

INFORMATION MEMORANDUM

FOR RESTRICTED CIRCULATION ONLY



SUPREME CONSOLIDATED RESOURCES BHD

(Company No. 1194146-D)

(Incorporated in Malaysia under the Companies Act, 2016)

PUBLIC ISSUE OF 13,140,000 NEW ORDINARY SHARES IN SUPREME CONSOLIDATED RESOURCES BHD WITHIN THE MEANINGS OF SECTION 230 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 AT THE ISSUE PRICE OF RM0.50 PER SHARE BY WAY OF PRIVATE PLACEMENT TO SOPHISTICATED INVESTORS IN CONJUNCTION WITH THE LISTING OF SUPREME CONSOLIDATED RESOURCES BHD ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD

APPROVED ADVISER, PLACEMENT AGENT AND CONTINUING ADVISER

kenanga

Kenanga Investment Bank Berhad

Company No. 15678-H

(A Participating Organisation of Bursa Malaysia Securities Berhad)

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”).

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS (AS DEFINED HEREIN) ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY SUPREME CONSOLIDATED RESOURCES BERHAD. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION AND IF APPROPRIATE, CONSULTATION WITH STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT AND OTHER PROFESSIONAL ADVISERS.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“CMSA”) FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE INFORMATION MEMORANDUM THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE INFORMATION MEMORANDUM OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE CORPORATION.

SHARES LISTED ON BURSA MALAYSIA SECURITIES BERHAD ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE OFFERING, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THIS INFORMATION MEMORANDUM IS DATED 30 NOVEMBER 2018

IMPORTANT NOTICE

NO PERSON IS AUTHORISED IN CONNECTION WITH OUR EXCLUDED ISSUE (AS DEFINED HEREIN) AND LISTING (AS DEFINED HEREIN) TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS INFORMATION MEMORANDUM, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY SUPREME CONSOLIDATED RESOURCES BHD (“**SCR**” OR “**COMPANY**”) OR KENANGA INVESTMENT BANK BERHAD (“**KENANGA INVESTMENT**”) AS OUR APPROVED ADVISER AND PLACEMENT AGENT. THE DELIVERY OF THIS INFORMATION MEMORANDUM SHALL NOT, UNDER ANY CIRCUMSTANCES, IMPLY OR CONSTITUTE A REPRESENTATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OR FINANCIAL POSITION OF OUR COMPANY AND/OR SUBSIDIARIES SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THE PURPOSE OF THIS INFORMATION MEMORANDUM IS TO PROVIDE INFORMATION ON THE BUSINESS AND AFFAIRS OF OUR COMPANY AND SUBSIDIARIES (COLLECTIVELY “**GROUP**”) ONLY. THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE, OR SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR PURCHASE OF OUR SHARES, NOR IS IT INTENDED TO INVITE OR PERMIT THE MAKING OF OFFERS BY THE PUBLIC TO SUBSCRIBE FOR OR PURCHASE OUR SHARES.

THIS INFORMATION MEMORANDUM IS INTENDED FOR CIRCULATION ONLY TO PERSONS WHOM AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES OR AN ISSUE OF SECURITIES WOULD CONSTITUTE AN EXCLUDED ISSUE WITHIN THE MEANINGS OF SECTION 230 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“**CMSA**”).

THIS INFORMATION MEMORANDUM, IF FURNISHED TO YOU, IS STRICTLY FOR YOUR OWN USE AND IS NOT TO BE CIRCULATED TO ANY OTHER PARTY. INFORMATION IN THIS DOCUMENT IS SUBJECT TO CHANGE FROM TIME TO TIME AS WE AND/OR KENANGA INVESTMENT SHALL DEEM FIT.

RESPONSIBILITY STATEMENTS

OUR BOARD OF DIRECTORS, HAVING MADE ALL REASONABLE ENQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS INFORMATION MEMORANDUM CONTAINS ALL RELEVANT INFORMATION WITH REGARDS TO OUR GROUP WHICH IS MATERIAL IN THE CONTEXT OF OUR EXCLUDED ISSUE AND LISTING AS AT THE DATE HEREOF, THAT THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM IS TRUE AND ACCURATE IN ALL MATERIAL RESPECTS AND IS NOT MISLEADING AS AT THE DATE HEREOF, THAT THE OPINIONS AND INTENTIONS OF OUR GROUP EXPRESSED HEREIN ARE HONESTLY HELD, AND THAT THERE ARE NO OTHER FACTS OR OMISSION, WHICH WOULD, IN THE CONTEXT OUR EXCLUDED ISSUE AND LISTING, MAKE THIS INFORMATION MEMORANDUM AS A WHOLE OR ANY INFORMATION HEREIN OR EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS FALSE OR MISLEADING IN ANY MATERIAL RESPECTS.

KENANGA INVESTMENT, BEING THE APPROVED ADVISER, PLACEMENT AGENT AND CONTINUING ADVISER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS INFORMATION MEMORANDUM CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING OUR EXCLUDED ISSUE AND LISTING.

STATEMENT OF DISCLAIMER

THIS INFORMATION MEMORANDUM HAS BEEN DRAWN UP IN ACCORDANCE WITH THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") ("**LEAP MARKET LR**") FOR OUR LISTING.

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED UNDER THE LAWS OF MALAYSIA. IT DOES NOT COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR BY ANY REGULATORY AUTHORITY OF ANY JURISDICTION OTHER THAN MALAYSIA. IT DOES NOT COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR BY ANY REGULATORY AUTHORITY OF ANY JURISDICTION OTHER THAN MALAYSIA.

A COPY OF THIS INFORMATION MEMORANDUM HAS BEEN DEPOSITED WITH THE SECURITIES COMMISSION ("**SC**").

THE SC AND BURSA SECURITIES TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS INFORMATION MEMORANDUM. THE SC AND BURSA SECURITIES DO NOT MAKE ANY ASSESSMENT ON THE SUITABILITY, VIABILITY OR PROSPECTS OF OUR GROUP. EXISTING SECURITIES HOLDERS ("**HOLDERS**") AND SOPHISTICATED INVESTORS (AS DEFINED HEREIN) ARE EXPECTED TO MAKE THEIR OWN ASSESSMENT ON OUR GROUP OR SEEK APPROPRIATE ADVICE BEFORE MAKING THEIR INVESTMENT DECISIONS IN OUR COMPANY. KENANGA INVESTMENT, AS OUR APPROVED ADVISER, HAS ASSESSED THE SUITABILITY OF OUR COMPANY FOR ADMISSION TO THE LEAP MARKET OF BURSA SECURITIES AS REQUIRED UNDER RULE 4.10 OF THE LEAP MARKET LR.

