to time and reviewing the progress on achieving the objectives; and (f) making disclosure on the Board Diversity Policy in the Company's annual report and considering other topics, as defined by the Board. The current members of the Nomination Committee are Mr. Jong Voon Hoo, Ms. Tan Chiu Yang and Mr. Fok Chee Khuen, all being INEDs. Mr. Jong Voon Hoo is the chairman of the Nomination Committee.

Corporate Governance Report

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Nomination Committee will continue to review the Board Diversity Policy from time to time to ensure its continued effectiveness.

Nomination Policy

The Nomination Committee will recommend to the Board for the selection, appointment and re-appointment of a Director including an INED in accordance with the following procedures and process:

- i The Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- ii The Nomination Committee may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm and proposals from the Shareholders with due consideration given to the criteria which include, but are not limited to:
 - (a) Diversity in the aspects of, amongst others, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
 - (b) Commitment for responsibilities of the Board in respect of available time and relevant interest (details of the Board Diversity Policy are set out above);
 - (c) Qualifications, both academic and professional, including accomplishment and experience in the relevant industries in which the business(es) of the Company and its subsidiaries is/are involved;
 - (d) Independence (for INEDs);
 - (e) Reputation for integrity;
 - (f) Potential contributions that the individual can bring to the Board; and
 - (g) Plan(s) in place for the orderly succession of the Board.
- iii The Nomination Committee may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;
- iv The Nomination Committee will consider a broad range of candidates who are in and outside of the Board's circle of contacts;
- v Promptly after considering a candidate's suitability for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- vi The Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of the remuneration package of such selected candidate;
- vii The Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration Committee will make the recommendation to the Board on the policy and structure for the remuneration;
- viii The Board may arrange for the selected candidate to be interviewed by the members of the Board, who are not members of the Nomination Committee and the Board will thereafter deliberate and decide on the appointment as the case may be; and

Corporate Governance Report

- ix All appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the relevant regulatory authorities, if required.

During the Year, the Nomination Committee held one meeting. All members, namely, Mr. Jong Voon Hoo (Chairman), Ms. Tan Chiu Yang and Mr. Fok Chee Khuen attended the meeting.

The work performed by the Nomination Committee is summarised as follows:

1. reviewed the structure and size of the Board;
2. reviewed the Board Diversity Policy and the measurable objectives for implementing such policy as well as the progress on achieving the objectives;
3. reviewed the independence of the INEDs; and
4. recommended to the Board the re-election of retiring Directors at the AGM held on 31 August 2023.

Remuneration Committee

The primary duties of the Remuneration Committee include (a) evaluating the performance and making recommendations to the Board on the Company's policies and structure for the remuneration of all of the Directors and senior management of the Company; (b) establishing a formal and transparent procedure for developing a policy on remuneration; (c) determining specific remuneration packages for all Directors and senior management in the manner specified in its terms of reference; (d) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time; and (e) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. The current members of the Remuneration Committee are Ms. Tan Chiu Yang, Mr. Jong Voon Hoo, and Mr. Fok Chee Khuen, all being INEDs, and Mr. Daniel Tay and Mr. Melvyn Wong, both being executive Directors. Ms. Tan Chiu Yang is the chairlady of the Remuneration Committee.

During the Year, three Remuneration Committee meetings were held. All members, namely Ms. Tan Chiu Yang (Chairlady), Mr. Jong Voon Hoo, Mr. Fok Chee Khuen, Mr. Daniel Tay and Mr. Melvyn Wong attended the meetings.

The work performed by the Remuneration Committee is summarised as follows:

1. evaluated the performance of all Directors;
2. made recommendations to the Board on the remuneration packages of the Directors; and
3. reviewed matters relating to share option scheme under Chapter 17 of the Listing Rules.

Audit Committee

The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, review the Company's financial information and significant financial reporting judgment in respect of financial reporting and oversee the financial reporting system, risk management and internal control procedures of the Company. The current members of the Audit Committee are Mr. Fok Chee Khuen, Mr. Jong Voon Hoo and Ms. Tan Chiu Yang, all being INEDs. Mr. Fok Chee Khuen is the chairman of the Audit Committee. This Annual Report has been reviewed by the Audit Committee.

During the Year, the Audit Committee held four meetings. All members, namely Mr. Fok Chee Khuen (Chairman), Mr. Jong Voon Hoo and Ms. Tan Chiu Yang attended the meetings.

Corporate Governance Report

The work performed by the Audit Committee is summarised as below:

1. reviewed the 2023 Annual Report and interim report for the six months ended 30 September 2023, consolidated financial statements and the related results announcements, documents and other matters or issues raised by external auditor;
2. reviewed the findings from the external auditor;
3. reviewed the independence and the appointment of an external auditor;
4. reviewed the internal audit plans, the internal controls, the development in accounting standards and its effects on the Group, financial reporting and risk management matters;
5. reviewed the adequacy of resources, staff qualifications, training programmes and budget of the Company, and training programmes of the Company, the Groups' accounting and financial reporting functions;
6. reviewed the Group's financial and accounting policies and practices;
7. approved the current external audit plan, and reviewed and monitored the level of financial control as well as the effectiveness of the Group's risk management and internal control systems (including those relating to the Group's Environmental, Social and Governance risk, performance and reporting); and
8. reviewed the appointment of an internal auditor of the Group.

Corporate Governance Function

The Board is responsible for ensuring that the Company maintains and implements comprehensive corporate governance practices and procedures. During the Year, the Board:

- (1) reviewed the corporate governance policies and practices of the Company as well as made relevant recommendations;
- (2) reviewed and monitored the training and continuous professional development of the Directors and senior management of the Group;
- (3) reviewed and monitored the policies and practices of the Company to ensure compliance with relevant legal and regulatory requirements;
- (4) reviewed compliance with the CG Code and made necessary disclosure in the 2023/2024 Annual Report; and
- (5) reviewed and approved the ESG report for the Year 2022/2023.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Pursuant to code provision E.1.5 of the CG Code, the remuneration for the Year of the members of the senior management which are the two executive Directors whose particulars are contained in the section headed "Biographies of Directors and Senior Management" in this Annual Report. The particulars of the Directors' remuneration for the Year are set out in note 10 to the consolidated financial statements.

ACCOUNTABILITY AND AUDIT

All Directors acknowledge their responsibilities in publishing annual and interim reports with a clear and an accurate assessment of the results and operations of the Group, as well as price-sensitive or inside information and relevant disclosures by way of announcements as required under the Listing Rules. The Directors also acknowledge their responsibilities for the preparation of the Group's financial statements and confirm the true and fair depiction of the Group's state of affairs therein. The Independent Auditor's statement regarding its reporting responsibilities in respect of the consolidated financial statements of the Group is set out in the independent auditor's report on pages 58 to 60 of the 2023/2024 Annual Report. The Directors, having made the relevant enquiries, confirm that there are no material uncertainties relating to events which may affect the Company's ability to continue as a going concern.

Corporate Governance Report

INDEPENDENT AUDITOR'S REMUNERATION

For the Year, Forvis Mazars LLP (F.K.A. Mazars LLP) was engaged as the Group's independent auditor and the fees paid or payable to the Independent Auditor are set out as follows:

	Fees paid/payable S\$'000
Audit service — Annual audit	150

RISK MANAGEMENT AND INTERNAL CONTROL

The Company believes that an effective corporate governance structure allows the Company to have a better understanding of, and to evaluate and manage, risks and opportunities (including ESG risks and opportunities).

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal control system. An external consultant was engaged to review the Group's risk management and internal control systems during the Year.

The outsourced consultant is an independent service provider that reports directly to the Audit Committee. It provides independent, objective, assurance and consulting services on risk management and internal control. The Company does not have an internal audit department. The internal audit function is provided by the outsourced consultant who has unrestricted access to information that allows it to review all aspects of the Company's risk management, control and governance processes. On a regular basis, it conducts audits on financial, operational and compliance controls, and the risk management functions of the Group. The outsourced internal audit team produces an annual internal audit plan for the Audit Committee's approval. The audit plan is prepared based on the risk assessment to ensure that business activities with higher risks are covered. The plan is executed by the outsourced internal audit team, and the outsourced internal audit team reports directly to the Audit Committee.

The Audit Committee reviewed the internal control review report issued by the outsourced consultant and the Company's risk management and internal control systems in respect of the Year and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred the same.

The Group has yet to establish its internal audit function during the Year as required under code provision D.2.5 of the CG Code. The Audit Committee and the Board, have considered the internal control review report prepared by the outsourced consultant and communications with the Company's external auditor in respect of any material control deficiencies identified during the course of the financial statements audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems (including ESG risks and opportunities). The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

INSIDE INFORMATION

Policies, procedures and controls for handling and dissemination of inside information has been set out internally to enhance information management of the Group and to ensure the authenticity, accuracy, completeness and timeliness of information disclosed to the public while protecting the legitimate rights and interests of the Company and its Shareholders, creditors and other stakeholders as a whole.

Corporate Governance Report

DISSEMINATION OF INSIDE INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of price-sensitive information, the Company acknowledges its responsibilities under Part XIVA of the SFO and the Listing Rules and the overriding principle that inside information should be announced promptly. The Company has established a policy for the disclosure of inside information (the “Inside Information Disclosure Policy”) with close regard to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission in Hong Kong.

The Inside Information Disclosure Policy includes, among other things:

- (a) only designated persons are authorised to communicate the Company’s corporate matters with investors, analysts, the media or other members of the investment community;
- (b) Directors or senior management shall report to the chief executive officer any potential/suspected inside information as soon as practicable so that he can consult (if appropriate) the Board thereafter for determining the nature of developments and, if required, making appropriate disclosure;
- (c) disclosure of inside information must be made in a manner that can provide for equal, timely and effective access by the public to the disclosed inside information; and
- (d) inside information must be kept strictly confidential until a public announcement is made and shall be disseminated in accordance with the requirements of the Listing Rules before it is released via other means.

DELEGATION BY THE BOARD

In general, the Board oversees the Company’s strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls operating and financial performance and sets appropriate policies for risk management in pursuit of the Group’s strategic objectives. The Board delegates the implementation of strategies and day-to-day operation of the Group to the management.

COMPANY SECRETARY

Ms. Tung Wing Yee Winnie was appointed as the Company Secretary on 30 November 2020 and since then, has been providing certain corporate secretarial services to the Company pursuant to an engagement letter entered into between the Company and Boardroom Corporate Services (HK) Limited. The primary person at the Company with whom Ms. Tung contacted during the Year was Ms. Goh Mei Xian, the Group’s financial controller, in respect of company secretarial matters.

Ms. Tung has taken no less than 15 hours of relevant professional training during the Year pursuant to Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

Shareholders’ Communication Policy

The Board believes the importance of maintaining transparent, timely and effective communication with the Shareholders and investors of the Company. The Board also believes that effective communication with the Company’s investors is critical in establishing investor confidence and attracting new investors. Therefore, the Group has adopted a Shareholders’ communication policy with the objective of maintaining a high degree of transparency to ensure that the Shareholders and investors of the Company will receive accurate, clear, comprehensive and timely information through annual reports, interim reports, announcements, circulars, AGMs and EGMs. The Company also publishes all corporate communications on its website.

The Board has reviewed the implementation and effectiveness of the Shareholders’ communication policy during the Year including the steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place. It is considered that the policy is effectively implemented.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

1. Procedures for Shareholders to Convene an EGM

Pursuant to article 58 of the Articles of Association, EGMs shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital (excluding treasury shares) of the Company carrying the right of voting at general meetings of the Company on a one vote per share basis. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Any requisition to convene an EGM should be lodged to the Company's principal place of business in Hong Kong at 57th Floor, The Center, 99 Queen's Road Central, Hong Kong marked for the attention of the Company Secretary.

2. Procedures for Making Enquiries

Shareholders may direct their queries regarding their shareholdings, share transfer/registration, payment of dividend and change of correspondence address to the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited:

Address: 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong

Email: ir@snackemp.com

Tel: (852) 2153 1688

Fax: (852) 3020 5058

Shareholders may make enquiries in respect of the Company at the following correspondence address, email address and fax number of the Company for the attention of the Company Secretary:

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

Email: ir@snackemp.com

Fax: (852) 2598 7500

3. Procedures for Putting Forward Proposals at Shareholders' Meetings

(i) Proposal for election of a person other than a Director as a Director: Pursuant to article 85 of the Articles of Association, a Shareholder who wishes to propose a person other than a retiring Director for election to the office of Director at any general meeting should lodge (i) a notice in writing by him/her/it (other than the person to be proposed) of his/her/its intention to propose that person for election as a Director; and (ii) a notice in writing by that person of his/her willingness to be elected, at either (a) the principal place of business of the Company in Hong Kong at 57th Floor, The Center, 99 Queen's Road Central, Hong Kong, or (b) the Company's branch share registrar and transfer office in Hong Kong at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong. The period for lodgement of the notices mentioned above will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

(ii) Other proposals: If a Shareholder wishes to make other proposals (the "Proposal(s)") at a general meeting, he/she/it may lodge a written request, duly signed, at the principal place of business of the Company in Hong Kong at 57th Floor, The Center, 99 Queen's Road Central, Hong Kong marked for the attention of the Company Secretary.

The identity of the Shareholder and his/her/its request will be verified with the Company's branch share registrar and transfer office in Hong Kong and upon confirmation by the branch share registrar that the request is proper and in order, and is made by a Shareholder, the Board will in its sole discretion decide whether the Proposal(s) may be included in the agenda for the general meeting to be set out in the notice of meeting.

Corporate Governance Report

The notice period to be given to all the Shareholders for consideration of the Proposal(s) made by the Shareholders concerned at the general meeting varies according to the nature of the Proposal as follows:

- (1) Notice of not less than 21 clear days in writing if the Proposal(s) require(s) approval in an AGM.
- (2) Notice of not less than 14 clear days in writing if the Proposal(s) require(s) approval by way of an ordinary resolution in an EGM.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company may declare and distribute dividends to the Shareholders.

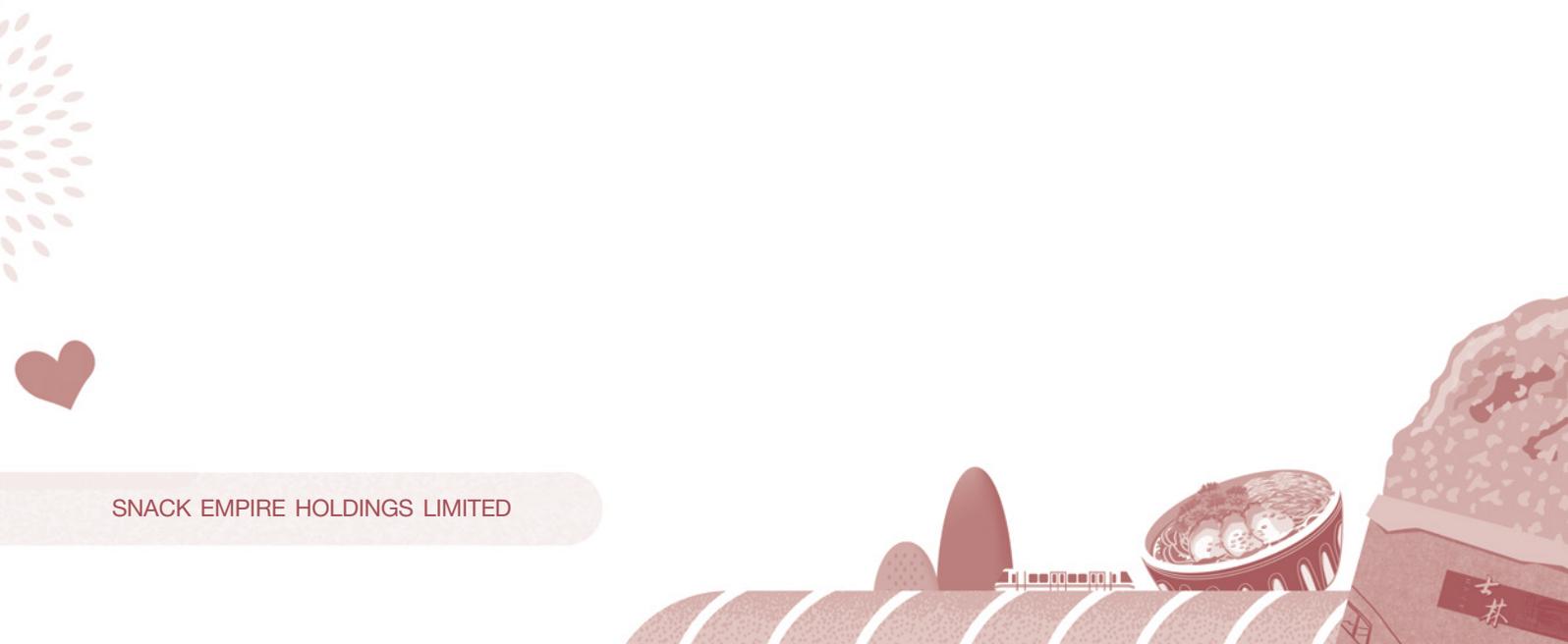
The payment and the amount of any dividends will be at the discretion of the Directors, taking into account, inter alia, the following factors when deciding whether to propose a dividend and in determining the dividend amount: (i) operating and financial results; (ii) cash flow situation; (iii) business conditions and strategies; (iv) future operations and earnings; (v) taxation consideration; (vi) interim dividend paid, if any; (vii) capital requirement and expenditure plans; (viii) interests of shareholders; (ix) statutory and regulatory restrictions; (x) any restrictions on payment of dividends; and (xi) any other factors that our Board may consider relevant. It is also subject to the approval of the Shareholders, the Companies Act, the Articles of Association as well as any applicable laws.

Subject to the factors described above, the Board may recommend at the AGM that dividends of not less than 40% of the net profit for each financial year be recommended for payment as dividend. Unless the Board determines otherwise, cash dividends on the shares of the Company, if any, will be paid in Hong Kong dollars. Other distributions, if any, will be paid to the Shareholders by any means which the Directors consider legal, fair and practicable.