AN APPLICATION HAS BEEN MADE TO BURSA SECURITIES FOR THE ADMISSION OF OUR COMPANY AND THE LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED SHARE CAPITAL OF OUR COMPANY ON THE LEAP MARKET OF BURSA SECURITIES. APPROVAL FROM BURSA SECURITIES OF THE SAME IS NOT AN INDICATION OF THE MERITS OF OUR PROPOSED LISTING, OUR COMPANY AND OUR SHARES. THIS INFORMATION MEMORANDUM CAN BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com.

THE LEAP MARKET OF BURSA SECURITIES HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY OUR COMPANY. **SOPHISTICATED INVESTORS AND HOLDERS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN OUR COMPANY AND SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT IN OUR COMPANY AND MAKE THE DECISION TO INVEST AFTER DUE AND CAREFUL CONSIDERATIONS AND, IF APPROPRIATE, CONSULTATION WITH STOCKBROKER, MANAGER, SOLICITOR, ACCOUNTANT AND OTHER PROFESSIONAL ADVISERS.**

THERE ARE CERTAIN RISK FACTORS WHICH SOPHISTICATED INVESTORS AND HOLDERS SHOULD CONSIDER. PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 5 OF THIS INFORMATION MEMORANDUM.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS AND REGULATIONS INCLUDING ANY STATEMENT IN THE INFORMATION MEMORANDUM THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE PROSPECTUS (INCLUDING INFORMATION MEMORANDUM) OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO THE CORPORATION.

OUR EXCLUDED ISSUE IS SUBJECT TO THE RECEIPT OF AN APPROVAL-IN-PRINCIPLE FOR OUR LISTING FROM BURSA SECURITIES, WHO MAKES NO ASSESSMENT ON THE SUITABILITY, VIABILITY OR PROSPECTS OF OUR GROUP OR THE MERITS OF INVESTING IN THE SHARES IN OUR COMPANY (“**SHARES**”).

MODE OF COMMUNICATION

In accordance with our Constitution, we may send notices and documents to our Holders and Sophisticated Investors by electronic means to the Holders’ and Sophisticated Investors’ registered email address last maintained with either our Company Secretaries or Bursa Malaysia Depository Sdn Bhd (“**Bursa Depository**”), as the case may be. Our Holders and Sophisticated Investors have a right to request for a hard copy of such notices and documents should they wish to do so. In such event, we will forward a hard copy of the notices and documents to the Holders and Sophisticated Investors, as soon as reasonably practicable after the receipt of the request, free of charge by ordinary mail to the Holders’ and Sophisticated Investors’ registered Malaysian address last maintained with either our Company Secretaries or Bursa Depository, as the case may be, at their own risk.

We may also publish notices and documents on our website as a form of electronic communication with our Holders and Sophisticated Investors. In such event, we will separately and immediately notify our Holders and Sophisticated Investors through the following by way of:

- (i) ordinary mail;
- (ii) electronic means to the Holders’ and Sophisticated Investors’ registered email address;
- (iii) advertisements in an English daily newspaper in Malaysia; and/or
- (iv) announcements on Bursa Securities.

TERMS AND CONDITIONS BINDING ALL RECIPIENTS

By accepting this confidential Information Memorandum, you hereby agree and undertake to be bound by the following terms and conditions:

1. This Information Memorandum is issued by our Company, and distributed by us as well as Kenanga Investment as our Approved Adviser and Placement Agent. The distribution of this Information Memorandum shall be in paper/ printed copy and/or electronic copy upon request by interested Recipients, free of charge. This Information Memorandum is distributed to interested Recipients for information purposes only and upon the express understanding that such Recipients will use it only for the purposes set forth below.
2. The information contained in this Information Memorandum, including any statement or fact or opinion, has been provided by us or on our behalf. It is being furnished solely for use by a limited number of prospective Sophisticated Investors (as defined herein) for the purpose of evaluating their interest in investing in our Company (“**Proposed Investment**”). Nothing contained herein shall be taken as a recommendation or invitation by us and/or Kenanga Investment to undertake the Proposed Investment or as a commitment on our part to accept your Proposed Investment.

3. We and Kenanga Investment each reserve the right (without notice or recourse) to alter, amend, terminate or suspend the process in respect of the Proposed Investment (“**Investment Process**”) without providing any reason therefor. All costs incurred by you during the Investment Process are for your account only and under no circumstances will we or Kenanga Investment be responsible for any part of such costs, notwithstanding any alteration, amendment, termination or suspension of the Investment Process or the reasons thereof.
4. Any documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum.
5. Subject to the provisions of any laws, regulations and guidelines (“**Applicable Laws**”), we and Kenanga Investment each reserve the right to negotiate with one or more prospective Sophisticated Investors at any time. Subject to the Applicable Laws, we and Kenanga Investment each also reserve the right (without notice or recourse) to terminate, at any time, further participation in the Investment Process by all or any Recipient without assigning any reasons thereof.
6. Neither the receipt of this Information Memorandum by any Recipient nor any information made available in connection with the Proposed Investment is to be taken as constituting the giving of investment advice by Kenanga Investment. Kenanga Investment shall not advise you on the merits or risks of the Proposed Investment or potential valuations for the Proposed Investment.
7. This Information Memorandum may not be distributed in any jurisdiction outside Malaysia except in accordance with the legal requirements applicable in such jurisdiction. No Recipient in any jurisdiction outside Malaysia may take any action upon this Information Memorandum if, in the relevant jurisdiction, such action cannot be taken by the Recipient without contravention of any relevant legal requirements. It is the sole responsibility of any Recipient wishing to take any action upon this Information Memorandum to satisfy themselves as to the full observance of the laws of the relevant jurisdiction and/or Malaysia in connection therewith, including without limitation, the receipt of our Shares or cash payments upon the sale of our Shares by the Recipients, the repatriation of any money by the Recipients out of Malaysia, the obtaining of any governmental, exchange control or other consents which may be required, and the payment of any tax or duty due in such jurisdiction. Such Recipients shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and we and Kenanga Investment shall be entitled to be fully indemnified by such Recipients for any tax or payment as the Recipients may be required to pay. We and Kenanga Investment shall not accept any responsibility or liability in the event that any action taken by any recipient in any jurisdiction outside Malaysia or it shall become illegal, unenforceable, voidable or void in such jurisdiction for subscription of the Placement Shares.

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PRIVACY NOTICE

The Personal Data Protection Act 2010 (“**PDPA**”) was introduced to regulate the processing of personal data in commercial transactions. The PDPA requires us to inform you of your rights in respect of your personal data that is to be collected and processed by us.

Consequently, please be informed that the personal data and other information (collectively “**Personal Data**”) that you provide will be used and processed by us in connection with our Excluded Issue only (“**Purpose**”), and not for any other purpose.

If required for the Purpose, you hereby give consent that your Personal Data may be transferred to locations outside Malaysia or disclosed to our related corporations or our advisers who provide services to us, including our placement agent, which may be located within or outside Malaysia. Save for the foregoing, your Personal Data will not be knowingly transferred to any place outside Malaysia or be knowingly disclosed to any other third party.

Without prejudice to the Terms and Conditions of our Excluded Issue as contained in this Information Memorandum, you may at any time hereafter make inquiries, complaints and, upon payment of a prescribed fee, request in writing for access to, or correction of, your Personal Data or limit the processing of your Personal Data (as described above) by submitting such request to the following:

Postal address **Supreme Consolidated Resources Bhd**
Lot 919, Block 7
Muara Tebas Land District
Demak Laut Industrial Park, Sejingkat
93050 Kuching, Sarawak
Malaysia

Kindly be informed that we will assume that you have consented and we will continue to process your Personal Data in accordance with this Privacy Notice unless we hear otherwise from you. You may exercise your rights in respect of your Personal Data in the manner described above.

This Privacy Notice may be amended from time to time and would be in effect on the date as determined by us. Any amendment to this Privacy Notice shall be published on any medium as we deem fit.

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INDICATIVE TIMETABLE OF PRINCIPAL EVENTS

The indicative timetable for our Excluded Issue is set out below for your reference:

Date of Information Memorandum	30 November 2018
Allotment of Issue Shares	End of December 2018*
Listing of our Company on the LEAP Market	Early January 2019*

Note:

* *Subject to receipt of approval-in-principle from Bursa Securities for our Listing*

These dates are indicative and are subject to changes which may be necessary to facilitate the implementation procedures. Our Directors and Promoters may, in their absolute discretion, decide to extend the dates for allotment of the Issue Shares and the Listing on the LEAP Market of Bursa Securities. We will inform you in writing of any changes to these dates.

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PRESENTATION OF INFORMATION

All references to “our Company” in this Information Memorandum are to Supreme Consolidated Resources Bhd, while references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key management personnel as disclosed in this Information Memorandum, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include companies and corporations.

Any reference to provisions of statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to dates and times shall be a reference to dates and times in Malaysia.

Any discrepancies in the tables between the amounts listed and the totals in this Information Memorandum are due to rounding.

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FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements, which include all statements other than those of historical facts including, amongst others, those regarding our expected financial position, business strategies, plans, prospects and objectives of our Management for future operations. These statements can be identified by forward-looking terminology terms as “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. These forward-looking statements, including but not limited to statements as to our Group’s revenue and profitability, prospects, future plans, expected industry trends and other matters discussed in this Information Memorandum regarding matters that are not historic facts, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors beyond our control that could cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, amongst others:

- changes in the political, social and economic conditions and the regulatory environment in Malaysia and other countries in which we conduct business; and
- changes in currency exchange rates, our future capital needs and the availability of financing and capital to fund such needs.

Some of these factors are discussed in more detail in Section 5 - Risk Factors of this Information Memorandum.

These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As such, we cannot assure you that the forward-looking statements in this Information Memorandum will be realised.

These forward-looking statements are based on information available to us as at the date of this Information Memorandum. Subject to the provisions of Section 238 of the CMSA, we expressly disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Information Memorandum:

Act	: Companies Act 2016, as amended, modified or re-enacted from time to time
BFL	: Borneo Food Land Cold Storage Sdn Bhd (515039-V)
BNDM	: BNDM Incorporated Holdings Sdn Bhd (435833-X)
Board	: Board of Directors of SCR
BGSB	: Borneo Gourmet (M) Sdn Bhd (827362-V)
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
CMSA	: Capital Markets and Services Act 2007 (Act 671)
Constitution	: Constitution of SCR
Dato Richard Wee	: Dato Richard Wee Liang Huat @ Richard Wee Liang Chiat
Demak Laut Warehouse	: Warehouse located at Lot 919, Block 7, Muara Tebas Land District, Demak Laut Industrial Park, Sejingkat, 93050 Kuching, Sarawak
Director(s)	: Member(s) of our Board
EBITDA	: Earnings before interest, tax, depreciation and amortisation
EPS	: Earnings per Share
EPT	: EPT Sdn Bhd (77716-W)
Excluded Issue	: Public issue of 13,140,000 Issue Shares within the meanings of Section 230 of the CMSA by way of private placement to Sophisticated Investors at the Issue Price
FPE	: Financial period(s) for the nine (9) months period ended/ ending 30 June
Forex	: Foreign exchange
FYE	: Financial year(s) ended/ ending 30 September
GP	: Gross profit
Halal	: Food permissible to be consumed by Muslims and allowed in their religion to be consumed, as defined according to the Trade Description (Definition of Halal) Order 2011 and Trade Description (Definition of Halal) Amendment Order 2012
IMR Report	: Independent Market Researcher Report dated May 2018 prepared by Protégé Associates

DEFINITIONS *(cont'd)*

Information Memorandum	: This Information Memorandum dated [date] 2018 in relation to our Excluded Issue and Listing
Issue Price	: RM0.50 per Issue Share, being the price at which each Issue Share is to be issued
Issue Shares	: New Shares to be issued pursuant to the Excluded Issue
JAKIM	: Jabatan Kemajuan Islam Malaysia (Department of Islamic Development of Malaysia)
JCSB	: Jody's Construction Sdn Bhd (984214-D)
Kenanga Investment	: Kenanga Investment Bank Berhad (15678-H), being the Approved Adviser and Placement Agent for our Excluded Issue and Listing
KPDNKK	: Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (Ministry of Domestic Trade and Consumer Affairs)
LEAP Market	: Leading Entrepreneur Accelerator Platform (LEAP) Market of Bursa Securities
Listing	: Listing of and quotation for our entire enlarged share capital comprising 120,000,000 Shares on the LEAP Market
Listing Requirements	: LEAP Market Listing Requirements of Bursa Securities
LPD	: 31 October 2018, being the latest practicable date prior to the date of this Information Memorandum
Market Day	: Any day between Mondays and Fridays (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
NA	: Net assets
Official List	: The list specifying all securities listed on Bursa Securities
PAT	: Profit after tax
PBT	: Profit before tax
Prime Cuts	: Prime Cuts Coldstorage Sdn Bhd (350279-W)
Promoters	: Collectively, the following: <ul style="list-style-type: none">• BNDM• Dato Richard Wee• Lim Ah Ted• Tan Chiew Ting• Ting Ing Thai• Lee Hon Jin• Ting Ing Soon• Brandon Wee Wei Xuan• Lim Hang Min• Terence Lim Tze Yung
Protégé Associates or IMR	: Protégé Associates Sdn Bhd (675767-H)