The dividend policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

CONSTITUTIONAL DOCUMENTS

During the Year, there was no change in the Memorandum of Association and the Articles of Association. The Memorandum of Association and the Articles of Association is available on the respective websites of the Company and the Stock Exchange.



Environmental, Social and Governance Report

BOARD STATEMENT

The Board (the "Board") of Directors (the "Directors") of Snack Empire Holdings Limited (the "Company", together with its subsidiaries, the "Group") is pleased to present the annual Environmental, Social and Governance Report (the "Report") for the financial year ended 31 March 2024 ("Year").

The Company is a food and beverage ("F&B") group offering Taiwanese Snacks and Beverages under Shihlin Taiwan Street Snacks® brand. Established since 2003, the brand started with a vision to introduce authentic Taiwanese cuisine from the alleys of Taiwan's night markets. The business models are self-operated and franchised food and beverage outlets. With more than 19 years of experience, the group has expanded to more than 200 outlets and restaurants internationally, in Singapore, Malaysia, Indonesia, Egypt and United States.

The Group continued its digitalisation and business expansion efforts. In terms of digitalisation, the headquarter initiated the establishment of the Enterprise Resource Planning system, scheduled for completion in 2024. This implementation aims to streamline the headquarters' processes and enhancing overall efficiency. Regarding business expansion, the Group has extended its reach to two prominent malls in Singapore, ION Orchard and Jewel Changi Airport, known for high tourist footfall. The Group has also secured a master franchisee deal with Eat Pizza, a popular personal pizza chain in Korea, for Singapore and Malaysia. As the Group expands its business, our objective is to operate in a manner that enhance society, uphold human rights, minimise environmental impact, and foster sustainable business practices.

During the year, we have strengthened our efforts to ensure the safety and well-being of our employees working at outlets and within our office premises. Maintaining food quality and safety remains our foremost business priority. The Board actively identifies, assesses, and manages risks and opportunities related to Environmental, Social, and Governance ("ESG") considerations. It establishes relevant risk management and internal control systems, formulates ESG strategies, reviews performance against metrics and targets, and approves disclosures in this report.

Looking ahead, we aim to advance our sustainability journey by reinforcing initiatives in diverse environmental and social aspects throughout our business operations.

Yours faithfully,
For and on behalf of the Board

Fok Chee Khuen

Chairman and Independent Non-Executive Director

Environmental, Social and Governance Report

ABOUT THE REPORT

The Report presents a summary of the Group's approaches, measures and performances related to its environmental, social and governance issues for the financial year ended 31 March 2024. The key performance indicator ("KPI") data and contents presented within this ESG Report, disclosed in good faith and to the best of our knowledge, demonstrates the key approaches and practices to address the Group's material ESG aspects and discloses the future performance targets on the Group's ESG performances.

SCOPE OF REPORTING

The Report covers the Group's operating activities under direct management control, including its office and self-operated outlets in Singapore and Malaysia.

REPORTING FRAMEWORK

The Report has been prepared in accordance with the ESG Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

LANGUAGE

Should there be any inconsistency between the English version of the Report and the Chinese version of the Report, the English version of the Report shall prevail. Names of any laws and regulations, governmental authorities, institutions, persons or entities which have been translated into Chinese in the Report for which no official translation exists are for your reference only.

ESG GOVERNANCE STRUCTURE

The Board continues to direct the ESG strategies and evaluate ESG performances for the Group. The Group's ESG taskforce is made up of the key management personnel from key departments. They are responsible for periodic identification, prioritisation and evaluation of the Group's material ESG issue, reviewing the Group's ESG performance and assessing whether the internal control system and risk management processes on ESG aspects are appropriate and effective, as well as the collection of ESG data for preparation of the Report. A meeting is held by the Board annually to discuss and review the Group's ESG risks and opportunities as well as its progress made against ESG goals and targets with the assistance of the ESG taskforce. The Group has engaged an independent professional consultant to assist in drafting the Report.

APPROACHES TO ESG REPORTING

The Report is prepared based on the principles of "Materiality", "Quantitative", "Balance" and "Consistency". The Board has identified the material ESG issues from the annual materiality assessment exercise that involved the ESG working taskforce. The ESG KPI data are presented in specific and measurable numbers. We endeavour to provide honest and reliable information in the Report.

Reporting principle	The Group's response
Materiality	The Group addresses issues that have notable impacts on the environment and society, as well as significance for stakeholders and investors. These concerns, along with the Group's management strategies, are outlined in the report.
Quantitative	The Group ensures that KPIs are quantifiable, with established quantitative targets. These targets are accompanied by a narrative explaining their purpose, impacts, and calculation methodology.
Balance	The Group is committed to preparing its performance on an unbiased basis, ensuring the inclusion of both its achievements and challenges.
Consistency	The Group is committed to adopting consistent methodologies in future reports to enable meaningful comparisons of the Group's ESG performance.

Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT

The Group has identified employees, customers, business partners, communities, and government bodies as its primary stakeholders, chosen based on their influence, impact, expectations, and dependency on our businesses.

Acknowledging the significance of close collaboration with these key stakeholders for identifying material ESG issues and attaining sustainable business goals, the Group has implemented various communication channels. These channels facilitate understanding the expectations and concerns of both internal and external stakeholders, fostering a robust and enduring relationship with all parties.

The subsequent table provides an overview of communication channels and primary concerns for each stakeholder category within the Group.

Stakeholders	Communication Channels	Key Concerns
Investors and shareholders	Annual General Meeting and other shareholder meetings Annual and interim reports Announcements and circulars	<ul style="list-style-type: none"> Sustainable profitability and shareholder return Long term business growth Transparent and timely disclosure of financial and material information Strong corporate governance
Customers	Physical outlets and restaurants Customer service hotline Social media Company website	<ul style="list-style-type: none"> Food safety Product and service quality Timely response to feedbacks and complaints
Franchisees/Licensees	Performance review Regular online meetings and teleconferences	<ul style="list-style-type: none"> Brand image and portfolio Timeliness of product supply Business plan and performance
Suppliers	Regular meetings and teleconferences Email and text message correspondences	<ul style="list-style-type: none"> Fair and equal treatment Timely payments
Employees	Regular management meetings Trainings and development programmes Orientation programme for new employees	<ul style="list-style-type: none"> Occupational health and safety Remuneration and benefits Career development Inclusive and collaborative working environment
Regulators	Correspondences through emails, letters and calls Site visits and inspections	<ul style="list-style-type: none"> Compliance with relevant laws and regulations, including the Listing Rules
Community, NGOs and Media	Media releases Donation or fundraising activities ESG report	<ul style="list-style-type: none"> Giving back to society Environmental protection Ethical business practices

Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

To stay informed about material and salient sustainability issues, the Group periodically evaluates and benchmarks its business operations. This annual assessment involves an examination of the dynamic business landscape, taking into account stakeholders’ opinions and latest regulatory developments.

This materiality assessment allows the Group to prioritise and address concerns that have significant impact on the business, environment and people. Serving as a strategic guide, it aids the Group in aligning its sustainability initiatives with the evolving expectations of stakeholders. Following reporting principles, the material areas were ranked based on their impacts on the Group’s business activities and importance to stakeholders’ concerns. As the Group transitions into the Year, no changes have been identified or deemed necessary regarding the material topics. The Group’s materiality matrix for the reporting period is outlined below:



Legend:

Environmental Areas	Social Areas
<ul style="list-style-type: none"> • Emissions • Waste Management • Use of Resources • Packaging Materials • Environmental and Natural Resources 	<ul style="list-style-type: none"> • Employment Practices • Health and Safety • Training and Development • Labour Standard • Supplier Management • Product Responsibility • Anti-Corruption Practices • Community Investment



Environmental, Social and Governance Report

ENVIRONMENTAL ASPECTS

The Group's business activities had minimal environmental impacts on the regions where its F&B outlets operate. The primary contributors to air pollution were indirect Greenhouse Gases ("GHG") emissions from electricity consumption, and non-hazardous waste generated mainly consisted of food waste. Ongoing efforts focus on adopting eco-friendly practices in business operations and increasing employee awareness of responsible electricity and water use.

During the Year, no illegal or hazardous discharges or wastes were generated into the air, water, or land. Climate change related issues did not significantly affect the Group's business operations in this reporting period. Additionally, the Group was not aware of any reported violations of relevant environmental laws and regulations, including the Environmental Protection and Management Act ("EPMA") and the Environmental Public Health Act ("EPHA") in Singapore, and the Environmental Quality Act in Malaysia.

Material Area 1: Emissions

Given the Group's primary focus on F&B outlets, there were no motor vehicles and no consumption of fossil fuels in its main business operations. Consequently, the Group did not produce any air pollutants or direct GHG emissions (Scope 1).

The main source of emissions was indirect GHG emissions (Scope 2), arising from electricity consumption at the F&B outlets and office premises. The data for the Group's indirect GHG emissions (Scope 2) for the Year is presented below in comparison to the previous year:

Indicator	Unit	Emissions ¹ (FY2024)	Emissions ² (FY2023)
Direct GHG emissions (Scope 1)	tCO ₂ e ³	—	—
Energy indirect GHG emissions (Scope 2)	tCO ₂ e	800.08	752.88 ⁴
GHG emissions intensity ⁵	tCO ₂ e/million revenue	31.80	28.51

During the Year, there was an approximate 12% rise in the intensity of Scope 2 GHG emissions, primarily driven by higher electricity usage in both Singapore and Malaysia. This surge in electricity consumption can be attributed to an increase in outlets in both Singapore and Malaysia. In addition, with the opening of Eat Pizza stores and the introduction of Eat Pizza to Singapore, the stores have yet to reach its maximum revenue potential while having to remain fully operational, resulting in an increase of the Group's emissions intensity.

Target setting:

Reduce the Group's GHG emission intensity by 3% by FY2025, with the financial year ended at 31 March 2022 as the base year (The GHG emission intensity was 25.97 tCO₂e/million revenue in FY2022).

¹ GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "Table of Contents for Singapore Energy Statistics 2022" issued by Energy Market Authority, and "2017 CDM Electricity Baseline for Malaysia" issued by Malaysian Green Technology Corporation.

² GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "List of Grid Emission Factors 2023" issued by Institute for Global Environmental Strategies (IGES).

³ tCO₂e is defined as tonnes of carbon dioxide equivalent.

⁴ The Scope 2 GHG emissions were restated from 686.05 tCO₂e to 752.88 tCO₂e to reflect the latest grid emission factor, ensuring comparability and data accuracy.

⁵ For the financial year ended 31 March 2024, the Group's total revenue was approximately SGD25,160,000. This data will also be used for calculating other intensity data in the Report.

Environmental, Social and Governance Report

Material Area 2: Waste Management

The Group endeavours to fulfil its environmental responsibilities to the best of its ability. Although waste generation is inevitable at our F&B outlets and offices given the nature of our business, the Group aims to reduce waste by enhancing opportunities for reuse and recycling.

Hazardous Waste

The Group did not produce any hazardous waste from its F&B outlet operations in Singapore and Malaysia. In the unlikely event of hazardous waste generation, the Group will enlist qualified third-party vendors to collect and dispose of such waste in compliance with local government hazardous waste management laws and regulations.

Non-hazardous Waste

The waste generated from the Group's F&B establishments primarily consists of non-hazardous food waste. We strive to minimise food waste through effective purchase planning and efficient utilisation of ingredients in the food preparation processes. Various measures have been implemented at our F&B outlets to maintain food waste at the lowest possible level:

- Adopt "first-in-first-out" method in the storage and utilisation of food ingredients;
- Implement "just-in-time" inventory management, where the purchases from suppliers are frequent to reduce overstocking of fresh ingredients;
- Food wastes are segregated from other type of wastes;
- Practice recycling of waste oils;
- Require each outlet to record and report the daily food wastes (i.e., chicken and mee sua) due to unsold and expired food products; and
- Periodically review the food waste statistics reported by the outlets. Follow-up actions shall be carried out by the outlets that report food wastage higher than the acceptable level (i.e., 3% to 5% of sold quantities).

At the corporate office, paper remains the primary contributor to generated waste. To minimise paper wastage in our offices, the following measures have been implemented:

- Reuse scrap paper and advocate double-sided printing;
- Remind employees to only print necessary work materials to reduce paper usage;
- Implement electronic systems to minimise paperwork; and
- Cultivate a paperless office culture.

Environmental, Social and Governance Report

The Group's non-hazardous waste data for the reporting period, as compared to previous year, was as follows:

Non-hazardous waste type	Unit	Disposal (FY2024)	Disposal (FY2023)
Food waste	kg	12,285	13,571
Office paper	kg	215	175
Non-hazardous waste intensity	kg/million revenue	496.82	520.58

Target setting:

Reduce the Group's non-hazardous waste intensity by 3% by FY2025, with the financial year ended at 31 March 2022 as the base year (The non-hazardous waste intensity was 987.77 kg/million revenue in FY2022).

Material Area 3: Use of Resources

The Group acknowledges that investing in resource conservation not only diminishes our carbon footprint but also contributes to cost savings. Therefore, we are dedicated to implementing measures that minimise our overall resource consumption and enhance energy efficiency to reduce the environmental impact of our operations.

Energy Management

In the course of our business operations, the primary areas of electricity usage are predominantly at our self-operated F&B outlets in Singapore and Malaysia. Employees are also encouraged to use electricity in an efficient and responsible manner. Moreover, in an effort to decrease energy consumption and enhance energy efficiency, the Group has implemented the following measures across its F&B outlets:

- Turn off cooking appliances and cleaning devices when they are not in use;
- Install energy-saving fixtures and fittings, such as LED lights and motion sensors;
- Purchase energy efficient electrical appliances at the newly opened outlets;
- Regular maintenance of kitchen equipment to ensure they are in good condition;
- Turn off the air conditioners when the outlets are not in operating hours;
- Post energy-saving messages on the outlet's board as a constant reminder for employees; and
- Keep the refrigerators' doors closed at all times to prevent electricity wastage.

Environmental, Social and Governance Report

The Group's electricity consumption data for the reporting period, as compared to previous year, was as follows:

Energy type	Unit	Consumption (FY2024)	Consumption (FY2023)
Indirect energy — Electricity	kWh	1,412,788	1,325,833
Energy consumption intensity	kWh/million revenue	56,152	50,211

Water Management

The Group recognises that our operations require substantial water usage, considering water as a scarce and limited resource on our planet. Water consumption is vital in the Group's F&B outlets for cleaning tasks and food preparation. The Group does not have any issues in sourcing water for the office premises and self-operated F&B outlets in Singapore and Malaysia.

The Group has proactively implemented measures to educate our employees, fostering good water conservation habits. Additionally, the following water-saving measures have been adopted across the Group's F&B outlets as part of our initiative to minimise water consumption:

- Install filters to the water taps in the outlets;
- Regular inspection of the water pipes and taps, and repair leakages timely to minimise water wastages;
- Use water intensive machines efficiently (e.g., use dish washers only when it is fully loaded); and
- Post water-saving messages in the outlet's kitchen, washroom and sink areas as constant reminders for employees.

The Group's water consumption data for the reporting period, as compared to the previous year, was as follows:

Indicator	Unit	Consumption (FY2024)	Consumption (FY2023)
Water consumption	m ³	14,278.83	12,991.07
Water consumption intensity	m ³ /million revenue	567.52	491.99

During the Year, water and electricity consumption intensity rose by 15% and 12% respectively, primarily driven by an increase in water usage in Malaysia and an overall increase in electricity usage in Singapore and Malaysia. The main reason for the increased water and electricity consumption was due to an increase in outlets in both Singapore and Malaysia. In addition, with the opening of Eat Pizza stores and the introduction of Eat Pizza to Singapore, the stores have yet to reach its maximum revenue potential while having to remain fully operational, resulting in an increase of the Group's water and electricity consumption intensity.

Target setting:

Reduce the Group's energy and water consumption intensity by 3% by FY2025, with the financial year ended at 31 March 2022 as the base year (The energy and water consumption intensity was 51.50 MWh/million revenue, and 621.35 m³/million revenue respectively in FY2022).

Environmental, Social and Governance Report

Material Area 4: Packaging Materials

The Group primarily utilises plastic and/or paper as packaging materials for customer takeaways, including items like food bowls, paper wraps, drink containers, and carrier bags. To decrease the usage of plastic packaging materials across F&B outlets, the Group has implemented the following practices:

- Plastics material in product packaging are used only when necessary (e.g., cover lids of Mee Sua food bowls, carrier bags, drink containers are made of plastics to avoid spillage);
- Purchase from suppliers for packaging materials that are recyclable, compostable/biodegradable and/or sustainably manufactured.

The Group's packaging material consumption data during the reporting period, as compared to previous period, was as follows:

Indicator	Unit	Consumption (FY2024)	Consumption (FY2023)
Total packaging materials	tonnes	57.00	54.24
Total packaging materials intensity	tonnes/million revenue	2.27	2.05

Target setting:

Reduce the Group's total packaging materials intensity by 10% by FY2025, with the financial year ended at 31 March 2022 as the base year (The total packaging materials intensity was 2.69 tonnes/million revenue in FY2022).

Material Area 5: Environmental and Natural Resources

The Group's F&B business operations have limited environmental impacts on the environment and natural resources. Despite this, we recognise our social responsibility to promote environmental sustainability in our communities. Therefore, we consistently evaluate the environmental risks associated with our business activities and embrace eco-friendly practices to mitigate air pollution, reduce resource consumption, minimise waste generation, and limit plastic usage.

Indoor Air Quality

The Group has implemented the following air quality control practices in the F&B outlets:

- Smoking is strictly prohibited, where disciplinary actions including possible employment termination are to be taken against any employees who are found to be smoking in the outlets;
- Exhaust emission systems (e.g., mechanical ventilation equipment) which help to minimise oil fume emission and odour nuisance have been installed in the outlets; and
- Regular cleaning of air condition systems for filtering of pollutants, contaminants and dust particles.