DEFINITIONS (cont'd)

Public	: All persons or members of the public but excluding directors of our Group, our substantial shareholders and persons associated with them (as defined in the Listing Requirements)
R&D	: Research and development
RM and sen	: Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia
RSB	: Royfield Sdn Bhd (609303-T)
SC	: Securities Commission Malaysia
SCR Group or Group	: Collectively, SCR and its subsidiaries, namely SCS, SFS, BFL and STSB
SCR or Company	: Supreme Consolidated Resources Bhd (1194146-D)
SCR Shares or Shares	: Ordinary shares in SCR
SCS	: Supreme Cold Storage Sdn Bhd (166180-M)
SCS Trading	: Supreme Cold Storage Trading Company (16530)
SFS	: Supreme Food Supply (M) Sdn Bhd (480244-V)
STSB	: Supreme Transportation Sdn Bhd (1199590-D) (<i>formerly known as SKJU Logistics Sdn Bhd</i>)
SME	: Small and medium-sized enterprise
Sophisticated Investors	: Investors who fall within Part I of Schedules 6 or 7 of the CMSA
Subsidiaries	: SCS, SFS, BFL and STSB, collectively
km	: Kilometres
Unilever	: Unilever (Malaysia) Holdings Sdn Bhd (1532-V)
USD	United States Dollar

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GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of certain terms used throughout this Information Memorandum in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms.

beverages	: non-alcoholic beverages, unless otherwise specified.
brand owners	: brand owners hold the proprietary rights to the brand(s) and are the source for the supply of products to the distributors. They are also sometimes referred to as principals.
chilled food	: food that is stored at chilled temperatures of 8-degree Celsius in temperature controlled chiller rooms or refrigerators to preserve the quality of food.
cold chain	: comprises dry food, beverages, chilled food, frozen food and dairy products.
dairy products	: food produced from or containing milk of cattle which includes butter, cheese and yogurt.
dry F&B	: food and beverages that can be stored under ambient temperature and generally does not require refrigeration.
food	: refers to edible products in its raw, preserved or processed form.
frozen food	: food that is stored at the required temperature of below 15-degree Celsius in freezer facilities to prolong storage time and preserve the food quality for later preparation or consumption.
SKU	: store keeping units.
warehousing facilities	: facilities used for the storage of goods and merchandise.

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS	:	Ibrahim bin Baki <i>Non-Independent Non-Executive Chairman</i>
		Dato Richard Wee <i>Non-Independent Executive Vice Chairman</i>
		Lim Ah Ted <i>Managing Director</i>
		Ting Ing Thai <i>Non-Independent Executive Director</i>
		Chin Mui Khiong <i>Independent Non-Executive Director</i>
		Brandon Wee Wei Xuan <i>Alternate Director to Dato Richard Wee</i>
		Terence Lim Tze Yung <i>Alternate Director to Lim Ah Ted</i>
REGISTERED OFFICE	:	Lot 919, Block 7 Muara Tebas Land District Demak Laut Industrial Park, Sejingkat 93050 Kuching, Sarawak, Malaysia
		Tel No. : +6082 439 511 Fax No. : +6082 439 544
HEAD OFFICE	:	Lot 919, Block 7 Muara Tebas Land District Demak Laut Industrial Park Sejingkat, 93050 Kuching Sarawak, Malaysia
		Tel No. : +6082 439 511 Fax No. : +6082 439 544
		Website address : www.supremegroup.my E-mail address : info@supremegroup.my

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1. **CORPORATE DIRECTORY (cont'd)**

COMPANY SECRETARY : Yeo Puay Huang (LS0000577)
Block B-58, Level 2, Taman Sri Sarawak Mall
Jalan Tunku Abdul Rahman
93100 Kuching
Sarawak, Malaysia

Tel No. : +6082 428 626
Fax No. : +6082 423 626

**APPROVED ADVISER AND
PLACEMENT AGENT** : Kenanga Investment Bank Berhad
Level 16, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel No. : +603 2172 2888
Fax No. : +603 2172 2776

**AUDITORS AND REPORTING
ACCOUNTANTS** : Crowe Malaysia (*formerly known as Crowe Horwath*)
2nd Floor, C378, iCom Square
Jalan Pending
93450 Kuching
Sarawak, Malaysia

Tel No. : +6082 552 688
Fax No. : +6082 266 987

LEGAL ADVISER FOR OUR LISTING : Ariffin, Lai & Kan Advocates (Kuching)
Level 2 & Level 3, Block B2
Saradise Kuching
93350 Kuching
Sarawak, Malaysia

Tel No. : +6082 572048
Fax No. : +6082 572261

**INDEPENDENT MARKET
RESEARCHER** : Protégé Associates Sdn Bhd (675767-H)
Suite C-06-06, Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Malaysia

Tel No. : +603 6201 9301
Fax No. : +603 6201 7302

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1. **CORPORATE DIRECTORY (cont'd)**

SHARE REGISTRAR : Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur
Malaysia

Tel No. : +603 2084 9000

Fax No. : +603 2094 9940

PRINCIPAL BANKERS : AmBank (M) Berhad
No. 164, 166 & 168, 1st Floor
Jalan Abell, 93100 Kuching
Sarawak, Malaysia

Tel No. : +6082 244 791

Fax No. : +6082 414 944

CIMB Bank Berhad
2nd Floor, Lot 2691-2, Block 10, KCLD
3rd Mile Rock Road, 93250 Kuching
Sarawak, Malaysia

Tel No. : +6082 422 025

Fax No. : +6082 455 057

United Overseas Bank (Malaysia) Bhd
CT160, Ground Floor, Block C
Icom Square, Jalan Pending
93450 Kuching
Sarawak, Malaysia

Tel No. : +6082 527 777

Fax No. : +6082 527 828

LISTING SOUGHT : LEAP Market of Bursa Securities

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2. DETAILS OF OUR LISTING

2.1 Listing Scheme

Our Listing is subject to the receipt of an approval-in-principle from Bursa Securities. Thus, we have concurrently made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM60,000,000.00 comprising 120,000,000 Shares on the LEAP Market and are awaiting Bursa Securities' decision on the same.

2.1.1 Excluded Issue

Pursuant to our Listing, we intend to issue 13,140,000 Issue Shares, representing 11.0% of our enlarged issued share capital at RM0.50 per Issue Share to the Sophisticated Investors.

Kenanga Investment had obtained a waiver from Bursa Securities from compliance with Rule 3.10(1) of the Listing Requirements where all monies received from the Sophisticated Investors pursuant to the subscription of the Issue Shares will be deposited into a trust account licensed by Bank Negara Malaysia ("**Trust Account**") and jointly operated by both the applicant and a custodian. As such, all monies received from the Sophisticated Investors pursuant to the subscription of the Issue Shares will be held in a Trust Account operated solely by Kenanga Investment, on behalf of SCR and in this connection;

- (i) Kenanga Investment undertakes that all monies deposited in the Trust Account will not be withdrawn until the date of our Listing; and
- (ii) we undertake to repay without interest all monies received from the Sophisticated Investors if:
 - (a) our Listing does not take place within 6 months from the date of Bursa Securities' approval for our Listing or such further extension of time as Bursa Securities may allow ("**Period**"); or
 - (b) we abort our Listing.

In such event, the monies will be repaid within 14 days from the end of the Period or the date when we notify Bursa Securities of our decision to abort our Listing. Should we fail to do so, in addition to our Company's liability, our Board shall be jointly and severally liable to repay such money with interest at the rate of 10% per annum from the end of the Period or such other rate as Bursa Securities may prescribe.

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2. DETAILS OF OUR LISTING *(cont'd)*

2.1.2 Share Capital

	No. of Shares	
	'000	RM'000
Existing issued share capital as at the LPD	106,860	53,430
Issue Shares	13,140	6,570
Enlarged issued share capital upon Listing	120,000	60,000
Percentage of enlarged share capital represented by the Issue Shares		11.0%
Issue Price per Issue Share (RM)		0.50
Gross proceeds to be raised under our Excluded Issue (RM'000)		6,570
Market capitalisation at the Issue Price upon Listing (RM'000)		60,000

We have only one class of shares in our Company, namely ordinary shares. The Issue Shares will, upon allotment and issuance, rank *pari-passu* in all respects with our existing Shares, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

Subject to any special rights attached to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid up on the Shares held by them, be entitled to share in the profits paid out by us as dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to any surplus in accordance with our Constitution.

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by duly authorised representative. Each shareholder shall be entitled to appoint one (1) or more proxy to attend and vote at any general meeting of our Company. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy. On a poll, each shareholder present either in person or by proxy or by attorney or by other authorised representative shall have one (1) vote for each Share held.

2.1.3 Basis of Arriving at the Issue Price

Our Board, together with Kenanga Investment, had determined and agreed on the Issue Price of RM0.50 per Share after taking into consideration the following factors:

- (a) our competitive strengths as set out in Section 4.6 of this Information Memorandum;
- (b) our business strategies and future plans and prospects as set out in Sections 4.17 and 4.18 of this Information Memorandum; and
- (c) our financial history and performance as set out in Sections 7 and 8 of this Information Memorandum, which represents an implied price-earnings multiple of approximately 14.7 times based on our EPS of 3.4 sen for the Pro Forma consolidated PAT of RM4.1 million for the FYE 2017.

2. DETAILS OF OUR LISTING *(cont'd)*

- (d) The vendors of BFL, SCS and SFS, as mentioned in Section 9.1 (a) of this Information Memorandum, have provided a combined guarantee of RM5,100,000 per annum in the PAT of BFL, SCS and SFS for each of the FYE 2018 and FYE 2019. This translates into an implied price-earnings multiple of approximately 11.6 times based on EPS of 4.3 sen.

Prior to our Listing, there was no public market for our Shares within or outside Malaysia. You should note that the market price of our Shares subsequent to our Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares being traded. You are reminded to carefully consider the risk factors as set out in Section 5 of this Information Memorandum and form your own views on the valuation of our Shares before deciding to invest in them.

2.1.4 Utilisation of Proceeds

Based on the Issue Price, we expect to raise gross proceeds of RM6,570,000 from our Excluded Issue, which are intended to be utilised in the following manner:

Note	Purpose	Estimated Timeframe for Utilisation Upon Listing	RM'000	%
(a)	Construction of warehousing facilities	Within 24 months	3,500	53.3
(b)	Working capital	Within 12 months	1,970	30.0
(c)	Estimated listing expenses	Immediate	1,100	16.7
Total			6,570	100.0

Further details of the utilisation of our Excluded Issue proceeds are as set out below:

(a) Construction of warehousing facilities

To part finance the construction of a new warehousing facilities comprising a 3-storey office cum warehouse, which is estimated to cost about RM13.0 million. The cost includes warehouse, cold storage facilities (such as freezer and chiller room to store frozen and chilled food), office, loading and unloading bay as well as a fully-equipped kitchen.

The new warehousing facilities will be built on the identified land owned by our subsidiary, SCS, which is located at Demak Laut Industrial Park, Kuching Sarawak, measuring approximately 7,720 square metres and described as Lot 842, Block 7, Muara Tebas Land District. The location of this land is adjacent to our Group's current Demak Laut Warehouse. The formal approval for the proposed construction of the new warehousing facilities has been obtained from the Land and Survey Department, Kuching Division on 13 June 2018.

Please refer to Section 4.17 (i) of this Information Memorandum for further details on our future plans for the new warehousing facilities.

2. DETAILS OF OUR LISTING (cont'd)

(b) Working capital

Our working capital requirements are expected to increase in line with our intended business expansion as outlined in Section 4.17 (ii) and (iii) of this Information Memorandum. Thus, we intend to allocate RM1.97 million of the proceeds for the day-to-day operations of our Group, which shall include but are not limited to, staff related expenses, payments to suppliers and other creditors, and general expenses such as utilities charges, administrative expenses and other operating expenses.

(c) Estimated listing expenses

The proceeds allocated for our listing expenses include professional fees, fees payable to relevant authorities and other miscellaneous expenses in relation to our Excluded Issue and Listing as tabulated below:-

Estimated Listing Expenses	RM'000
Professional fees (include advisory fee from Principal Adviser, Legal Adviser, Reporting Accountants, Market Researcher, and Valuers)	850
Regulatory fees (include processing fee, initial listing fee and lodgement fee)	15
Placement fee for Sophisticated Investors	143
Miscellaneous fee (printing, travelling expenses and etc.)	92
Total	1,100

In the event that the actual amounts vary from the above estimates, the excess or deficit, as the case may be, would be reallocated to/ from the amount earmarked for working capital.

2.1.5 Purpose of Our Listing

The purpose of our Listing is to:

- (i) enhance the corporate profile of our Group locally and internationally;
- (ii) enable us to tap the capital markets to fund the expansion of our operations;
- (iii) provide Sophisticated Investors with an opportunity to participate in the equity of our Company; and
- (iv) establish liquidity for our Shares.