Perpetual Target setting:

Continue implementing effective measures to ensure good indoor air quality in all F&B outlets, such as strictly enforce no-smoking policies, maintain exhaust emission systems, and regularly clean air conditioning systems.

SOCIAL ASPECTS

The Group considers employees as the cornerstone of a resilient and enduring organisation, recognising that recruitment and staff development decisions greatly impact organisational growth. We are dedicated to fostering a positive work environment and empowering employees for their optimal development. Career advancement, recognition, personal growth, and competitive compensation are acknowledged as crucial elements in talent attraction and retention. Moreover, regular training and employee development not only benefit our staff but also ensure high-quality service for our customers.

Environmental, Social and Governance Report

Recognising our responsibility to customers and communities, the Group places the highest priority on food safety. We are committed to serving clean, safe, fresh, and healthy food and beverages to our customers. Additionally, we aspire to make positive contributions to the communities we operate in through our business activities and initiatives.

Material Area 6: Employment Practices

The Group implemented the Employee Handbook and Human Resources Policy to regulate staff employment and management practices, including:

- Contracts of employment, such as recruitment, confirmation, and resignation;
- Performance appraisal, bonus, promotion and salary adjustment;
- Payroll processing and disbursement, include overtime and expense reimbursements;
- Attendance and leave benefits, such as medical leave, annual leave, medical benefits;
- Standards of conduct, such as confidentiality, press communication;
- Working hours, rest days, holidays, and overtime pays; and
- Disciplinary procedures, such as employee grievances and termination.

As at 31 March 2024, the Group's total headcount is 167 and employees' profile breakdowns were as follows in comparison to previous year:

Categories	No. of Headcount		Percentage	
	FY2024	FY2023	FY2024	FY2023
By Gender				
Male	75	80	44.9%	45.5%
Female	92	96	55.1%	54.5%
By Employment Type				
Full-time	129	122	77.2%	69.3%
Part-time	38	54	22.8%	30.7%
By Geographical Region				
Singapore	122	133	73.1%	75.6%
Malaysia	45	43	26.9%	24.4%

During the Year, employee profile breakdown by age group is as follows:

Category	No. of Headcount	Percentage
By Age Group		
Less than 30 years old	78	46.7%
30–50 years old	71	42.5%
Older than 50 years old	18	10.8%

During the Year, the Group was not aware of any reported breaches with employment related laws and regulations, including but not limited to the Employment Act and Employment of Foreign Manpower Act in Singapore and the Employment Act 1955 in Malaysia.

Environmental, Social and Governance Report

Recruitment

In the current competitive environment, talent attraction remains a crucial driver of competitive advantages for the Group. To build a robust talent pipeline for ongoing business expansion, the Group embraces a fair and merit-based hiring approach. Transparent and rigorous recruitment processes evaluate candidates based on experience and suitability. We are committed to providing equal employment opportunities, irrespective of race, gender, age, religion, marital status, sexual orientation, pregnancy, political beliefs, or other legally protected criteria.

Retention

The Group acknowledges that the enduring success of our business hinges on talent retention. Regular reviews of our salary structure and competitive compensation packages underscore our commitment to staying competitive in the labour market. We prioritise employees' well-being, welfare, and career growth, ensuring promotions and salary increments are based on fair and transparent assessments of performance and potential. Our unwavering commitment extends to maintaining a safe and inclusive working environment, with zero tolerance for discrimination, abuse, or harassment.

Dismissal

We ensure our dismissal policies adhere to local regulations, promoting fair processes for employees. Unreasonable dismissal is strictly prohibited. Termination is reserved for severe wrongdoing, breaches of conduct, etc. For employees reported with misconducts, the Group shall carry out disciplinary actions, such as counselling, retraining, verbal and written warning, investigative actions, etc., before coming to the decision of dismissal.

During the Year, the Group did not have any employment retrenchment or restructuring activities. The total number of employee resignations was 76, resulting in a turnover rate of 45.5%. The breakdowns shown as follows in comparison to FY2023:

Turnover statistics	No. of Resigned employees		Turnover rate ⁶	
	FY2024	FY2023	FY2024	FY2023
By Gender				
Male	32	48	42.7%	60.0%
Female	44	44	47.8%	45.8%
By Geographical Region				
Singapore	73	51	59.8%	38.3%
Malaysia	3	41	6.7%	95.3%

In FY2024, employee turnover breakdown by age group is as follows:

Category	No. of Headcount	Percentage ⁶
By Age Group		
Less than 30 years old	49	62.8%
30–50 years old	20	28.2%
Older than 50 years old	7	38.9%

Employee Feedback and Grievance

The Group values open communication with employees and recognises the importance of listening to grievances and feedbacks from employees to foster a positive work environment. We have various communication channels established for employees to express their concerns, feedbacks and suggestions to the Group's management team, promoting an inclusive and effective workplace culture.

⁶ The employee turnover rate by gender, age group and geographical region is calculated based on the formula set forth within "Appendix 3: Reporting Guidance on Social KPIs" of the step-by-step guide to ESG Reporting published by the HKEX in March 2020.

Environmental, Social and Governance Report

Material Area 7: Health and Safety

Workplace Safety and Health

The Group prioritises a safe and healthy work environment, incorporating hygiene and safety guidelines into the Outlet Operations Manual. These guidelines are consistently communicated to F&B outlet employees, with regular inspections conducted by the operation team to ensure compliance. Some examples of the Group's workplace health and safety measures at the F&B outlets are as follows:

- Floors and kitchen must be kept dry at all times to prevent slip and fall hazards;
- Mandatory wearing of covered shoes that are slip resistant;
- Wearing of proper personal protective equipment ("PPE") when dealing with boiling waters, heated oils and hot food;
- Cleaning schedule checklists are regularly reviewed by outlet supervisors; and
- Housekeeping inspections of the outlets are conducted regularly by the operation team.

Furthermore, fire extinguishers and first aid kits are strategically placed in the Group's offices, F&B outlets, and warehouses to manage emergency situations. The Group has implemented protocols to address severe workplace safety incidents, including immediate response actions, escalation and reporting processes, investigation procedures, remediation actions, and etc.

During the Year, there were no work-related fatalities, consistent with the previous two years. The number of lost days due to work injuries was 5 in the reporting year, compared to 0 days in FY2023 and 50 days in FY2022. During the reporting period, the Group was not aware of any reported breaches with the health and safety related laws and regulations, including but not limited to Workplace Safety and Health Act in Singapore and the Occupational Safety and Health Act 1994 of Malaysia.

There were no work-related fatalities which occurred in the past three years.

Perpetual Target setting:

- Maintain zero incidents of material non-compliance with all applicable health and safety laws, as well as regulations concerning the health and safety of the operations.
- Maintain zero incidents related to work-related fatalities.

Material Area 8: Training and Development

Training Programmes for Employees

The Group is dedicated to fostering the development of its staff, recognising its pivotal role in business growth and sustainability. We prioritise the implementation of regular and ongoing training programmes, ensuring that our employees provide the best quality of food and service to customers.

Internal training initiatives for F&B outlet staff encompass various aspects, such as induction training for new hires, menu training for food handlers and counter staff, customer service training for existing employees, and refresher courses on food preparation, preservation, hygiene, and quality control. Additionally, our employees and franchisees participate in mandatory training courses mandated by local government authorities, including the Basic Food Hygiene Course in Singapore and the Food Handler Training Course in Malaysia.

Environmental, Social and Governance Report

During the Year, a total of 118 employees (i.e. 71% of employees) have attended training programmes. The statistics of our employees' training, as compared to previous year, are as follows:

Employees Receiving Training	No. of headcount		Percentage ⁷	
	FY2024	FY2023	FY2024	FY2023
By Gender				
Male	58	80	49.2%	45.5%
Female	60	96	50.8%	54.5%
By Employment Category				
Directors	2	2	1.7%	1.1%
Managers	25	10	21.2%	5.7%
Executive	1	35	0.8%	19.9%
Staff	90	129	76.3%	73.3%

During the Year, total employee training hours and average training hours per employee were 717 hours and 4.29 hours respectively. Breakdown of the average training hours per employee, as compared to previous year, are as follows:

Average Employee Training Hours	No. of hours	
	FY2024	FY2023
By Gender		
Male	3.96	14.75
Female	4.57	15.59
By Employment Category		
Managers	8.65	35
Executive	0.31	35
Staff	3.85	7.88

During the Year, the total employee training hours and average training hours per employee has decreased by approximately 73% and 72% respectively. The decrease in training hours is mainly attributed to the exclusion of training hours clocked during the Group's "outlet immersion experience" programme whereby office staff participates in working at the Group's corporate outlets to better understand the Group's outlet operations.

Training for Franchisees

To ensure consistency in food and service quality across the Group's brand, ongoing training initiatives are conducted for franchisees. During the Year, these programmes covered induction training for new franchisees, regular refresher sessions, customer service training for existing franchisees, and product-specific training before launches. A total of 78.5 training hours were logged for 12 franchisee employees. Furthermore, master franchisees in overseas markets, such as Indonesia, have appointed certified managers to oversee sub-franchisee operations and provide training to their employees.

Target setting:

Increase the Group's annual average training hours by 5% each year.

⁷ The percentage of employees trained by gender and employee category is calculated based on the formula set forth within "Appendix 3: Reporting Guidance on Social KPIs" of the step-by-step guide to ESG Reporting published by the HKEX in March 2020.

Environmental, Social and Governance Report

Material Area 9: Labour Standard

Prevention of Child Labour and Forced Labour

The Group strictly prohibits the employment of full-time staff under 18 years of age and part-time staff under 16 years of age in its operations in Singapore and Malaysia. Additionally, the Group is committed to ensuring that employees are not subjected to forced labour, coercion, threat, or intimidation.

The Group makes diligent efforts to authenticate new hires' personal information and prevent incidental hiring of child labours. For instance, the recruitment process involves collecting personal data, including identification cards, to verify the age and details of job applicants. Furthermore, the management team conducts routine inspections at both self-operated and franchised outlets to detect and address any indications of child labour or forced labour.

During the Year, the Group was not aware of any reported breaches with the laws and regulations on child and forced labour, including but not limited to the Employment (Children and Young Persons) Regulations 2000 and the Prevention of Human Trafficking Act 2014 in Singapore, the Children and Young Person (Employment) Act 1966 and Anti-Trafficking in Persons & Smuggling of Migrants 2010 in Malaysia.

Perpetual Target setting:

Ensure full compliance with child and forced labour laws and regulations, maintaining a record of zero violations in operations across Singapore and Malaysia.

Material Area 10: Supplier Management

Geographic Span of Suppliers

Supply chain management is one of the key cornerstones for the Group's continuous success in the F&B industry. The freshness, safety and taste of food ingredients and semi-processed products purchased from suppliers are fundamental in determining the final quality of food and beverage products delivered to the customers under the Group's brand name.

As at 31 March 2024, the Group has a total of 40 approved food suppliers, with majority of the food suppliers from Singapore. The geographical location of suppliers are as follows in comparison to previous year:

Country	No. of approved food suppliers		Percentage of approved food suppliers	
	FY2024	FY2023	FY2024	FY2023
Vietnam	1	1	3%	4%
Thailand	1	1	3%	4%
Taiwan	3	3	8%	11%
Malaysia	21	13	53%	46%
Singapore	14	10	35%	36%

Supply Chain Management

The Group maintains strict controls in its supply chain management, encompassing the selection and approval of new suppliers, quality inspection of food ingredients, storage procedures, and supplier performance evaluation. Stringent criteria, including country of origin, freshness, taste, nutritional value, and safety, guide the selection of reliable suppliers. Before establishing partnerships, the management conducts site visits to assess quality control processes and conducts sample testing. Receiving parties are required to check for signs of damage and spoilage in delivered batches. Regular supplier performance reviews ensure adherence to quality, freshness, pricing, and delivery timeliness standards, with non-compliant suppliers removed from the approved list.

Environmental, Social and Governance Report

Environmental and Social Risk of Suppliers

The Group prioritises suppliers producing environmentally friendly packaging materials and continually monitors food suppliers for environmental and social risks. If any suppliers are found to be fined for environmental pollution, involved in illegal employment practices, or experience significant food safety incidents, the Group promptly terminates all purchasing relationships with them.

During the Year, the Group was not aware of any suppliers that had reported issues on business ethics, environmental protection, human rights or employment practices.

Fair and Open Procurement

The Group conducts its purchasing activities in a fair and open manner that does not tolerate preference over suppliers that are owned, controlled or managed by the Group's controlling shareholders, directors and employees. We have zero tolerance attitude towards any forms of bribery, kick-backs and corruption practices in dealing with suppliers.

During the Year, the Group was not aware of any material transactions that had conflict of interests between the employees (including management team and directors) and the suppliers.

Target setting:

- Maintain zero incidents of bribery, kick-backs, or corruption in dealings with suppliers.
- Periodically assess and reinforce these standards for a responsible and ethical supply chain.

Material Area 11: Product Responsibility

Food Quality and Safety

Ensuring food quality and safety remains paramount in our operations. The Group regularly reviews and enforces a food quality control system and safety guidelines outlined in the Outlet Operations Manual. Employees in our F&B outlets, both self-operated and franchised, adhere to these standards covering food handling, processing, packaging, customer service, and hygiene. The Operations Team conducts routine inspections, ensuring compliance in outlets across Singapore and Malaysia. Moreover, we ensure that food handlers working for our self-operated and franchised F&B outlets in Singapore and Malaysia are holding valid food safety and hygiene certificates issued by the local government authorities. We also have in place proper escalation and handling procedures for emergency situations relating to food safety and quality issues, such as food borne illness complaints from customers, physical hazard found in food products, etc.

The Group has established storage methods to best preserve the freshness and quality of food ingredients and semi-processed products in the warehouses and F&B outlets, and more importantly during transportation to the franchised outlets located in overseas countries. For the receipt of food ingredients and semi-processed products at the F&B outlets, employees are required to check for product expiry dates, temperature of products, intact packaging, freshness of the food condition, etc. Defective food products received shall be returned immediately to the suppliers for exchange.

During the Year, the Group was not aware of any reported breaches with laws and regulations on health and safety, advertising, labelling and privacy matters relating to products and services provided, including but not limited to Sales of Food Act and the Personal Data Protection Act in Singapore, Food Act 1983 and the Personal Data Protection Act 2010 in Malaysia. There were no product recalls due to health and safety reasons during the reporting period.

Customer Services

We believe that customer satisfaction is the key to our success in the sustainable future. It is imperative that we understand customers' complaints so as to establish areas of improvement in order to deliver better services for customers.

The Group utilises a corporate website, telephone hotlines, and social media platforms (e.g., Facebook) to receive customer inquiries, feedback, and complaints. Our dedicated customer service officers record feedback, contact customers for additional information, and offer complimentary prepaid card vouchers for use at any of the Group's F&B outlets. Additionally, these officers communicate customer complaints to relevant departments to initiate remediation actions and minimise the risk of similar complaints.

Environmental, Social and Governance Report

During the Year, the Group has received and handled 212 cases of customer complaints for its F&B outlets in Singapore and Malaysia, averaging at 5.2 cases per store per year. Customer feedbacks are mainly regarding the long waiting time, service attitude, inaccurate order processed, unsatisfactory food taste and quality etc. All customer complaints received have been handled promptly in accordance to the Group's established procedures.

Intellectual Property ("IP") Rights

The brand of "Shilin Taiwan Street Snacks" is a unique and valuable asset to the Group's business as it is well recognised by consumers in Singapore and Malaysia. As at 31 March 2024, the Group has a total of 12 registered trademarks, and it is important to protect the Group's IP rights.

For geographic locations other than Singapore and Malaysia, the Group relies on master franchisee and licensee to protect the usage of its IP rights. Any intended use of these IP rights must receive prior approval from the Group before the commencement of new outlets overseas. If franchisees and licensees require deviations from the proposed uses or act inconsistently with the agreement, they must seek consents and approvals from the Group. During the Year, the Group was not aware of any cases of IP infringements by third parties.

Customer Privacy Protection

Personal data such as the name, email and contact numbers are collected from customers who subscribe to the Group's prepaid card membership programme. Customer data are stored in the membership system and is accessible only to authorised personnel. Customer data are mainly used for marketing purposes, including quarterly electronic direct emails to subscribed customers. The Group does not retain customer data if the prepaid card's validity period expires without renewal or if customers choose to unsubscribe from the membership programme.

During the Year, the Group was not aware of any reported breaches to personal data protection related laws and regulations in Singapore and Malaysia.

Advertisement Efforts

The Group always pay attention to the advertisement and promotional information to ensure they are true, fair and do not mislead the customers. Regular promotional campaigns are conducted at outlets during product launches and special events, such as Lunar Chinese New Year, Christmas, National Day, Father's Day, and Mother's Day. The Group had continued to strengthen its social media presence by engaging influencers and celebrities to promote new products and campaigns. The Group had also collaborated with another food brand to cross-market each other's brand products in their retail outlets and social media. Lastly, the Group has also worked with shopping malls and delivery partners for advertising spaces to market its brand and products.

For geographic locations other than Singapore and Malaysia, the master franchisee and licensee are responsible for the advertising and marketing activities. To preserve the Group's brand image, the advertising and marketing materials must be approved by the Group before they are used by the master franchisee and licensee.

Target setting:

- Reduce the average number of customer complaints per store per year.
- Maintain zero cases of IP infringements by third parties.
- Maintain zero reported breaches to personal data protection laws and regulations.
- Ensure all advertising and promotional materials are true, fair, and non-misleading.

Environmental, Social and Governance Report

Material Area 12: Anti-corruption Practices

The principal regulations in Singapore concerning bribery, extortion, fraud, and money laundering encompass the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (“CDSA”) overseen by the Commercial Affairs Department and the Anti-Money Laundering and Countering the Financing of Terrorism (“AML/CFT”) framework under the jurisdiction of the Monetary Authority of Singapore. The Group maintains a stringent stance of zero tolerance towards bribery, corruption, and fraudulent activities, emphasising the importance of a robust corporate culture in fostering ethical conduct among our employees.