2. DETAILS OF OUR LISTING *(cont'd)*

2.2 Shareholding Structure

Our shareholding structure before and after our Listing are as set out below:

Shareholders	Before Listing		After Listing	
	No. of Shares	%	No. of Shares	%
Promoters, directors, substantial shareholders and persons connected to the promoters, directors and substantial shareholders	106,300,000	99.5	106,300,000	88.5
Existing Public shareholders	560,000	0.5	560,000	0.5
New Public shareholders	-	-	13,140,000	11.0
Total	106,860,000	100.0	120,000,000	100.0

2.3 Moratorium

In compliance with Rule 3.07 of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:

- (i) the moratorium applies to our Promoters' entire shareholdings for a period of twelve (12) months from the date of our admission to the Official List; and
- (ii) upon expiry of the twelve (12) months period stated above, our Promoters' aggregate shareholdings amounting to at least 45% of the total number of issued Shares shall remain under moratorium for another period of 36 months.

Where the promoter is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation (whether individuals or other unlisted corporations) up to the ultimate individual shareholders must give undertakings to Bursa Securities that they will not sell, transfer or assign their securities in the unlisted corporation for the period stipulated above.

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2. DETAILS OF OUR LISTING (cont'd)

The moratorium shall be imposed according to the following:

Promoters	Shares under Moratorium for the First 12 Months Upon Listing		Shares Under Moratorium for the Subsequent 36 Months	
	No. of Shares	(1) %	No. of Shares	(1) %
BNDM ⁽²⁾	48,800,000	40.6	25,289,827	21.1
Dato Richard Wee	700,000	0.6	362,764	0.3
Lim Ah Ted	31,500,000	26.2	16,324,376	13.6
Tan Chiew Ting	9,000,000	7.5	4,664,108	3.9
Ting Ing Thai	6,600,000	5.5	3,420,346	2.9
Lee Hon Jin	3,600,000	3.0	1,865,643	1.5
Ting Ing Soon	3,000,000	2.5	1,554,702	1.3
Brandon Wee Wei Xuan ⁽³⁾	200,000	0.2	103,647	0.1
Lim Hang Min ⁽⁴⁾	800,000	0.7	414,587	0.3
Terence Lim Tze Yung ⁽⁵⁾	-	-	-	-
Total	104,200,000	86.8	54,000,000	45.0

Notes:

- (1) Based on our enlarged issued share capital of 120,000,000 Shares upon Listing.
(2) Dato Richard Wee is a substantial shareholder of BNDM.
(3) By virtue of him being the son of Dato Richard Wee.
(4) By virtue of him being the brother of Lim Ah Ted.
(5) By virtue of him being the son of Lim Ah Ted.

Our Promoters have undertaken that they will not sell, transfer or assign any part of their shareholdings during the moratorium period.

The shareholders of BNDM are as follows:-

- RSB
- Dato Richard Wee
- Datin Dona Amat Drury
- Brandon Wee Wei Xuan
- Nigel Wee Wei Si
- Darren Wee Wei Yang
- Marcus Wee Wei Chen

The shareholders of RSB are as follows:-

- Dato Richard Wee
- Datin Dona Amat Drury

2. DETAILS OF OUR LISTING (cont'd)

The abovementioned shareholders of BNDM and RSB (a direct shareholder of BNDM) have also undertaken that they will not sell, transfer or assign any part of their shareholdings in the respective companies during the moratorium period.

The moratorium, which is fully acknowledged by our Promoters and the shareholders of BNDM and RSB, is specifically endorsed on our share certificates representing their shareholdings to ensure that our Share Registrar will not register any sale, transfer or assignment that is not in compliance with the above moratorium.

Save for the Promoters, the other existing shareholders of SCR which are not subject to moratorium before and after Listing are set out below:-

Existing Shareholders	Before Listing ⁽¹⁾		After Listing ⁽²⁾	
	No. of Shares	%	No. of Shares	%
<u>Director</u>				
Ibrahim bin Baki	2,000,000	1.9	2,000,000	1.6
Chin Mui Khiong	100,000	0.1	100,000	0.1
<u>Senior Management</u>				
Tay Pick Chong	200,000	0.2	200,000	0.2
Ho Mui Siok	100,000	0.1	100,000	0.1
Justin Ho Tze Shiuan	100,000	0.1	100,000	0.1
Jack Chang Hong Kwang	60,000	0.1	60,000	0.1
<u>Long Serving Employees</u>				
Kueh Mui Huang	50,000	-(3)	50,000	-(3)
Chin Jun Ngian	50,000	-(3)	50,000	-(3)
Total	2,660,000	2.5	2,660,000	2.2

Notes:-

(1) Based on our existing issued share capital as at LPD of 106,860,000 Shares.

(2) Based on our enlarged issued share capital of 120,000,000 Shares upon Listing.

(3) Negligible

The above shareholders subscribed for the SCR Shares at the consideration of RM0.50 per Share on 3 July 2018.

2. DETAILS OF OUR LISTING *(cont'd)*

2.4 Dividend Policy

We may declare dividends by ordinary resolution to be approved by our shareholders at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. Our Board may also declare an interim dividend without the approval of our shareholders. In making recommendations for dividends for approval by our shareholders, our Board will consider various factors, amongst others, our financial performance, retained earnings, expected future earnings, operations, cash flow, capital requirements, general business and financing conditions, availability of distributable reserves as well as other factors which our Board may determine appropriate.

We currently do not have a fixed dividend policy. Upon Listing, our Board intends to adopt a stable and sustainable dividend policy to reward our shareholders for participating in our Group's growth, while maintaining an optimal capital structure and ensuring sufficient funds for our future growth. In this regard, we envisage a dividend payout ratio of up to 50% of our future net profits to our shareholders in each financial year.

However, based upon the recommendations of our Board and as may be approved by our shareholders, you should take note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) .

As we are an investment holding company, our income and therefore, our ability to pay dividends depends on the dividends we receive from our Subsidiaries. The payment of dividends by our Subsidiaries will depend on their distributable profits, financial performance, financial condition, capital expenditure plans and other factors that their respective boards of directors deem relevant.

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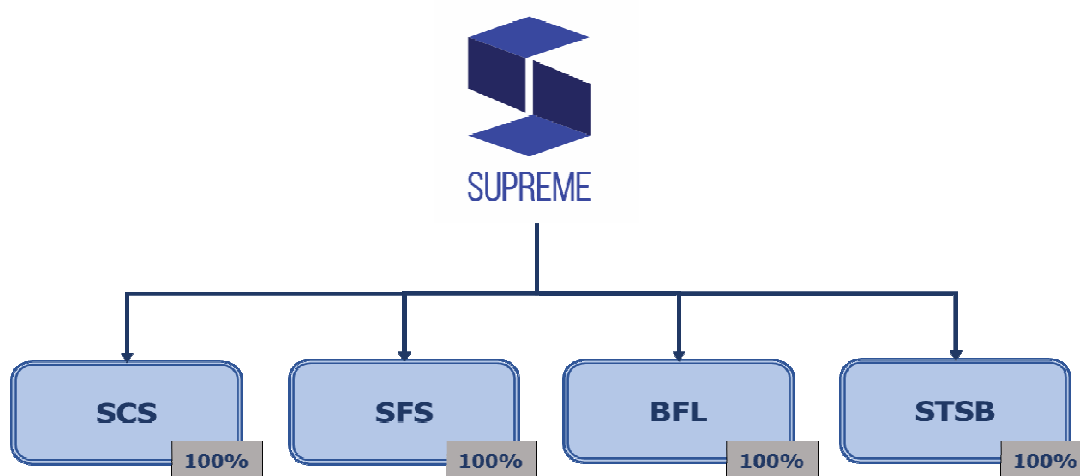
3. OVERVIEW OF OUR GROUP

3.1 Incorporation and History

We were incorporated in Malaysia under the Act as a private limited company on 11 July 2016 under the name of Supreme Consolidated Resources Sdn Bhd, as an investment holding company to be the listing vehicle for our Group to facilitate our Listing. On 10 July 2018, we were converted into a public limited company and assumed our present name.

Our Subsidiaries are principally involved in the distribution and warehousing of third-party brands as well as our own Supreme branded products ranging from frozen meat (beef, lamb and mutton, poultry and seafood), chilled food and dairy products and dry F&B. We are also involved in the provision of transportation services.

Our Group structure as at the LPD is as follows:



Our history can be traced back to 1984 when Lim Ah Ted incorporated SCS Trading to venture into the trading and distribution of dry, frozen and chilled food; where the operation was based in four (4) rented shop-lots in Kuching, Sarawak.

The first few years of SCS Trading operations were spent on growing its sales and distribution network while at the same time, growing the number of agencies and products it distributes. Lim Ah Ted subsequently incorporated SCS in 1987 with his partner, Lee Hon Jin, as a private limited company to assume the business of SCS Trading, which was later wound up. SCS grew over the years by securing more agency rights to increase the brands and types of products while at the same time expanded its distribution network.

In 1996, SCS moved its operations to its current location in Demak Laut Warehouse equipped with warehousing and cold room facilities. SCS then continued to acquire a number of agency rights, beginning with securing the agency rights for “Pertama” branded products such as frozen pastry skins and dry F&B for the Sarawak market in 1997.

SFS was incorporated in 1999 as part of SCS’s efforts to streamline its operations, with SFS handling the distribution of frozen food, chilled food, dairy products and dry F&B while SCS focuses on frozen and chilled food. During the initial years, SFS’s operation was housed in a rented shophouse in Kuching, Sarawak. In 2006, SFS obtained agency right for “Emborg” branded products such as frozen vegetables, chilled food and dairy products. Subsequently, in 2008, SFS secured the agency rights to distribute “Westland” branded products (chilled food) in Sarawak and Brunei.

3. OVERVIEW OF OUR GROUP (*cont'd*)

In 2010, Lim Ah Ted centralised the business operations by relocating SFS's operations to Demak Laut Warehouse enabling both SCS and SFS to share common resources and ultimately increased the efficiency of both companies' operations.

BFL's history on the other hand, can be traced back to 1990 when its founder, Ting Ing Thai incorporated Prime Cuts in Miri, Sarawak which supplied frozen, dry and chilled food to retailers and food service operators which include cafes, restaurants, hotels as well as offshore oil rigs. BFL was then incorporated in 2000 to assume the operations of Prime Cuts and initially operated from a rented shophouse.

In 2005, BFL moved its operations to a new warehouse and cold storage facility measuring 6,251 square feet located in Piasau Utara Light Industrial Estate in Miri, Sarawak. In 2007, BFL secured the agency right for "Life" branded products (dry F&B). In 2010, BFL expanded its operations by acquiring its second warehouse measuring 0.15 acres located in Piasau Industrial Estate, Miri, Sarawak.

In 2015, SCS was acquired by BNDM, an investment holding company with its substantial shareholder being Dato Richard Wee. Subsequent to the acquisition, SCS secured the agency rights to distribute "Farm's Best" branded products such as frozen nuggets, sausages, frankfurters and meatballs in Sarawak. In 2016, SFS obtained the exclusive agency rights to distribute "Devondale" branded products such as, butter, cheese, milk and milk powder, pastry, pasta and noodle in East Malaysia.

STSB on the other hand was incorporated in 2016 as part of our Group's focus in the transportation services.

In 2016, SCR was incorporated as an investment holding company as part of a group restructuring exercise which later saw the acquisition of SFS and BFL, which ultimately resulted in the current corporate structure. The restructuring of SCS, SFS and BFL was part of the Group's efforts to streamline its operations. The Group then purchased a piece of land located adjacent to SCS's Demak Laut Warehouse as part of its expansion plan.

In 2017, SCS obtained consent to distribute "Ramly" products in Sarawak from Ramly Food Marketing Sdn Bhd which was previously distributed by EPT, a company owned by the family of Dato Richard Wee.

In 2018, SFS was appointed as a distributor by F&N Beverages Marketing Sdn Bhd to distribute dry F&B in Sri Aman district located outside Kuching, Sarawak. Such appointment is subject to a review on SFS's performance on the target set by F&N Beverages Marketing Sdn Bhd after six (6) months from 9 April 2018 before a formal distributorship agreement may be executed, and since such appointment is due for review on 8 October 2018, SFS is also currently reviewing the viability of continuing with the distribution of dry F&B under this arrangement. SFS also expanded its operations by setting up a warehouse in Sri Aman.

Please refer to the ensuing section of this Information Memorandum for further details of our history, Group structure and business operations.