During the Year, the Group was not aware of any reported non-compliance with relevant laws and regulations of bribery, extortion and money laundering, including but not limited to the Prevention of Corruption Act in Singapore and Anti-Corruption Commission Act 2009 of Malaysia. There was no legal case regarding corrupt practices brought against the Group or our employees during the reporting period.

Anti-corruption Training

The Group ensures that new employees and directors receive communication on the Code of Conduct, Anti-Corruption, Anti-Fraud, and Anti-Money Laundering policies and procedures as part of their onboarding orientation. Moreover, the Board of Directors has undergone training on the obligations and duties specific to directors of a listed company before the Group’s Initial Public Offering on the Hong Kong Stock Exchange.

Whistleblowing System

The Group has established an independent and confidential whistleblowing system that allows individuals to report any suspected unlawful conduct, financial malpractice, override of control, unethical behaviours etc., without the fear of reprisal. All stakeholders (i.e. employees, shareholders, customers and suppliers) have access to the whistleblowing channel where their reports are directly received by the Group’s Audit Committee and investigated with the help of professional service providers.

During the Year, there was no whistleblowing case received by the Group’s Audit Committee. With regard to last year’s whistleblowing case, the investigation revealed that it may have been primarily caused by misunderstandings or misperceptions. The individual mentioned in the whistleblowing letter acknowledges that his tone and body language might be perceived as harsh, aloof, or dismissive, but he has no intention of deliberately being uncooperative.

Perpetual Target setting:

- Maintain zero reported non-compliance cases related to bribery, extortion, and money laundering.
- Maintain zero legal cases related to corrupt practices brought against the Group or its employees.
- Continue providing anti-corruption training to new employees and directors.

Material Area 13: Community Investment

As a socially responsible business and part of a larger community, the Group embraces the philosophy of helping the less fortunate. Employees are encouraged to make donations, perform volunteer work, participate in community events to strengthen their sense of social responsibility. Moreover, the Group also seeks to instil the sense of empathy within our employees.

During the Year, the Singapore office employees has volunteered at Willing Hearts for kitchen and/or vegetable preparation. The employees have helped to prepare the ingredients for the meals to be sent to the beneficiaries.

4 employees (including 1 director) have also drove to the houses of the beneficiaries to distribute the cooked meals.

Environmental, Social and Governance Report

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Report is prepared in accordance with the ESG Reporting Guide as set out in Appendix C2 to the Listing Rules.

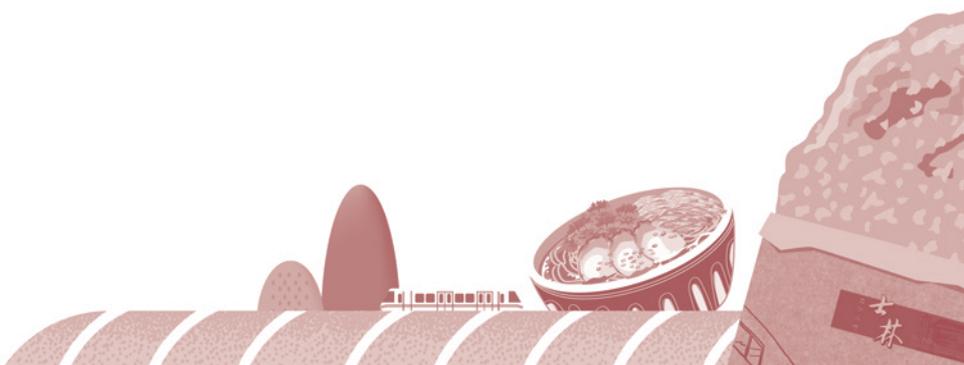
Disclosure Reference	Description	Section/Declaration
Part B of Appendix C2: Mandatory Disclosure Requirements		
Governance Structure	<ul style="list-style-type: none"> A statement from the board containing the following elements: <ol style="list-style-type: none"> a disclosure of the board's oversight of ESG issues; the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	<ul style="list-style-type: none"> Board Statement
Reporting Principles	<ul style="list-style-type: none"> A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG Report: <ol style="list-style-type: none"> Materiality Quantitative Balance Consistency 	<ul style="list-style-type: none"> About The Report Materiality Assessment
Reporting Boundary	<ul style="list-style-type: none"> A narrative explaining the reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG Report. If there is a change in the scope, the issuer should explain the difference and reason for the change. 	<ul style="list-style-type: none"> About The Report

Environmental, Social and Governance Report

Disclosure Reference	Description	Section/Declaration
Part C of Appendix C2: "Comply or explain" Provisions		
A. Environmental		
Aspect A1: Emissions	<ul style="list-style-type: none"> • General Disclosure • Information on: <ol style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer 	<ul style="list-style-type: none"> • Material Area 1: Emissions
KPI A1.1	<ul style="list-style-type: none"> • Types of emissions • Respective emissions data 	<ul style="list-style-type: none"> • Not applicable as the Group's operation did not generate air pollutant emissions in the reporting period.
KPI A1.2	<ul style="list-style-type: none"> • Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) • Intensity (e.g., per unit of production volume, per facility) where appropriate 	<ul style="list-style-type: none"> • Material Area 1: Emissions
KPI A1.3	<ul style="list-style-type: none"> • Total hazardous waste produced (in tonnes) • Intensity (e.g., per unit of production volume, per facility) where appropriate 	<ul style="list-style-type: none"> • Not applicable as the Group's operation did not produce/generate hazardous waste in the reporting period.
KPI A1.4	<ul style="list-style-type: none"> • Total non-hazardous waste produced (in tonnes) • Intensity (e.g., per unit of production volume, per facility) where appropriate 	<ul style="list-style-type: none"> • Material Area 2: Waste Management
KPI A1.5	<ul style="list-style-type: none"> • Description of emissions target(s) set • Steps taken to achieve them 	<ul style="list-style-type: none"> • Material Area 1 and 2: Emission and Waste Management
KPI A1.6	<ul style="list-style-type: none"> • Description of how hazardous and non-hazardous waste are handled • Description of reduction target(s) set and steps taken to achieve them 	<ul style="list-style-type: none"> • Material Area 2: Waste Management

Environmental, Social and Governance Report

Disclosure Reference	Description	Section/Declaration
Aspect A2: Use of Resources	<ul style="list-style-type: none"> General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials 	<ul style="list-style-type: none"> Material Area 3: Use of Resources
KPI A2.1	<ul style="list-style-type: none"> Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) Intensity (e.g., per unit of production volume, per facility) 	<ul style="list-style-type: none"> Material Area 3: Use of Resources
KPI A2.2	<ul style="list-style-type: none"> Water consumption in total Intensity (e.g., per unit of production volume, per facility) 	<ul style="list-style-type: none"> Material Area 3: Use of Resources
KPI A2.3	<ul style="list-style-type: none"> Description of energy use efficiency target(s) set Steps taken to achieve them 	<ul style="list-style-type: none"> Material Area 3: Use of Resources
KPI A2.4	<ul style="list-style-type: none"> Description of whether there is any issue in sourcing water that is fit for purpose Water efficiency target(s) set Steps taken to achieve them 	<ul style="list-style-type: none"> Material Area 3: Use of Resources
KPI A2.5	<ul style="list-style-type: none"> Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced 	<ul style="list-style-type: none"> Material Area 4: Packaging Materials
Aspect A3: The Environment and Natural Resources	<ul style="list-style-type: none"> General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources 	<ul style="list-style-type: none"> Material Area 5: Environmental and Natural Resources
KPI A3.1	<ul style="list-style-type: none"> Description of the significant impacts of activities on the environment and natural resources Actions taken to manage them 	<ul style="list-style-type: none"> Material Area 5: Environmental and Natural Resources



Environmental, Social and Governance Report

Disclosure Reference	Description	Section/Declaration
Aspect A4: Climate Change	<ul style="list-style-type: none"> General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer 	<ul style="list-style-type: none"> Not applicable as there were not any significant climate-related issues that may impact the Group in the reporting period.
KPI A4.1	<ul style="list-style-type: none"> Description of the significant climate-related issues which have impacted Actions taken to manage them 	<ul style="list-style-type: none"> Not applicable as the Group did not encounter any significant climate-related issues in the reporting period.
B. Social		
Employment and Labour Practices		
Aspect B1: Employment	<ul style="list-style-type: none"> General Disclosure Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer 	<ul style="list-style-type: none"> Material Area 6: Employment Practices
KPI B1.1	<ul style="list-style-type: none"> Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region 	<ul style="list-style-type: none"> Material Area 6: Employment Practices
KPI B1.2	<ul style="list-style-type: none"> Employee turnover rate by gender, age group and geographical region 	<ul style="list-style-type: none"> Material Area 6: Employment Practices
Aspect B2: Health and Safety	<ul style="list-style-type: none"> General Disclosure Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer 	<ul style="list-style-type: none"> Material Area 7: Health and Safety
KPI B2.1	<ul style="list-style-type: none"> Number and rate of work-related fatalities occurred in each of the past three years including the reporting year 	<ul style="list-style-type: none"> Material Area 7: Health and Safety
KPI B2.2	<ul style="list-style-type: none"> Lost days due to work injury 	<ul style="list-style-type: none"> Material Area 7: Health and Safety
KPI B2.3	<ul style="list-style-type: none"> Description of occupational health and safety measures adopted How they are implemented and monitored 	<ul style="list-style-type: none"> Material Area 7: Health and Safety

Environmental, Social and Governance Report

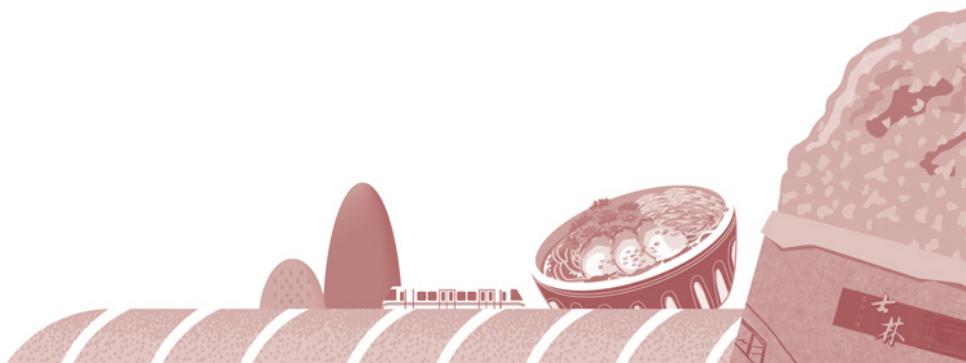
Disclosure Reference	Description	Section/Declaration
Aspect B3: Development and Training	<ul style="list-style-type: none"> General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work Description of training activities 	<ul style="list-style-type: none"> Material Area 8: Training and Development
KPI B3.1	<ul style="list-style-type: none"> The percentage of employees trained by gender and employee category (e.g. senior management, middle management) 	<ul style="list-style-type: none"> Material Area 8: Training and Development
KPI B3.2	<ul style="list-style-type: none"> The average training hours completed per employee by gender and employee category 	<ul style="list-style-type: none"> Material Area 8: Training and Development
Aspect B4: Labour Standards	<ul style="list-style-type: none"> General Disclosure Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour 	<ul style="list-style-type: none"> Material Area 9: Labour Standard
KPI B4.1	<ul style="list-style-type: none"> Description of measures to review employment practices to avoid child and forced labour 	<ul style="list-style-type: none"> Material Area 9: Labour Standard
KPI B4.2	<ul style="list-style-type: none"> Description of steps taken to eliminate such practices when discovered 	<ul style="list-style-type: none"> Material Area 9: Labour Standard
Operating Practices		
Aspect B5: Supply Chain Management	<ul style="list-style-type: none"> General Disclosure Policies on managing environmental and social risks of the supply chain 	<ul style="list-style-type: none"> Material Area 10: Supplier Management
KPI B5.1	<ul style="list-style-type: none"> Number of suppliers by geographical region 	<ul style="list-style-type: none"> Material Area 10: Supplier Management
KPI B5.2	<ul style="list-style-type: none"> Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored 	<ul style="list-style-type: none"> Material Area 10: Supplier Management
KPI B5.3	<ul style="list-style-type: none"> Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored 	<ul style="list-style-type: none"> Material Area 10: Supplier Management
KPI B5.4	<ul style="list-style-type: none"> Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored 	<ul style="list-style-type: none"> Material Area 10: Supplier Management

Environmental, Social and Governance Report

Disclosure Reference	Description	Section/Declaration
Aspect B6: Product Responsibility	<ul style="list-style-type: none"> General Disclosure Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress 	<ul style="list-style-type: none"> Material Area 11: Product Responsibility
KPI B6.1	<ul style="list-style-type: none"> Percentage of total products sold or shipped subject to recalls for safety and health reasons 	<ul style="list-style-type: none"> Not applicable as the Group did not have product recalls due to safety and health reasons in the reporting period.
KPI B6.2	<ul style="list-style-type: none"> Number of products and service-related complaints received and how they are dealt with 	<ul style="list-style-type: none"> Material Area 11: Product Responsibility
KPI B6.3	<ul style="list-style-type: none"> Description of practices relating to observing and protecting intellectual property rights 	<ul style="list-style-type: none"> Material Area 11: Product Responsibility
KPI B6.4	<ul style="list-style-type: none"> Description of quality assurance process and recall procedures 	<ul style="list-style-type: none"> Material Area 11: Product Responsibility
KPI B6.5	<ul style="list-style-type: none"> Description of consumer data protection and privacy policies, and how they are implemented and monitored 	<ul style="list-style-type: none"> Material Area 11: Product Responsibility
Aspect B7: Anti-corruption	<ul style="list-style-type: none"> General Disclosure Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering 	<ul style="list-style-type: none"> Material Area 12: Anti-Corruption Practices
KPI B7.1	<ul style="list-style-type: none"> Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases 	<ul style="list-style-type: none"> Not applicable as there were not any legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period.
KPI B7.2	<ul style="list-style-type: none"> Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored 	<ul style="list-style-type: none"> Material Area 12: Anti-Corruption Practices
KPI B7.3	<ul style="list-style-type: none"> Description of anti-corruption training provided to directors and staff 	<ul style="list-style-type: none"> Material Area 12: Anti-Corruption Practices

Environmental, Social and Governance Report

Disclosure Reference	Description	Section/Declaration
Community Aspect B8: Community Investment	<ul style="list-style-type: none"> General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests 	<ul style="list-style-type: none"> Material Area 13: Community Investment
KPI B8.1	<ul style="list-style-type: none"> Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport) 	<ul style="list-style-type: none"> Not applicable as the Group did not contribute to local community in the reporting period.
KPI B8.2	<ul style="list-style-type: none"> Resources contributed (e.g., money or time) to the focus area 	<ul style="list-style-type: none"> Not applicable as the Group did not contribute to local community in the reporting period.



Directors' Report

The Directors present this report together with the audited consolidated financial statements of the Group for the Year.

FAIR REVIEW OF BUSINESS

A fair review of the business of the Group together with a discussion and analysis of the Group's performance during the Year using financial key performance indicators, the material factors underlying its financial performance as well as the Group's future business development are set forth in the "Message to Shareholders" and the "Management Discussion and Analysis" sections of this Annual Report. The information relating to the Group's food quality and safety, customers, suppliers, employees, community involvement and environmental protection are set out in the section headed ESG report of this Annual Report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware that the Group's financial condition, results of operation, businesses and prospects may be affected by a number of risks and uncertainties.

The followings are the principal risks and uncertainties faced by the Group, which may materially adversely affect our business, financial condition or results of operations:

Our reliance on the market recognition of our Shihlin Taiwan Street Snacks® brand

We believe that our success substantially depends on the market recognition of our Shihlin Taiwan Street Snacks® brand and our continued success will depend in large part on our ability to protect and enhance its value. Any incident that erodes consumer trust in or affinity for our brand could significantly reduce its value. As we continue to grow in size, expand our range of Snacks and Beverages products and extend our geographic reach, maintaining quality and consistency may become more difficult and we cannot assure you that customer confidence in our brand will not diminish. If consumers perceive or experience a reduction in food quality or value-for-money, or believe in any way that we are failing to deliver a consistently positive experience, the value of our brand could suffer, which could have a material adverse effect on our business.

It is common in the fast food industry that food critics analyse food and services and then publish their commentary experience. We are usually not informed before such food critics visit and we have no control on what is written by these food critics. If food critics publish negative comments or reviews about their experience with us, this may adversely affect our business. Any complaints and negative publicity, regardless of their validity, may adversely affect our reputation. If there is any negative publicity or review associated with our Shihlin Outlets or Shihlin Restaurants and our brand reputation is negatively affected, the results of our Group's business operations could be adversely affected.

Our reliance on the franchise/licence model for, among others, expansion outside of Singapore and West Malaysia and a substantial portion of our revenue

A substantial portion of our revenue are derived from our franchise/licence model, including revenue from sales of goods comprising mainly beverages, food products and packaging material to the Franchisees and Licencee, franchise fees and licence fees and advertising and promotion fees from franchisees. In addition, as we do not have any presence of business operations outside Singapore and West Malaysia, we rely on the franchise/licence model for expansion of our international presence.

The occurrence of any of the following events, among others, could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition and results of operations: (i) any delays or cancellation of material sale orders from any of our Franchisees or Licencee; (ii) any material decrease in sales at our Non-self-operated Outlets or Restaurants; (iii) failure to renew any franchise agreements, the Indonesia Master Licence agreement and/or any of the sub-licence agreements in Indonesia; and (iv) termination of any of the material franchise agreement, or our Northern California Master Franchise or Indonesia Master Licence.

Directors' Report

There is no assurance that we will be able to maintain our relationships with our Master Franchisee or Licencee customers. In the event of any disagreements with any of these Master Franchisees/Licencee, or if any of these Master Franchisees/Licencee discontinues or terminates the existing arrangements with our Group and we fail to find a replacement on similar terms or at all, our revenue will decrease and our overall financial performance may be adversely affected. There is no assurance that we are able to maintain and sustain our franchise/licence model and operations, which are not within our control. Any material disruptions may adversely affect our revenue materially and substantially.

Our reliance on landlords as we lease all premises for our Self-operated Outlets and Restaurants in Singapore and West Malaysia

We lease all the properties for our Self-operated Outlets and Restaurants. Accordingly, rental costs including depreciation from right-of-use assets account for a significant portion of our operating expenses.

Lease agreements for our Self-operated Outlets and Restaurants typically have an initial term ranging from two to three years. Some of our lease agreements provide that the rent will increase within the initial term or after the initial term at a fixed rate or at the then prevailing market rate. If we fail to renew any of our existing leases, we will have to identify alternative premises. Our business operations may be interrupted as a result of the relocation and we may incur additional costs and expenses in connection with the restoration and/or relocation.

Further, if a lease agreement is renewed at a rate substantially higher than the existing rate or any existing favourable terms granted by the landlord, if any, is not extended, we must evaluate whether renewal on such modified terms is in our interest. If we are unable to renew leases for our Self-operated Outlet or Restaurant premises, we will have to close or relocate the relevant Self-operated Outlet or Restaurant, which would lead to loss of sales during the period of closure and write-off of fixed assets and could subject us to installation and renovation and other costs and risks. In addition, the revenue and any profit generated at a relocated Self-operated Outlet or Restaurant may be less than the revenue and profit previously generated at the closed Self-operated outlet or restaurant. Therefore, any inability to renew existing leases on commercially acceptable terms could adversely affect our business, results of operations and financial condition. We also compete with other food and beverage companies for prime locations in a highly competitive market for premises. There is no assurance that we will be able to enter into new lease agreements for attractive locations or renew existing lease agreements on commercially reasonable terms, if at all. Therefore, any inability to obtain leases for desirable Self-operated Outlets and Restaurants locations on commercially reasonable terms could adversely affect our business, results of operations and financial condition.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in wholesale and retail of food and beverages. Details of the principal activities of the Company's major subsidiaries are set out in note 1 to the consolidated financial statements.

The Listing and the dealing in the Shares on the Main Board of the Stock Exchange commenced on 23 October 2019.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group's principal business activities are located in Singapore and West Malaysia, and are subject to applicable laws, regulations and government authorities in Singapore and Malaysia. These laws and regulations require the Group to possess various licences or approvals. Pursuant to the franchise agreements and the Master Franchisees and Licensee Agreement, Franchisees and Licensee are responsible for their own compliance with all necessary laws and regulations in the relevant jurisdictions where they operate the Non-self-operated Outlets and Restaurants, which include licensing requirements.

As far as the Board is aware, the Group has complied with the relevant laws and regulations that may cause a significant impact on the business and operation of the Group in the event of a material breach or non-compliance.

Directors' Report

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders in order to meet its immediate and long-term goals. During the Year, there was no material or significant dispute between the Group and its suppliers, customers and other stakeholders.

FINANCIAL RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 61 of this Annual Report. The state of affairs of the Group as at 31 March 2024 is set out in the consolidated statement of financial position on pages 62 to 63 of this Annual Report. Please also refer to the accompanying notes to the consolidated financial statements.

CASH FLOW POSITION

The cash flow position of the Group for the Year is set out and analysed in the consolidated statement of cash flows on pages 65 to 66 of this Annual Report.

DIVIDENDS

The Board has not declared the payment of any dividends for the Year. It has resolved not to recommend the payment of any final dividend for the Year (Year 2022/2023: special dividend of 0.625 Singapore cents per Share, interim dividend of 0.133 Singapore cents per Share and final dividend of 0.017 Singapore cents per Share for the year ended 31 March 2023).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 14 August 2024 to Monday, 19 August 2024 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining Shareholders' entitlement to attend and vote at the 2024 AGM which will be held on Monday, 19 August 2024. In order to qualify for attending and voting at the 2024 AGM, non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited for registration no later than 4:30 p.m. on Tuesday, 13 August 2024. The address of the Boardroom Share Registrars (HK) Limited is 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 113 of this Annual Report.

DISTRIBUTABLE RESERVES

As at 31 March 2024, the Company had no distributable reserve.

RESERVES

Movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 64 of this Annual Report.

PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment of the Group for the Year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital as at 31 March 2024 are set out in note 18 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company or its subsidiaries have not purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the Year.

As at 31 March 2024, the Company did not hold any treasury shares.

Directors' Report

SHARE OPTION SCHEME

Pursuant to the written resolution of the sole Shareholder passed on 23 September 2019, the Company adopted the Share Option Scheme conditional upon the Listing. 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 31 March 2024 and no option was exercised or cancelled or lapsed during the Year.

At its meeting held on 27 June 2024, the Remuneration Committee reviewed the Share Option Scheme. 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 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.

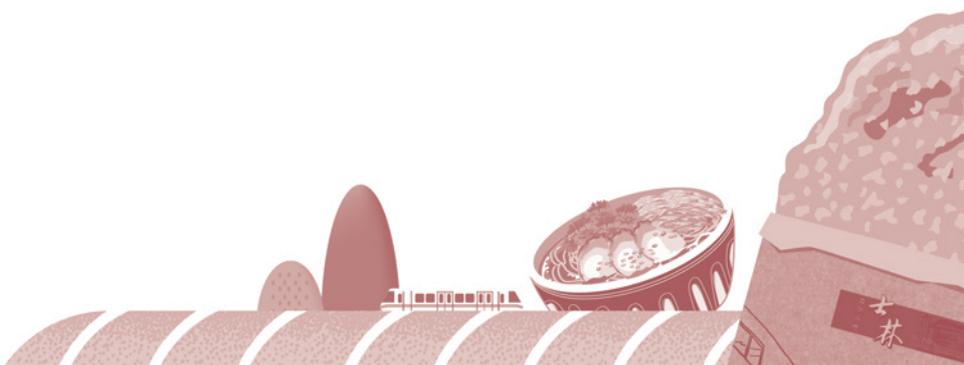
(c) Maximum number of Shares

The total number of Shares in respect of which 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 Annual Report.

(d) Maximum entitlement of each Eligible Person

Unless approved by the Shareholders in general meeting and subject to the following paragraph, no option shall be granted to any Eligible Person if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding 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 an option is to be granted to a substantial Shareholder or an INED (or any of their respective associates), and such grant will result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including 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.



Directors' Report

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

An 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 an option must be held before it can be exercised

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

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

An offer of grant of an 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 an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00.

(h) Basis of determining the exercise price

The subscription price of a Share in respect of any particular 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 an 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 an option to an Eligible Person; (ii) the average closing price 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 option shall be granted.

DIRECTORS

The Directors who held office during the Year and up to the date of this Annual Report are:

Executive Directors

Mr. Daniel Tay

Mr. Melvyn Wong (*Chief Executive Officer*)

INEDs

Mr. Fok Chee Khuen (*Chairman*)

Mr. Jong Voon Hoo

Ms. Tan Chiu Yang

At each AGM, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an AGM at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself/herself for re-election. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day, those to retire will (unless they otherwise agree among themselves) be determined by lot.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed to fill a casual vacancy or as an addition to the existing Board shall hold office until the first AGM after his/her appointment and be subject to re-election at such meeting.

Directors' Report

Pursuant to the Articles of Association, Mr. Melvyn Wong and Mr. Fok Chee Khuen shall retire from office by rotation at the 2024 AGM. Mr. Melvyn Wong and Mr. Fok Chee Khuen shall be eligible and offer themselves for re-election at the 2024 AGM.

CHANGES IN INFORMATION OF A DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Director since the date of the Company's interim report for the six months ended 30 September 2023 and up to the date of this Annual Report are set out below:

- Mr. Jong Voon Hoo has stepped down as an independent non-executive director of SingAsia Holdings Limited., the securities of which is listed on the Stock Exchange (stock code: 8293), with effect from 08 December 2023.
- Mr. Jong Voon Hoo was appointed as a lead independent non-executive director of Overseas Education Limited, the securities of which is listed on the Singapore Exchange (stock code: RQ1), with effect from 25 April 2024.
- Mr. Fok Chee Khuen was appointed as an independent non-executive director of Rectitude Holdings Limited, the securities of which is listed on Nasdaq (stock code: RECT), with effect from 21 June 2024.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Company are set out on pages 10 to 11 of this Annual Report.

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 31 March 2024, 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 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, were as follows:

Long position in the Shares

Name of Directors	Capacity	Nature of interest	Number of shares held	Percentage of shareholding
Mr. Daniel Tay	Interest of controlled corporation <i>(Note)</i>	Corporate interest	600,000,000	75%
Mr. Melvyn Wong	Interest of controlled corporation <i>(Note)</i>	Corporate interest	600,000,000	75%

Note: All the issued shares of Brilliant Stride are legally and beneficially owned as to 50% by Mr. Melvyn Wong and 50% by Mr. Daniel Tay. 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 31 March 2024, 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: (a) 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, entered in the register as referred to therein; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Report

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

As at 31 March 2024, so far as was known to the Directors, the following corporation and persons (other than a Director or the chief executive of the Company) 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 follow:

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 31 March 2024, 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.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Melvyn Wong and Mr. Daniel Tay entered into a service contract with the Company as Director on 23 September 2019. The term of each service contract is three years commencing on the Listing Date and will continue thereafter until terminated in accordance with the terms of the service contract.

Mr. Jong Voon Hoo, being an INED, has entered into a letter of appointment with the Company on 23 September 2019. The letter of appointment is for an initial term of one year commencing on the Listing Date and will continue thereafter unless terminated by either party giving to the other at least one month's notice in writing. Mr. Fok Chee Khuen and Ms. Tan Chiu Yang, both being INEDs, have entered into a letter of appointment with the Company on 27 August 2021 and 29 August 2022 respectively. Each of their respective letter of appointment is for an initial term of one year commencing on 27 August 2021 and 29 August 2022 respectively and will continue thereafter unless terminated by either party giving to the other at least one month's notice in writing.

No Director proposed for re-election at the 2024 AGM has a service contract with the Company or any member of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements and contacts of significance in relation to the Group's business in which a Director or an entity with a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or during the Year.

Directors' Report

MANAGEMENT CONTRACTS

No contract (except for the Executive Directors' service contracts) concerning management and administration of the whole or any substantial part of the Group's businesses was entered into or existed during the Year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group during the Year or existed as at 31 March 2024.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association, although there are no restrictions against such rights under the laws in the Cayman Islands.

DIRECTORS' REMUNERATION

The Remuneration Committee makes recommendations to the Board on the remuneration and other benefits payable by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. Details of the Directors' remuneration are set out in note 10 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the aggregate sales attributable to the Group's five largest customers were under 20%. The aggregate purchases attributable to the Group's five largest suppliers and the largest supplier during the Year were 46% and 18%, respectively.

None of the Directors, their respective close associates or any Shareholders, which to the best knowledge of the Directors, owns more than 5% of the issued Shares, has any interests in the share capital of any of the above five largest customers or suppliers of the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this Annual Report, the Company has maintained a sufficient public float for the issued Shares (i.e. at least 25% of the issued Shares being held by the public) as required under the Listing Rules.

COMPETING BUSINESS

None of the Directors, the Controlling Shareholders or their respective close associates had any interest in any business which is, either directly or indirectly, in competition with the business of the Group and would require disclosure under Rule 8.10 of the Listing Rules.

RETIREMENT BENEFIT SCHEMES

Details of the Group's retirement benefit schemes are set out in note 2.6(a) to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Subject to applicable laws, the Directors shall be indemnified and secured harmless out of the assets and profits for the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, pursuant to the Articles of Association. Such provisions were in force throughout the Year and are currently in force. The Company has arranged for appropriate insurance cover for Directors' liabilities in respect of legal actions that may be brought against the Directors.

Directors' Report

RELATED PARTY TRANSACTIONS

Details of significant related party transactions undertaken in the normal course of business of the Group for the Year are provided under note 31 to the consolidated financial statements. The transactions were conducted in accordance with terms as agreed between the Group and the respective related parties. The Directors confirm that the related party transactions were conducted on normal commercial terms and on arm's length basis. Such related party transactions constitute continuing connected transaction as defined under the Listing Rules which are fully exempted from the disclosure requirements under Chapter 14A of the Listing Rules.

MATERIAL LEGAL PROCEEDINGS

During the Year, the Company was not involved in any material legal proceeding or arbitration. To the best knowledge of the Directors, there is no material legal proceeding or claim which is pending or threatened against the Company.

USE OF PROCEEDS FROM THE LISTING

Details of the use of net proceeds are set out on pages 8 to 9 of this Annual Report. The Group held the unutilised net proceeds in short-term deposits with licensed institutions in Singapore and Hong Kong.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with senior management and discussed the auditing, internal control and financial reporting matters, including the review of the audited consolidated financial statements of the Group for the Year. The financial statements of the Group for the Year have been audited by the Independent Auditor.

CORPORATE GOVERNANCE

The particulars of the principal corporate governance practices of the Company are set out in the Corporate Governance Report on pages 12 to 24 of this Annual Report.

RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

INDEPENDENT AUDITOR

The consolidated financial statements of the Group for the Year have been audited by Forvis Mazars LLP (F.K.A. Mazars LLP), who will retire and, being eligible, offer itself for re-appointment at the 2024 AGM. A resolution will be proposed to the Shareholders at the 2024 AGM to re-appoint Forvis Mazars LLP (F.K.A. Mazars LLP) as the Independent Auditor.

On behalf of the Board

Mr. Fok Chee Khuen

Chairman

Singapore, 27 June 2024

Independent Auditor's Report



To the Shareholders of Snack Empire Holdings Limited
(incorporated in the Cayman Islands with limited liability)

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#10-01
Singapore 069536

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OPINION

We have audited the consolidated financial statements of Snack Empire Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 61 to 112, which comprise the consolidated statement of financial position of the Group as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance, consolidated changes in equity and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board, and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our audit response
<p>Revenue recognition — sales of goods</p> <p>Refer to note 2.4 for the Group's accounting policies on revenue recognition and note 6 for the analysis of revenue of the Group for the financial year ended 31 March 2024.</p> <p>Sales of goods primarily consists of revenue from sales of goods to customers through the Group's self-owned outlets ("Outlet Sales") and to franchisees/licensees ("Franchisees Sales").</p> <p>We focused on revenue recognition in particular for sales of goods due to its magnitude and the characteristics of the Group's industry nature. The recording of revenue involves high volume of individual transactions derived from sales to multiple customers such that we have incurred significant time and resources in carrying out our work in this area.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> Tested the design and implementation of the Group's relevant key controls over the revenue recognition; Performed test of controls, on a samples basis, which included testing the operating effectiveness of key controls over the sales of goods cycle; Performed analytical procedures, such as analysing the gross profit margins reported by the Group; Performed test of details and cut-off procedures which included inspection of corresponding delivery documents on a sample basis; and Reviewed the completeness and appropriateness of corresponding disclosures made in the consolidated financial statements.



Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and the independent auditor's report thereon, which we obtained prior to the date of this report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chin Chee Choon.

Forvis Mazars LLP (F.K.A. Mazars LLP)

Public Accountants and Chartered Accountants

Singapore

27 June 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Year ended 31 March	
		2024 S\$'000	2023 S\$'000
Revenue	6	25,160	26,405
Cost of sales	9	(9,557)	(10,289)
Gross profit		15,603	16,116
Other income	7	460	663
Other expense	8	(50)	(65)
Selling and distribution expenses	9	(6,740)	(6,711)
Administrative expenses	9	(9,170)	(7,646)
Finance income/(cost) — net	11	123	31
Profit before income tax		226	2,388
Income tax expense	12	(46)	(545)
Profit for the year attributable to equity holders of the Company		180	1,843
Other comprehensive loss			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from translation of foreign operations		(195)	(186)
		(195)	(186)
Total comprehensive (loss)/income for the year attributable to equity holders of the Company		(15)	1,657
Earnings per share for profit attributable to equity holders of the Company			
Basic and diluted (Singapore cents)	13	0.0	0.2

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	Note	As at 31 March	
		2024 S\$'000	2023 S\$'000
ASSETS			
Non-current asset			
Property, plant and equipment	14	8,000	6,153
Intangible assets		149	—
		8,149	6,153
Current assets			
Inventories	15	1,301	1,554
Trade and other receivables and prepayments	16	2,138	1,704
Tax refundable		199	—
Cash and cash equivalents	17	22,134	23,493
		25,772	26,751
Total assets		33,921	32,904
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,392	1,392
Share premium	18	10,911	11,047
Reserves	19	12,040	12,055
Equity attributable to equity holders of the Company		24,343	24,494
LIABILITIES			
Non-current liabilities			
Deferred revenue	20	748	656
Deferred tax liabilities	21	17	13
Lease liabilities	22(b)	1,619	1,086
Borrowings	23	1,820	1,950
		4,204	3,705

Consolidated Statement of Financial Position

	Note	As at 31 March	
		2024 S\$'000	2023 S\$'000
Current liabilities			
Trade and other payables	24	2,851	2,743
Borrowings	23	130	130
Provisions	25	246	158
Deferred revenue	20	225	341
Lease liabilities	22(b)	1,877	1,329
Current income tax liabilities		45	4
		5,374	4,705
Total liabilities		9,578	8,410
Total equity and liabilities		33,921	32,904

The consolidated financial statements on pages 61 to 112 were approved and authorised for issue by the Board of Directors on 27 June 2024 and were signed on its behalf.

Mr. Daniel Tay
Director

Mr. Melvyn Wong
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Share capital (Note 18) S\$'000	Share premium (Note 18) S\$'000	Capital reserves (Note 19) S\$'000	Foreign currency translation reserve (Note 19) S\$'000	Retained earnings (Note 19) S\$'000	Total S\$'000
As at 1 April 2023	1,392	11,047	261	(423)	12,217	24,494
Profit for the year	—	—	—	—	180	180
Other comprehensive loss for the year	—	—	—	(195)	—	(195)
Total comprehensive (loss)/income for the year	—	—	—	(195)	180	(15)
Total transactions with owners, recognised directly in equity	—	(136)	—	—	—	(136)
— Dividend paid (Note 26)	—	(136)	—	—	—	(136)
As at 31 March 2024	1,392	10,911	261	(618)	12,397	24,343
As at 1 April 2022	1,392	17,092	261	(237)	10,374	28,882
Profit for the year	—	—	—	—	1,843	1,843
Other comprehensive loss for the year	—	—	—	(186)	—	(186)
Total comprehensive income for the year	—	—	—	(186)	1,843	1,657
Total transactions with owners, recognised directly in equity	—	(6,045)	—	—	—	(6,045)
— Dividend paid (Note 26)	—	(6,045)	—	—	—	(6,045)
As at 31 March 2023	1,392	11,047	261	(423)	12,217	24,494

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Note	Year ended 31 March	
		2024 S\$'000	2023 S\$'000
Cash flows from operating activities			
Profit before income tax		226	2,388
Adjustments for:			
— Depreciation of property, plant and equipment	9	2,234	2,070
— Amortisation of franchise fees	9	26	—
— Interest income	11	(362)	(195)
— Interest expense	11	239	164
Operating profit before changes in working capital		2,363	4,427
Changes in working capital:			
— Inventories		253	(93)
— Trade and other receivables and prepayments		(434)	(318)
— Trade and other payables, including provisions		194	405
— Deferred revenue		(24)	(153)
Cash generated from operations		2,352	4,268
Income tax paid		(200)	(875)
Net cash generated from operating activities		2,152	3,393
Cash flows from investing activities			
Purchase of property, plant and equipment	29	(1,107)	(306)
Purchase of intangible assets		(176)	—
Interest received		362	195
Net cash used in investing activities		(921)	(111)
Cash flows from financing activities			
Principal and interest payment of lease		(2,051)	(1,802)
Dividend paid	26	(136)	(6,045)
Repayment of borrowings		(229)	(204)
Net cash used in financing activities		(2,416)	(8,051)
Net decrease in cash and cash equivalents		(1,185)	(4,769)
Cash and cash equivalents at beginning of the year		23,493	28,432
Exchange losses on cash and cash equivalents		(174)	(170)
Cash and cash equivalents at end of the year	17	22,134	23,493

Consolidated Statement of Cash Flows

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Year ended 31 March			
	2024		2023	
	Lease liabilities S\$'000	Bank borrowings S\$'000	Lease liabilities S\$'000	Bank borrowings S\$'000
Balance at beginning of the year	2,415	2,080	2,045	2,209
Principal and interest payments	(2,051)	(229)	(1,802)	(204)
Non-cash changes:				
Interest expense	140	99	89	75
Addition of leases during the year	2,992	—	2,083	—
Balance at end of the year	3,496	1,950	2,415	2,080

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

1.1 General information

Snack Empire Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Act Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and is listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 1.2 to the consolidated financial statements.

The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Group is located at 10 Anson Road #21-02, International Plaza, Singapore 079903.

The immediate holding company and ultimate holding company of the Company is Brilliant Stride Limited, which is incorporated in the British Virgin Islands.

1.2 Group structure

Details of the subsidiaries of the Company at the end of the reporting period are set out below:

Name	Principal activities	Country of business/ incorporation	Date of incorporation	Issued and paid up capital	Effective interest held		
					held by the Group as at 31 March		by the Group as at the date of this report
					2024	2023	
					%	%	%
Directly held by the Company							
Clever Steed Limited ⁴	Investment holding	British Virgin Islands	22 November 2017	US\$1	100	100	100
Indirectly held by the Company							
The STSS Company Pte. Ltd. ¹⁸²	Retail of food and beverage and franchising	Singapore	4 June 2003	S\$1,200,000	100	100	100
XXL Concepts Pte. Ltd. (F.K.A. Shihlin Taiwan Street Snacks (HM) Pte. Ltd.) ¹⁸²	Retail of food and beverage	Singapore	11 January 2005	S\$100,000	100	100	100
Umami Concepts Pte. Ltd. ¹⁸²	Wholesale and retail of food and beverage	Singapore	18 October 2005	S\$100,100	100	100	100
STSS Resources Pte. Ltd. ¹⁸²	Wholesale of food and beverage	Singapore	1 December 2005	S\$1	100	100	100
The EPKR Company Pte. Ltd. (F.K.A. Shihlin Taiwan Street Snacks (313) Pte. Ltd.) ¹⁸²	Retail of food and beverage	Singapore	1 December 2005	S\$300,000	100	100	100
STSS Integrated Pte. Ltd. ¹⁸²	Wholesale of food and beverage	Singapore	7 November 2007	S\$1	100	100	100
Shihlin Taiwan Street Snacks (JP) Pte. Ltd. ⁴	Retail of food and beverage	Singapore	15 December 2011	S\$1	100	100	100

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION (Continued)

1.2 Group structure (Continued)

Name	Principal activities	Country of business/ incorporation	Date of incorporation	Issued and paid up capital	Effective interest held by the Group as at 31 March		Effective interest held by the Group as at the date of this report
					2024	2023	
					%	%	%
STSS CK Pte. Ltd. (F.K.A. Shihlin Taiwan Street Snacks (TM) Pte. Ltd.) ^{1,2}	Manufacture of cooked-food preparations & Wholesale of food and beverage	Singapore	26 June 2012	S\$1	100	100	100
EPKR Concepts Pte. Ltd. (F.K.A. Shihlin Taiwan Street Snacks (HF) Pte. Ltd.) ^{1,2}	Retail of food and beverage	Singapore	1 April 2013	S\$1	100	100	100
Shihlin Taiwan Street Snacks (NP) Pte. Ltd. ⁴	Retail of food and beverage	Singapore	22 June 2015	S\$1	100	100	100
STSS Resources Sdn. Bhd. ³	Wholesale of food and beverage	Malaysia	13 July 2012	RM1,000,000	100	100	100
STSS IP Pte. Ltd. ^{1,2}	Licensing of intellectual properties	Singapore	25 February 2018	S\$1	100	100	100
STSS Concepts Sdn. Bhd. ³	Retail of food and beverage	Malaysia	20 June 2008	RM1,000,000	100	100	100
EPKR Concepts Sdn. Bhd. ^{4,5}	Retail of food and beverage	Malaysia	25 September 2023	RM1	100	—	100

¹ Audited by Forvis Mazars LLP (F.K.A. Mazars LLP), Singapore.

² The statutory financial statements for the financial year ended 31 March 2023 were audited by Forvis Mazars LLP (F.K.A. Mazars LLP), Singapore.

³ The statutory financial statements for the financial year ended 31 March 2023 were audited by OKL & Partners PLT, Malaysia. Up to the date of this report, the audited financial statements of these companies for the year ended 31 March 2024 are yet to be issued.

⁴ No audited financial statements have been prepared for this entity as it is not required to issue audited financial statements under the statutory requirements of its place of incorporation.

⁵ On 25 September 2023, the Group through its subsidiary The EPKR Company Pte Ltd, incorporated a wholly-owned subsidiary, EPKR Concepts Sdn Bhd, with a paid-up share capital of RM1. The principal activities of EPKR Concepts Sdn Bhd are those retail of food and beverage.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group have been drawn up in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB"), which collective term includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the IASB and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

The individual financial statements of each Group entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company is presented in Singapore dollars ("S\$") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S\$'000"), unless otherwise indicated. The consolidated financial statements have been approved for issue by the Board of Directors on 27 June 2024.

2.1.1 New standards adopted

In the current year, the Group has adopted the following new or amended IFRS Accounting Standards and IFRIC Interpretations that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS Accounting Standards and IFRIC Interpretations.

IFRS 17	Insurance Contracts
Amendments to IAS1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules

The adoption of these new or amended IFRS Accounting Standards and IFRIC Interpretations did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

The Group adopted the amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies in the current financial year. The amendments require the disclosure of "material" instead of "significant" accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users' understanding of the financial statements. Accordingly, management had reviewed the accounting policies and updated the information disclosed in Note 2 Summary of material accounting policies in line with the amendments.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 New standards, interpretations and amendments to standards which are not yet effective

The following are new standards, interpretations and amendments to standards that have been issued but not yet effective.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1-Jan-24
Amendments to IFRS 16	Lease liability in a Sale and Leaseback	1-Jan-24
Amendments to IAS 1	Non-current Liabilities with Covenants	1-Jan-24
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1-Jan-24
Amendments to IAS 21	Lack of Exchangeability	1-Jan-25
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1-Jan-26
IFRS 18	Presentation and Disclosure in Financial Statements	1-Jan-27
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1-Jan-27
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date to be determined

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. The Group anticipates that the application of above new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2.2 Basis of Consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Separate financial statements

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated statement of financial position of the investee's net assets including goodwill (if any).

2.4 Revenue recognition

Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

(a) Sales of goods — Food and beverages

Revenue from sale of goods through its corporate-owned outlet is recognised at the point that the control of the products have been transferred, being when the food and beverages have been served. The sales are made in cash terms upon orders are made at the sales counter.

Revenue from sale of goods to franchisees is recognised at the point that the control of the products has been transferred to the customer, being when the products has been acknowledged by the customers' representative at the warehouses. Payment of the transaction price is due immediately when the customer receives the goods from the warehouses.

(b) Franchise fee

Franchise/licence fees are collected upfront upon entering into the franchising/licensing arrangement. Franchise/licence fees revenue is recognised on a straight-line basis over the respective franchise/licence terms.

A contract liability is recognised when the Group has obligation to transfer goods or services to the franchisees/licenseses for which the Group has received upfront fees from the franchisees/licenseses, and the Group records these as deferred revenue in the liability section of the consolidated statement of financial position.

(c) Royalty

Revenue from royalty charged for a franchising arrangement is recognised on an accrual basis at a fixed predetermined percentage of revenue of franchisees' outlets during the respective franchise terms. Payment of the transaction price is due immediately 7 days after each month end.

(d) Advertising and promotion fees

Revenue from advertising and promotion fees collected under a franchising arrangement is recognised when the related advertising and promotion services have been rendered. Any unutilised fees are recorded as deferred revenue for advertising and promotion in the liability section of the consolidated statement of financial position. Collection of advertising and promotion fees for a franchising arrangement is charged at a fixed predetermined percentage of revenue of franchisee's outlets during the respective franchise terms. Payment of the fees is due immediately 7 days after each month end.

A contract liability is recognised when the Group has the obligation to transfer goods or services to the franchisees for which the fees are collected upfront. These upfront fees collected are recorded as deferred revenue in the liability section of the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Employee benefits

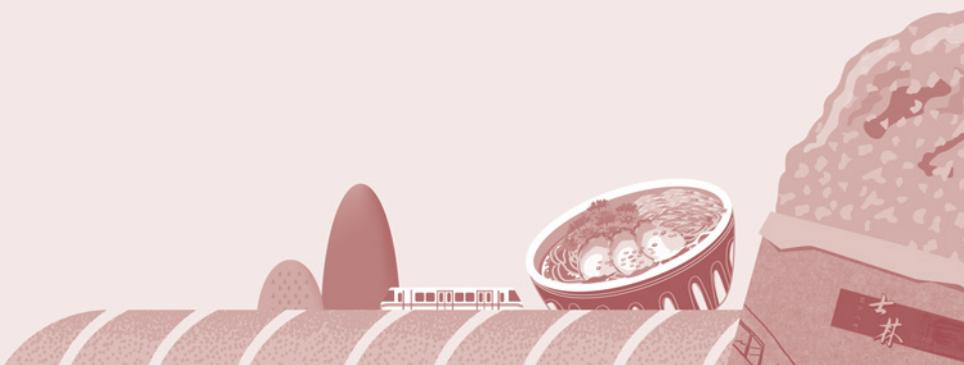
(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

No forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) will be used by the Group to reduce the existing level of contributions.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.



Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in the countries where the Group operates by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised on taxable temporary differences arising from investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2.8 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

2.10 Property, plant and equipment

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit and loss when incurred.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Properties held for own use	51 years
Leased retail spaces	Over the remaining lease period
Renovation works	3 to 5 years
Furniture and fittings	3 years
Office equipment	3 years
Kitchen equipment	3 to 5 years
Computers	3 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated plant and equipment are retained in the consolidated financial statements until they are no longer in use.

2.11 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in IFRS 15 Revenue from Contracts with Customers (“IFRS15”) in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost depends on the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group’s business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset’s contractual cash flows are solely payments of principal and interest on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include trade and other receivables and cash and cash equivalents.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Interest income from these financial assets is included in finance income using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the gross carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interests income.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group’s contracts with customers under IFRS 15 are assessed for impairment in accordance with IFRS 9, similar to that of trade receivables.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group’s accounting policy for its impairment of financial assets, refer to Note 3.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

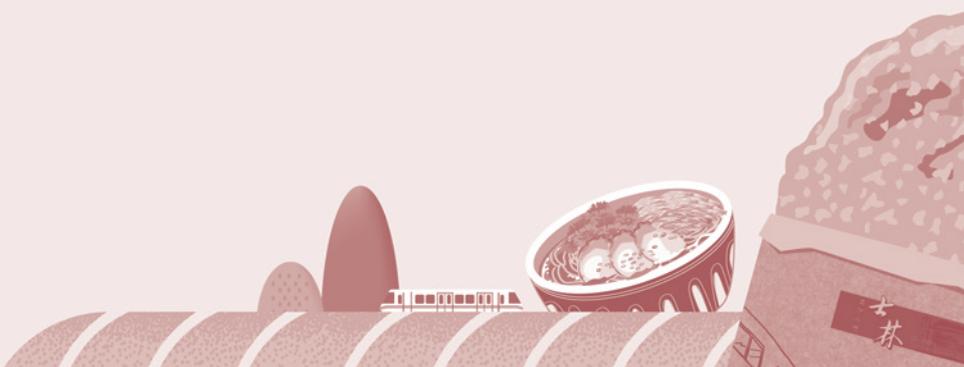
Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis in finance costs. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.



Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) Currently has a legally enforceable right to set off the recognised amounts; and
- (b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis, and includes all costs in bringing the inventories to their present location and condition.

Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash held for specific use, assessment is made on the economic substance of such use and whether they meet the definition of cash and cash equivalents.

2.15 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under IFRS 16 Leases. For these leases, the Group recognises the lease payment as an expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.15 Leases (Continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 22.

Notes to the Consolidated Financial Statements

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.16 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration the time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in the consolidated statement of profit or loss and other comprehensive income immediately.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed, while Government grants related to COVID-19 support are recorded as other income.

2.18 Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the executive directors of the Company, as the Chief Operating Decision Maker ("CODM"), who regularly review the segment results in order to allocate resources to the segments and to assess segment performance.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest risk), credit risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets, mainly cash and cash equivalents and trade and other receivables that are denominated in currencies other than the functional currencies of the respective entities in the Group. As at the reporting date, the Group do not have significant foreign currency risk exposure except for the financial assets and liabilities denominated in United States dollar ("USD") and the Hong Kong dollar ("HKD").

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	USD S\$'000	HKD S\$'000	Total S\$'000
At 31 March 2023			
Monetary assets			
Cash and cash equivalents	370	2,095	2,465
Trade and other receivables	20	—	20
	390	2,095	2,485
Monetary liabilities			
Trade and other payables	—	16	16
	—	16	16
Currency exposure of net monetary assets of those denominated in the functional currencies of the entities within the Group	390	2,079	2,469
At 31 March 2024			
Monetary assets			
Cash and cash equivalents	939	1,842	2,781
Trade and other receivables	3	56	59
	942	1,898	2,840
Monetary liabilities			
Trade and other payables	13	214	227
	13	214	227
Currency exposure of net monetary assets of those denominated in the functional currencies of the entities within the Group	929	1,684	2,613

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)**(a) Market risk (Continued)****(i) Foreign currency risk (Continued)****Sensitivity analysis for currency risk**

With all other variables being held constant, a 5% strengthening/weakening of the United States dollar ("US\$" or "USD") and Hong Kong dollar ("HK\$" or "HKD") against SGD at the reporting date would have either increased or decreased the Group's net profit after tax and equity by the amounts (nearest thousand) shown below:

The Group

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
USD	39	16
HKD	70	86

(b) Interest rate risk

The Group's interest rate risk arising primarily from borrowings and deposits placed with creditworthy licensed banks and financial institutions at variable rates and fixed rates exposes the Group to cash flow interest rate risk and fair value interest rate risk, respectively. The Group currently does not hedge its exposure to cash flow and fair value interest rate risk. The Group analyses its interest rate exposure on a regular basis and will consider the interest rate exposure when entering into any financing, renewal of existing positions and alternative financing transactions.

(c) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables and cash deposits at banks. The carrying amounts of trade and other receivables and cash deposits at banks represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are deposited in medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance of these counterparties.

The Group has policies in place to ensure credit sales are made to customers with an appropriate credit history. The credit quality of trade receivables that are neither past due nor further impaired, is being assessed by reference to the reputation, credit history and management judgement about counterparty. The Group does not identify specific concentrations of credit risk with regard to trade receivables, as the amounts recognised represent a large number of receivables from various franchisees.

The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor/customer;
- significant increases in credit risk on other financial instruments of the same customer;
- significant changes in the expected performance and behavior of the customer, including changes in the payment status of customer in the Group and changes in the operating results of the customer.

Credit risk is controlled by the application of credit limit and monitoring procedures. The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk ^{Note 1}	12-month ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is \leq 30 days past due	12-month ECL
3	Significant increase in credit risk since initial recognition or financial asset is $>$ 30 days past due ^{Note 2}	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write-off amount ^{Note 4}	Written off

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information.

Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit-impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write-off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics other than the geographical location of their operations.

Sales to outlet customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group's exposure to credit risk arises primarily from trade receivables.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk (Continued)

Trade receivables

The Group applies the simplified approach to provide expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) and the unemployment rate of the countries in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The loss allowance for trade receivables is determined as follows:

	Trade receivables				Total
	Past due more than 1 to 30 days	Past due more than 31 to 60 days	Past due more than 61 to 90 days	Past due more than 90 days	
31 March 2024					
Expected credit loss rates	0%	0%	0%	64%	
Total gross carrying amount (\$'000)	250	16	0	89	355
Loss allowance (\$'000)	0	0	0	56	56 ¹
31 March 2023					
Expected credit loss rates	0%	0%	0%	0%	
Total gross carrying amount (\$'000)	258	3	4	104	369
Loss allowance (\$'000)	0	0	0	0	0

¹ The loss allowance of S\$56,000 is arising from credit impaired trade receivables.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk

Liquidity or funding risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group manages its liquidity risk by ensuring the availability of funding through its ability to operate profitably and maintaining sufficient cash to enable it to meet its normal operating commitments.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

	Effective interest rate	Less than 1 year S\$'000	1-2 years S\$'000	2-5 years S\$'000	Total S\$'000
As at 31 March 2023					
Trade and other payables		2,630	—	—	2,630
Borrowings	3.4%	193	220	1,912	2,325
Lease liabilities	5.5%	1,406	798	326	2,530
As at 31 March 2024					
Trade and other payables		2,756	—	—	2,756
Borrowings	4.8%	216	210	1,789	2,215
Lease liabilities	5.5%	2,009	1,325	350	3,684

(e) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return to shareholders or issue new shares.

As at 31 March 2024 and 2023, the Group has undertaken borrowing from an external financial institution and is in compliance with the externally imposed capital requirement of the external borrowing.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(e) Capital management (Continued)

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as total debt divided by total equity. Total debt is calculated as borrowings plus lease liabilities. The gearing ratio of the Group is as follows:

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Total debt	5,446	4,495
Total equity	24,343	24,494
Gearing ratio	22%	18%

(f) 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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to exercise their judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving higher degree of judgement or complexity or where estimates and assumptions used are significant to the consolidated financial statements are as below.

4.1 Critical judgements made in applying the Group's accounting policies

Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

For leases of retail spaces, the following factors are normally the most relevant:

- If it is certain that the Group would extend the option due to favourable fixed lease amount agreed upfront for the extension period;
- If any leasehold improvements are expected to have a significant remaining value; and
- If the Group might incur significant costs and business disruption to replace the leased asset.

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical judgements made in applying the Group's accounting policies (Continued)

Determination of the lease term (Continued)

Most extension options in retail spaces were not included in the lease liabilities, because the Group does not have significant value of leasehold improvements at each retail outlet and the Group would not incur significant cost or business disruption to replace the right-of-use assets. The lease term is reassessed if an option is actually exercised or the Group becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

4.2 Key sources of estimation uncertainty

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset may already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economic useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment at 31 March 2024 is disclosed in Note 14 to the consolidated financial statements.

Calculation of loss allowance for trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors including their best estimate of the impact of COVID-19 Pandemic, specific to the receivables and the economic environment which could affect the ability of the customers to settle the receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the GDP growth rates and the unemployment rate of the countries in which it sells goods and services to be the most relevant factors. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 March 2024 is disclosed in Note 16 to the consolidated financial statements.

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amount of the Group's current tax payables as at 31 March 2024 is S\$45,000 (2023: S\$4,000).

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION

The executive directors of the Company, who are the CODM monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. The executive directors of the Company consider all businesses to be included in a single operating segment. Information reported to the executive directors of the Company, 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 Group is principally engaged in the provision of food catering services through a chain of Taiwan-style Outlets and Restaurants and Korean-style Outlets for Eat Pizza brand. The following is an analysis of revenue and non-current assets by geographical areas. Revenue is attributed to countries by locations of customers.

Revenue

	Sales of goods											
	Outlet sales		Franchisees/ Licensees		Franchise fee		Advertising and promotion fees		Royalty		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Geographical markets												
Singapore	10,375	10,654	212	275	81	72	30	36	59	69	10,757	11,106
Malaysia	6,251	6,064	3,837	4,607	206	321	182	241	317	354	10,793	11,587
Indonesia	—	—	2,550	2,391	58	110	—	—	346	400	2,954	2,901
United States	—	—	361	554	46	91	—	—	111	103	518	748
Others	—	—	—	10	130	42	—	—	8	11	138	63
Total	16,626	16,718	6,960	7,837	521	636	212	277	841	937	25,160	26,405

Non-current assets

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Property, plant and equipment		
Singapore	6,732	4,902
Malaysia	1,268	1,251
	8,000	6,153
Intangible assets		
Singapore	149	—

Other than revenue and non-current assets analysis, no operating results and other discrete financial information are regularly presented for CODM decision in making assessment of performance and allocation of resources. Accordingly, other than entity-wide information, no analysis of single operating segment is presented.

Revenue of S\$2,954,000 (2023: S\$2,901,000) during the year is derived from a single external customer. These revenues are attributable to the geographical area of Indonesia.

Notes to the Consolidated Financial Statements

6 REVENUE

- (a) The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major revenue streams:

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Sales of goods		
— Outlet sales	16,626	16,718
— Franchisees/licensees	6,960	7,837
Franchise fee	521	636
Advertising and promotion fees	212	277
Royalty	841	937
	25,160	26,405

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
At a point in time	23,586	24,555
Over time	1,574	1,850
Total	25,160	26,405

(b) Deferred revenue:

- (i) Revenue recognised in relation to deferred revenue:

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Revenue recognised in current year that was included in the deferred revenue balance at the beginning of the year	494	443

- (ii) Unsatisfied performance obligation:

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March	973	997

Notes to the Consolidated Financial Statements

6 REVENUE (Continued)

(b) Deferred revenue: (Continued)

(ii) Unsatisfied performance obligation: (Continued)

Management expects that 23% (2023: 34%) of the transaction price allocated to the unsatisfied performance obligations as of 31 March 2024 are to be recognised as revenue during the next reporting period. The remaining 77% (2023: 66%) are expected to be recognised by 31 March 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032 and 2033 for each of the unsatisfied performance obligations as of 31 March 2024.

(c) Contract balances

	As at 31 March		As at 1 April
	2024	2023	2022
	S\$'000	S\$'000	S\$'000
Trade receivables (Note 16)	299	369	196
Deferred revenue (Note 20)	973	997	1,150

7 OTHER INCOME

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Government grants ²	152	226
Rental rebate ¹	—	19
Other service income	183	235
Others	125	183
	460	663

1 Rental rebates are mainly given by landlords to subsidise the rental payments incurred by the Group during the COVID-19 Pandemic. The Group applied the practical expedient for all eligible rent concessions. The amount recognised in the consolidated statement of profit or loss for the financial year ended 31 March 2024 to reflect changes in lease payments that arose from rent concessions to which the Group has applied the practical expedient is S\$Nil (2023: S\$19,000).

2 Government grants mainly consist of progressive wage credit scheme.

Notes to the Consolidated Financial Statements

8 OTHER EXPENSE

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Foreign currency exchange difference, net	50	65

9 EXPENSES BY NATURE

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Cost of inventories (<i>Note 15</i>)	9,557	10,289
Employee benefit costs (<i>Note 10</i>)	6,853	6,090
Rental expenses (<i>Note 22c</i>)	745	683
Advertising, promotion and marketing expenses	587	523
Logistics and transportation expenses	484	562
Directors' remuneration (<i>Note 10</i>)	2,939	2,545
Utilities expenses	363	353
Sundry expenses	363	310
Professional fees	427	426
Maintenance charges	139	76
Travelling expense	28	92
Franchise fees	26	—
Depreciation (<i>Note 14</i>)	2,234	2,070
Printing expenses	49	120
Insurance expenses	40	37
Auditor's remuneration	217	185
Bad debts expense	—	79
Loss allowance — trade receivables	56	—
Others	360	206
Total cost of sales, administrative, selling and distribution expenses	25,467	24,646

Notes to the Consolidated Financial Statements

10 EMPLOYEE BENEFIT COSTS — INCLUDING DIRECTORS' REMUNERATION

(a) Employee benefit expenses during the years are as follows:

	Year ended 31 March	
	2024 S\$'000	2023 S\$'000
Wages, salaries and allowances	5,829	5,161
Retirement benefit costs — defined contribution plans	553	454
Others	471	475
Employee benefit costs	6,853	6,090
Directors' remuneration	2,939	2,545
Total employee benefit costs and directors' remuneration	9,792	8,635

Employee benefits expenses have been included in consolidated statement of profit or loss as follows:

	Year ended 31 March	
	2024 S\$'000	2023 S\$'000
Administrative expenses	6,028	4,709
Selling and distribution expenses	3,764	3,926
	9,792	8,635

(b) Directors' remuneration

The remuneration of every director for the financial year ended 31 March 2024 is set out below:

Name of director	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Employer's contribution to defined contribution plans S\$'000	Bonuses S\$'000	Total S\$'000
Executive directors					
Mr. Daniel Tay	—	1,162	35	225	1,422
Mr. Melvyn Wong	—	1,162	35	225	1,422
Independent non-executive directors					
Jong Voon Hoo	30	—	—	—	30
Fok Chee Khuen	35	—	—	—	35
Tan Chiu Yang ²	30	—	—	—	30
	95	2,324	70	450	2,939

Notes to the Consolidated Financial Statements

10 EMPLOYEE BENEFIT COSTS — INCLUDING DIRECTORS' REMUNERATION (Continued)

(b) Directors' remuneration (Continued)

The remuneration of every director for the financial year ended 31 March 2023 is set out below:

Name of director	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Employer's contribution to defined contribution plans S\$'000	Bonuses S\$'000	Total S\$'000
Executive directors					
Mr. Daniel Tay	—	998	35	192	1,225
Mr. Melvyn Wong	—	998	35	192	1,225
Independent non-executive directors					
Jong Voon Hoo	30	—	—	—	30
Fok Chee Khuen	35	—	—	—	35
Koh Boon Chiao ¹	12	—	—	—	12
Tan Chiu Yang ²	18	—	—	—	18
	95	1,996	70	384	2,545

¹ Mr. Koh Boon Chiao is one of the Independent Non-executive Directors of the Company appointed on 23 September 2019 and resigned on 29 August 2022.

² Ms. Tan Chiu Yang is one of the Independent Non-executive Directors of the Company appointed on 29 August 2022.

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees to the companies comprising the Group.

During the financial year ended 31 March 2024, none of the directors of the Company waived any remuneration paid or payable by the Group and no remuneration were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2023: Nil).

(i) Directors' retirement benefits

Apart from statutory employer's contribution to defined contribution plans, no retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaken during the financial year (2023: Nil).

(ii) Directors' termination benefits

No payment was made to directors as compensation for any early termination of the appointment during the financial year (2023: Nil).

(iii) Consideration provided to third parties for making available directors' services

No payment was made to third parties for making available the services of the directors as a director of the Company during the financial year (2023: Nil).

Notes to the Consolidated Financial Statements

10 EMPLOYEE BENEFIT COSTS — INCLUDING DIRECTORS' REMUNERATION (Continued)

(b) Directors' remuneration (Continued)

(iv) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and connected entities with such directors during the financial year (2023: Nil).

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 March 2024 include two directors (2023: two directors), respectively whose remuneration is reflected in the analysis presented above. The remuneration paid to the remaining three (2023: three) individuals is as follows:

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Wages, salaries and allowances	450	244
Bonuses	126	135
Retirement benefit costs — defined contribution plans	53	50
	629	429

The remuneration of above individuals is within the following bands:

	Year ended 31 March	
	2024	2023
Remuneration band		
HK\$1,500,001–HK\$2,000,000 (equivalent from S\$257,801 to S\$343,734) (2023: HK\$1,500,001–HK\$2,000,000 (equivalent from S\$262,612 to S\$350,150))	1	—
HK\$1,000,001–HK\$1,500,000 (equivalent from S\$171,867 to S\$257,800) (2023: HK\$1,000,001–HK\$1,500,000 (equivalent from S\$175,075 to S\$262,612))	—	1
HK\$nil–HK\$1,000,000 (equivalent from S\$nil to S\$171,866) (2023: HK\$nil–HK\$1,000,000 (equivalent from S\$nil to S\$175,075))	2	2

During the year ended 31 March 2024, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the five highest paid individuals waived or agreed to waive any emoluments during the year (2023: Nil).

Notes to the Consolidated Financial Statements

11 FINANCE INCOME/(COST) — NET

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Interest income	362	195
Interest expense	(239)	(164)
	123	31

12 INCOME TAX EXPENSE

Tax has been provided at the applicable tax rate on the estimated assessable profit during the financial year.

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Current tax expense		
Current financial year	307	597
Overprovision in prior financial years	(265)	(53)
	42	544
Deferred tax expense (Note 21)		
Origination and reversal of temporary differences	4	1
	46	545

Taxation has been provided at the appropriate rates in the countries in which the Group operates. The Group is not subject to any taxation in the Cayman Islands and the British Virgin Islands. Singapore Corporate income tax has been provided at 17% (2023: 17%) of the estimated profit during the financial year. The applicable income tax rate for the Group's entities in Malaysia was 24% (2023: 24%) during the financial year.

Notes to the Consolidated Financial Statements

12 INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of Singapore as follows:

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Profit before tax	226	2,388
Tax calculated at rate of 17%	38	406
Tax effects of:		
— Different tax rates in different jurisdictions	80	97
— Non taxable income	(27)	(4)
— Expenses not deductible for tax purposes	276	186
— Tax concessions	(56)	(87)
— Overprovision of tax in respect of prior years	(265)	(53)
Income tax expense	46	545

13 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 year.

	Year ended 31 March	
	2024	2023
Net earnings attributable to equity holders of the Company (S\$'000)	180	1,843
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	800,000	800,000
Basic earnings per share (Singapore cents per share)	0.0	0.2

Diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding for the years ended 31 March 2024 and 2023.

Notes to the Consolidated Financial Statements

14 PROPERTY, PLANT AND EQUIPMENT

	Leased retail spaces S\$'000	Properties held for own use S\$'000	Renovation works S\$'000	Furniture and fittings S\$'000	Office equipment S\$'000	Kitchen equipment S\$'000	Computers S\$'000	Total S\$'000
Cost								
As at 1 April 2022	4,498	3,343	1,068	37	188	122	179	9,435
Additions	2,083	—	208	—	72	11	15	2,389
Write-off	(1,913)	—	—	—	(8)	(2)	—	(1,923)
Currency translation difference	—	—	(33)	(1)	(5)	(3)	(4)	(46)
As at 31 March 2023	4,668	3,343	1,243	36	247	128	190	9,855
Accumulated depreciation								
As at 1 April 2022	(2,404)	(229)	(587)	(20)	(154)	(60)	(130)	(3,584)
Depreciation for the year	(1,699)	(67)	(215)	(5)	(39)	(19)	(26)	(2,070)
Write-off	1,913	—	—	—	8	2	—	1,923
Currency translation difference	—	—	22	1	4	1	1	29
As at 31 March 2023	(2,190)	(296)	(780)	(24)	(181)	(76)	(155)	(3,702)
Net book value								
As at 31 March 2023	2,478	3,047	463	12	66	52	35	6,153
Cost								
As at 1 April 2023	4,668	3,343	1,243	36	247	128	190	9,855
Additions	2,993	280	472	—	2	140	213	4,100
Write-off	(1,570)	—	(5)	—	—	(6)	—	(1,581)
Currency translation difference	—	—	(34)	(1)	(4)	(3)	(4)	(46)
As at 31 March 2024	6,091	3,623	1,676	35	245	259	399	12,328
Accumulated depreciation								
As at 1 April 2023	(2,190)	(296)	(780)	(24)	(181)	(76)	(155)	(3,702)
Depreciation for the year	(1,878)	(67)	(214)	(4)	(7)	(24)	(40)	(2,234)
Write-off	1,570	—	5	—	—	4	—	1,579
Currency translation difference	—	—	22	1	3	1	2	29
As at 31 March 2024	(2,498)	(363)	(967)	(27)	(185)	(95)	(193)	(4,328)
Net book value								
As at 31 March 2024	3,593	3,260	709	8	60	164	206	8,000

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 22(a).

Bank borrowings as at financial year end with carrying amount of S\$1,950,000 (2023: S\$2,080,000) are secured on the properties held for own use by the Group with carrying values of approximately S\$2,980,000 (2023: S\$3,047,000).

Notes to the Consolidated Financial Statements

15 INVENTORIES

Inventories comprise fast moving consumables items. The cost of inventories included in cost of sales in the consolidated financial statements amounted to approximately S\$9,557,000 (2023: S\$10,289,000).

16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Trade receivables:		
— Third parties	299	369
Deposits with external parties ¹	1,146	901
Prepayments	353	178
Other receivables	340	256
	1,839	1,335
Total trade and other receivables and prepayments included in current assets	2,138	1,704

¹ Deposits with external parties comprise mainly security deposits placed with landlords of leased properties.

Trade receivables

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Trade receivables	355	369
Less: allowance for impairment of trade receivables	(56)	—
	299	369

The carrying amounts of trade receivables approximate their fair values.

Trade receivables are non-interest bearing.

All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade receivables, as the amounts recognised represent a large number of receivables from various franchisees.

Notes to the Consolidated Financial Statements

16 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)**Trade receivables** (Continued)

The Group normally grants credit terms to its customers ranging from 0 to 7 days (2023: 0 to 7 days). The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Current to 30 days	250	258
31 to 60 days	16	3
61 to 90 days	0	4
Over 90 days	33	104
	299	369

The carrying amounts of the Group's trade and other receivables and prepayments are denominated in the following currencies:

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
HKD	56	52
SGD	1,389	1,107
MYR	690	525
USD	3	20
	2,138	1,704

17 CASH AND CASH EQUIVALENTS

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Cash at banks	22,109	23,474
Cash on hand	25	19
	22,134	23,493

Notes to the Consolidated Financial Statements

17 CASH AND CASH EQUIVALENTS (Continued)

The Group's cash and cash equivalents are denominated in the following currencies:

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
HKD	1,842	2,095
SGD	15,372	17,147
MYR	3,981	3,881
USD	939	370
	22,134	23,493

18 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Share capital S\$'000	Total S\$'000
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Authorised:

Ordinary shares of HK\$0.01 each

As at 1 April 2022, 31 March 2023 and 2024

10,000,000,000	17,400	17,400
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	Number of shares	Share capital S\$'000	Share premium S\$'000	Total S\$'000
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Issued and fully paid:

As at 1 April 2022

Dividend paid (Note 26)

800,000,000	1,392	17,092	18,484
—	—	(6,045)	(6,045)

As at 31 March 2023

Dividend paid (Note 26)

800,000,000	1,392	11,047	12,439
—	—	(136)	(136)

As at 31 March 2024

800,000,000	1,392	10,911	12,303
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The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes to the Consolidated Financial Statements

19 RESERVES

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Foreign currency translation reserve	(618)	(423)
Capital reserves	261	261
Retained earnings	12,397	12,217
	12,040	12,055

Foreign currency translation reserve arises from the translation of the financial statements of foreign entities whose functional currencies are different from the functional currency of the Company.

Capital reserves comprise the combined capital of the operating companies prior to the completion of the reorganisation of the Group in 2019 and the differences between total consideration paid to the Controlling Shareholders from the restructuring of certain operating companies within the Group in the previous financial years and the cost of investment in those operating companies. Capital reserves are non-distributable.

20 DEFERRED REVENUE

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Franchise upfront fees	973	997
Less: non-current portion: franchise upfront fees	(748)	(656)
Total deferred revenue included in current liabilities	225	341

The changes in deferred revenue balance is mainly a result of timing differences between upfront franchise fees collected from franchisees as compared to the franchise revenue recognised during the financial year.

Notes to the Consolidated Financial Statements

21 DEFERRED INCOME TAX

The analysis of deferred income tax liability is as follows:

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Deferred income tax liability:		
— To be settled after one year	17	13

The movements in deferred income tax liability during the financial years are as follows:

	Accelerated tax depreciation
	S\$'000
At 1 April 2022	12
Charged to profit or loss	1
At 31 March 2023	13
At 1 April 2023	13
Charged to profit or loss	4
At 31 March 2024	17

The balance comprises tax on excess of net book value over tax written down value of qualifying plant and equipment.

22 THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Leased retail spaces

The Group leases retail spaces for the purpose of sales of food and beverages to retail customers.

Recognition exemptions

The Group has certain warehouse and office equipment with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

Notes to the Consolidated Financial Statements

22 THE GROUP AS A LESSEE (Continued)

Recognition exemptions (Continued)

(a) Carrying amounts

Right-of-use assets classified within property, plant and equipment

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Leased retail spaces	3,593	2,478

(b) Lease liabilities

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Lease liabilities — non-current	1,619	1,086
Lease liabilities — current	1,877	1,329
	3,496	2,415

(c) Lease expense not capitalised in lease liabilities

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Lease expense — short-term leases	608	532
Lease expense — low-value leases	1	1
Interest expense on lease liabilities	140	89
Variable lease payments which do not depend on an index or rate	136	150

(d) Total cash outflow for the leases during the financial year 2024 was S\$2,796,000 (2023: S\$2,485,000).

(e) Addition of right-of-use assets during the financial year 2024 was S\$2,993,000 (2023: S\$2,083,000).

Notes to the Consolidated Financial Statements

22 THE GROUP AS A LESSEE (Continued)

Recognition exemptions (Continued)

(f) Future cash outflow which are not capitalised in lease liabilities

i. Variable lease payments

The leases for retail spaces contain variable lease payments that are based on a percentage of sales generated by the stores ranging from 0.5% to 2.0%, on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs base for newly established stores. Such variable lease payments are recognised to profit or loss when incurred and amounted to approximately S\$136,000 (2023: S\$150,000) (Note 22(c)).

ii. Extension options

The leases for certain retail spaces and equipment contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

(g) Depreciation of right-of-use assets during the financial year 2024 was approximately S\$1,878,000 (2023: S\$1,699,000) (Note 14).

23 BORROWINGS

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
<i>Current</i>		
Bank borrowings	130	130
<i>Non-current</i>		
Bank borrowings	1,820	1,950
	1,950	2,080

The weighted average effective interest rates of the borrowings for the financial year ended 31 March 2024 is 4.8% per annum (2023: 3.4% per annum). All borrowings are denominated in SGD.

The Group's banking facilities are secured by the properties held for own use by the Group with carrying values of approximately S\$3.0 million (31 March 2023: S\$3.0 million).

At the date of the consolidated statement of financial position, the fair value of non-current borrowings is approximately S\$1,801,000 (2023: S\$1,881,000) and is computed based on cash flow discounted at market borrowing rates of an equivalent instrument at end of reporting period.

Notes to the Consolidated Financial Statements

23 BORROWINGS (Continued)

The Group's bank borrowings are repayable as follows:

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Within 1 year	130	130
Between 1 and 2 years	130	130
Between 2 and 5 years	1,690	1,820
	1,950	2,080

At the date of the consolidated statement of financial position, the Group's total available banking facilities amounted to approximately S\$1,950,000 (2023: S\$2,080,000) of which S\$1,950,000 (2023: S\$2,080,000) have been utilised.

24 TRADE AND OTHER PAYABLES

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Trade payables		
— Third parties	519	506
Total trade payables	519	506
Other payables and accruals		
— Goods and services tax payables	95	113
— Accruals	1,542	1,411
— Deposits received	165	285
— Others	530	428
Total other payables and accruals	2,332	2,237
Total trade and other payables included in current liabilities	2,851	2,743

Other payables are non-trade, unsecured, non-interest bearing and repayable on demand.

Notes to the Consolidated Financial Statements

24 TRADE AND OTHER PAYABLES (Continued)

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
SGD	2,103	2,230
MYR	521	497
USD	13	—
HKD	214	16
	2,851	2,743

The ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
0 to 30 days	495	486
31 to 60 days	12	—
Over 60 days	12	20
	519	506

25 PROVISIONS

	Reinstatement costs (Note i)	Unutilised leave	Total
	S\$'000	S\$'000	S\$'000
As at 1 April 2022	102	10	112
Utilised during the year	—	(10)	(10)
Provision for the year	—	56	56
As at 31 March 2023	102	56	158
As at 1 April 2023	102	56	158
Utilised during the year	—	(56)	(56)
Provision for the year	52	92	144
As at 31 March 2024	154	92	246

Notes to the Consolidated Financial Statements

25 PROVISIONS (Continued)

- (i) Provision for reinstatement costs was recognised for the expected cost associated with restoring the leased spaces to set up the Group's outlets, prior to returning the spaces to respective landlords upon expiry of the relevant leases. Such provision is the present value of the estimated costs of dismantlement, removal and restoration to be incurred for the leased spaces. The provision is based on estimates made from historical data associated with reinstatement works on contracts of similar nature using technology and materials that are currently available.

26 DIVIDENDS

The Board has not declared the payment of any dividends in respect of the financial year ended 31 March 2024.

During the financial year ended 31 March 2023, the Company declared a special dividend of 0.625 Singapore cents per ordinary share of the Company out of the share premium account of the Company totalling approximately S\$5,000,000.

During the financial year ended 31 March 2023, the Company declared an interim dividend of 0.133 Singapore cents per ordinary share of the Company out of the share premium account totalling approximately S\$1,045,000 in respect of the financial year ended 31 March 2023.

During the financial year ended 31 March 2024, the Company declared a final dividend of 0.017 Singapore cents per ordinary share of the Company out of the share premium account totalling approximately S\$136,000 in respect of the financial year ended 31 March 2023.

27 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 March	
	2024	2023
	S\$'000	S\$'000
Financial assets		
Financial assets at amortised cost		
— Trade and other receivables excluding prepayments	1,785	1,526
— Cash and cash equivalents	22,134	23,493
Total	23,919	25,019
Financial liabilities		
Financial liabilities at amortised cost		
— Trade and other payables excluding goods and services tax payable	2,756	2,630
— Borrowings	1,950	2,080
— Lease liabilities	3,496	2,415
Total	8,202	7,125

Notes to the Consolidated Financial Statements

28 COMPANY LEVEL FINANCIAL INFORMATION

(a) Financial position

		As at 31 March	
	Note	2024	2023
		S\$'000	S\$'000
ASSETS			
Non-current asset			
Investment in subsidiaries	1.2	31,457	43,270
Current assets			
Prepayments		46	38
Other receivables		41	36
Cash and bank balances		9,578	9,583
		9,665	9,657
Total assets		41,122	52,927
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	28(b)	1,392	1,392
Share premium	28(b)	10,911	11,047
Capital reserves	28(b)	68,800	68,800
Accumulated losses	28(b)	(40,918)	(28,930)
		40,185	52,309
LIABILITIES			
Current liabilities			
Other payables		214	194
Amounts due to subsidiaries		723	424
Total liabilities		937	618
Total equity and liabilities		41,122	52,927

The details of the Company's investment in subsidiaries are listed in Note 1.2.

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 27 June 2024 and was signed on its behalf.

Mr. Daniel Tay
Director

Mr. Melvyn Wong
Director

Notes to the Consolidated Financial Statements

28 COMPANY LEVEL FINANCIAL INFORMATION (Continued)

(b) Changes in equity

	Share capital S\$'000	Share premium S\$'000	Capital reserves ⁽ⁱ⁾ S\$'000	Accumulated losses S\$'000	Total S\$'000
As at 1 April 2022	1,392	17,092	68,800	(33,758)	53,526
Profit and total comprehensive income for the year	—	—	—	4,828	4,828
Dividend paid (Note 26)	—	(6,045)	—	—	(6,045)
As at 31 March 2023	1,392	11,047	68,800	(28,930)	52,309
As at 1 April 2023	1,392	11,047	68,800	(28,930)	52,309
Loss and total comprehensive loss for the year	—	—	—	(11,988)	(11,988)
Dividend paid (Note 26)	—	(136)	—	—	(136)
As at 31 March 2024	1,392	10,911	68,800	(40,918)	40,185

(i) Capital reserves are non-distributable.

29 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of cash used in purchase of property, plant and equipment

	Year ended 31 March	
	2024 S\$'000	2023 S\$'000
Total property, plant and equipment acquired during the year (Note 14)	4,100	2,389
Less: Right-of-use assets arising from lease of retail spaces	(2,993)	(2,083)
Cash used in purchase of property, plant and equipment during the year	1,107	306

30 CAPITAL COMMITMENTS

The Group had no capital commitments as at the date of the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

31 RELATED PARTY TRANSACTIONS

Related parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

In addition to those disclosed elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions which, in the opinion of the directors, are entered into in the ordinary course of business between the Group and its related parties, and the balances arising from related party transactions.

Name of the related party	Relationship with the Group
Mr. Daniel Tay	Executive Director and controlling shareholder
Mr. Melvyn Wong	Executive Director and controlling shareholder

There are no significant related party transactions during the reporting period (2023: Nil) and there are no significant related party balances as at 31 March 2024 (31 March 2023: Nil), other than key management compensation shown below:

(a) 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:

	Year ended 31 March	
	2024	2023
	S\$'000	S\$'000
Salaries and other short-term employee benefits	2,939	2,545

32 CONTINGENT LIABILITIES

The Group had no material contingent liabilities outstanding as at year end (2023: S\$nil).

Financial Summary

RESULTS

	Year ended 31 March				
	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000	2020 S\$'000
REVENUE	25,160	26,405	24,051	21,451	24,262
PROFIT BEFORE INCOME TAX	226	2,388	3,517	1,807	4,760
Income tax expense	(46)	(545)	(689)	(769)	(1,203)
PROFIT FOR THE YEAR	180	1,843	2,828	1,038	3,557
Total comprehensive (loss)/income for the year attributable to:					
Equity holders of the Company	(15)	1,657	2,815	1,001	3,562

ASSETS, LIABILITIES AND EQUITY

	As at 31 March				
	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000	2020 S\$'000
TOTAL ASSETS	33,921	32,904	37,130	34,220	32,926
TOTAL LIABILITIES	9,578	8,410	8,248	8,153	7,860
	24,343	24,494	28,882	26,067	25,066
EQUITY:					
Equity attributable to equity holders of the Company	24,343	24,494	28,882	26,067	25,066

Definitions

“2023 Annual Report”	the annual report of the Company for the Year 2022/2023
“2023/2024 Annual Report” or “Annual Report”	the annual report of the Company for the Year
“2024 AGM”	the AGM of the Company to be held at 10 Anson Road, #06–19 International Plaza, Singapore 079903 on Monday, 19 August 2024 at 11:00 a.m.
“AGM”	an annual general meeting of the Company
“Articles of Association”	the articles of association of the Company
“Audit Committee”	The audit committee of the Board
“Board”	the board of Directors
“Brilliant Stride”	Brilliant Stride Limited, a company incorporated in the BVI with limited liability on 21 November 2017
“BVI”	the British Virgin Islands
“Cambodia”	the Kingdom of Cambodia
“CG Code”	the Corporate Governance Code as set out in Appendix C1 (formerly Appendix 14) to the Listing Rules
“Chairman”	the chairman of the Board
“Close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Act”	the Companies Act, Cap.22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company” or “Snack Empire”	Snack Empire Holdings Limited (快餐帝國控股有限公司), an exempted company incorporated in the Cayman Islands under the Companies Act with limited liability on 2 February 2018 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 17 May 2018, whose issued Shares are listed and traded on the Main Board (stock code: 1843)
“Company Secretary”	the company secretary of the Company
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“COVID-19” or “COVID-19 Pandemic”	the novel coronavirus 2019 disease pandemic
“CRM”	Customer Relations Management
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company
“Egypt”	the Arab Republic of Egypt
“ERP”	Enterprise Resource Planning
“ESG”	the environmental, social and governance
“Franchisees/Licencee”	units Franchisees and Master Franchisees, collectively and “Franchisee” means any one of them
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC



Definitions

“HR”	Human Resources
“IFRS”	the International Financial Reporting Standards issued by the International Accounting Standards Board
“Independent Auditor”	the independent auditor of the Company
“Indonesia”	the Republic of Indonesia
“Indonesia Master Licence” or “Master Licence”	the master licence granted by STSS Company, an indirect wholly owned subsidiary of the Company, to the Master Licensee in respect of, among others, the right to use the intellectual property rights of the Company, and to sub-license such rights to use such intellectual property rights, in Indonesia
“INEDs”	independent non-executive Director(s)
“Listing”	the commencement of trading of the Shares in issue on the Main Board
“Listing Date”	23 October 2019, the date on which the Shares in issue were initially traded on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option markets) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Malaysia”	the Federation of Malaysia, which includes West Malaysia and East Malaysia
“Master Franchise”	the master franchise granted by STSS Company, an indirect wholly owned subsidiary of the Company, to the Master Franchisee(s) in respect of, among others, the right to use the intellectual property rights of the Company, and to sub-franchise such rights to use such intellectual property rights, in their area of operation
“Master Franchisee(s)”	person(s) or entity(ies) granted the franchise right(s) under the Master Franchise(s)
“Master Licensee”	the master licensee to which STSS Company, an indirect wholly-owned subsidiary of the Company, granted the Indonesia Master Licence
“Memorandum of Association”	the memorandum of association of the Company, adopted on 23 September 2019 to take effect upon the Listing Date, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules
“Mr. Daniel Tay”	Mr. Daniel Tay Kok Siong, an executive Director and a Controlling Shareholder
“Mr. Melvyn Wong”	Mr. Wong Chee Tat (黃志達), the chief executive officer of the Company, an executive Director, and a Controlling Shareholder
“Nomination Committee”	the nomination committee of the Board
“Non-self-operated”	operated by third party(ies) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive officer or substantial shareholders of the Company, its subsidiaries or any of their respective associates and not by the Group
“Northern California”	the northernmost 48 counties in California, from the north border of California, south through the entirety of Monterey, Kings, Tulare and Inyo counties, inclusive)
“Outlet(s)”	the take-out outlet(s) comprising a front counter and kitchen with no seating
“PRC” or “China”	the People’s Republic of China, and for the purpose of this Annual Report only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

Definitions

“Prospectus”	the prospectus of the Company dated 30 September 2019
“Register of Members”	the register of members of the Company
“Remuneration Committee”	the remuneration committee of the Board
“Restaurant(s)”	the self-service restaurant(s) comprising front counter, kitchen and seating
“RM” or “MYR”	Ringgit Malaysia, the lawful currency of Malaysia
“Self-operated”	operated by the Group
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Offer”	the public offer and the placing as defined in the Prospectus
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 23 September 2019 as described in the section headed “Statutory and General Information — Share Option Scheme” in Appendix V to the Prospectus
“Share(s)”	the ordinary share(s) in the share capital of our Company with a nominal or par value of HK\$0.01 each
“Shareholder(s)”	the holder(s) of Shares
“Shihlin Outlet(s)”	the Outlet(s) operating under the Shihlin Taiwan Street Snacks [®] brand
“Shihlin Outlets and Restaurants”	Shihlin Outlets and Shihlin Restaurants
“Shihlin Restaurant(s)”	the Restaurant(s) operating under the Shihlin Taiwan Street Snacks [®] brand
“Singapore”	the Republic of Singapore
“Singapore Exchange”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“STSS Company”	The STSS Company Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“STSS Integrated”	STSS Integrated Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“S\$” or “SGD”	Singapore dollars, the lawful currency of Singapore
“United States”	the United States of America
“West Malaysia”	western part of Malaysia which lies on the Malay Peninsular and surrounding islands
“Year”	the financial year ended 31 March 2024
“Year 2022/2023”	the financial year ended 31 March 2023
“%”	per cent

In this Annual Report, if there is any inconsistency between English names and their Chinese translations, the English names shall prevail.