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3. OVERVIEW OF OUR GROUP (cont'd)

3.2 Key Milestones

The table below sets out our key achievements and milestones since our establishment:

Year	Key Milestone
1984	SCS Trading was incorporated to venture into the distribution of dry, frozen and chilled food.
1987	SCS was incorporated to assume the business of SCS Trading and to venture into the distribution of frozen food (beef, lamb and mutton, poultry and seafood), chilled food and dairy products. SCS was later wound up.
1990	Prime Cuts was incorporated with location in Miri to supply frozen, dry and chilled food to retailers and food service operators which include cafes, restaurants, hotels as well as offshore oil rigs.
1996	SCS moved from a rented shophouse in Kuching to its current location in Demak Laut Warehouse.
1997	SCS secured the rights to distribute "Pertama" branded products in Sarawak.
1999	SFS was incorporated to venture into the distribution of frozen food, chilled food, dairy products and dry F&B.
2000	BFL was incorporated to assume the business of Prime Cuts and to venture into the distribution of frozen meat (beef, lamb and mutton, poultry and seafood) as well as dry, chilled food and dairy products. Prime Cuts was later wound up.
2005	BFL moved from its rented shophouse to its current location in Piasau Utara Light Industrial Estate, Miri equipped with warehouse and cold storage facilities.
2006	SFS secured the agency rights to distribute "Emborg" branded products in Sarawak.
2007	BFL secured the agency rights to distribute "Life" branded products in Sarawak.
2008	SFS secured the agency rights to distribute "Westland" branded dairy products, covering Sarawak and Brunei territories.
2010	<ul style="list-style-type: none"> SFS moved from a rented premise in Kuching to Demak Laut Warehouse. BFL expanded its operations by acquiring another warehouse measuring 0.15 acres located in Piasau Industrial Estate, Miri, Sarawak.
2015	<ul style="list-style-type: none"> SCS was acquired by BNDM, an investment holding company with its substantial shareholder being Dato Richard Wee. SFS obtained the agency rights to distribute "Devondale" branded products in Sarawak.
2016	<ul style="list-style-type: none"> SCS secured the agency rights to distribute "Farm's Best" branded products in Sarawak. STSB was incorporated to provide transportation services to our Group. SCR was incorporated as a holding company for SCS, SFS, BFL and STSB as part of the group restructuring exercise.
2017	SCS received consent to distribute "Ramly" branded products in Sarawak from Ramly Food Marketing Sdn Bhd.
2018	SFS was appointed by F&N Beverages Marketing Sdn Bhd to distribute dry F&B in Sri Aman.

3. OVERVIEW OF OUR GROUP (cont'd)

3.3 Group Structure

Our Group structure is as depicted in Section 3.1 of this Information Memorandum.

SCR is principally an investment holding company with four (4) Subsidiaries. Our subsidiaries are principally involved in the distribution and warehousing of frozen meat (beef, lamb and mutton, poultry and seafood), chilled food and dairy products and dry F&B. We are also involved in the provision of transportation services.

As at the LPD, we have four (4) subsidiaries and no associated companies. The details of our Subsidiaries are as follows:

Subsidiaries	Date/ Country Incorporation	of Date Commencement	of Issued Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
SCS	17 November 1987/ Malaysia	17 November 1987 ⁽¹⁾	1,520,000	100	Distribution of frozen food, chilled food and dairy products
SFS	6 April 1999/ Malaysia	1 July 1999 ⁽²⁾	500,000	100	Distribution of frozen food, chilled food, dairy products and dry F&B
BFL	24 May 2000/ Malaysia	24 May 2000 ⁽³⁾	1,000,000	100	Distribution of frozen food, chilled food, dairy products and dry F&B
STSB	24 August 2016/ Malaysia	31 October 2016 ⁽³⁾	1,000	100	Provision of transportation services

Notes:

- (1) Based on date of incorporation as no records could be found on the actual date of commencement of business.
- (2) Based on the audited financial statement of the first financial year end from incorporation.
- (3) Based on tax return.

3.3.1 Background Information on SCR

SCR was incorporated in Malaysia and commenced its business on 11 July 2016 under the Act as a private limited company under the name of Supreme Consolidated Resources Sdn Bhd. It was subsequently converted to a public limited company and assumed our present name on 10 July 2018. SCR is principally an investment holding company with four (4) subsidiaries as set out in Section 3.3 of this Information Memorandum. There has been no material change in the manner in which we conduct our business or activities since our incorporation up to the LPD.

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3. OVERVIEW OF OUR GROUP (cont'd)

As at LPD, our share capital is RM53,430,000 comprising 106,860,000 Shares. The changes in our share capital since the date of incorporation are as follows:

Date of Allotment	No. of Shares Allotted	Cumulative No. of Shares	Consideration/ Types of Issue	Cumulative Share Capital (RM)
11 July 2016	2	2	Subscribers' shares	2
2 May 2017	50,499,998	50,500,000	Cash	50,500,000
11 June 2018	-	101,000,000	Subdivision of shares	50,500,000
3 July 2018	5,860,000	106,860,000	Cash	53,430,000

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

3.3.2 Background Information on SCS

SCS was incorporated in Malaysia on 17 November 1987 under the Companies Act, 1965 as a private limited company under its present name.

There has been no material change in the manner in which SCS conducts its business or activities since its incorporation up to the LPD.

As at the LPD, SCS's share capital is RM1,520,000 comprising 1,520,000 ordinary shares. The changes in its share capital since the date of incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration/ Types of Issue	Cumulative Share Capital (RM)
17 November 1987	2	Subscribers' shares	2
9 April 1991	99,998	Cash	100,000
15 October 1992	100,000	Cash	200,000
22 September 1993	100,000	Cash	300,000
16 September 1994	200,000	Cash	500,000
13 January 1995	300,000	Cash	800,000
8 September 1997	400,000	Cash	1,200,000
9 September 1999	320,000	Cash	1,520,000

SCS is principally involved in the distribution of frozen food (beef, lamb and mutton, poultry and seafood), chilled food and dairy products. Its products are distributed throughout Sarawak and are catered to three (3) main customer segments namely, retailers, wholesalers and food service providers.

SCS is our wholly-owned subsidiary. In addition, as at the LPD, SCS does not have any subsidiary or associated company.

As at the LPD, SCS does not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

3. OVERVIEW OF OUR GROUP *(cont'd)*

3.3.3 Background Information on SFS

SFS was incorporated in Malaysia on 6 April 1999 under the Companies Act, 1965 as a private limited company under its present name.

There has been no material change in the manner in which SFS conducts its business or activities since its incorporation up to the LPD.

As at the LPD, SFS's share capital is RM500,000 comprising 500,000 ordinary shares. The changes in its share capital since the date of incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration/ Types of Issue	Cumulative Share Capital (RM)
6 April 1999	2	Subscribers' shares	2
1 July 1999	199,998	Cash	200,000
10 April 2000	300,000	Cash	500,000

SFS is principally involved in the distribution of frozen food, chilled food, dairy products and dry F&B such as cheese, butter, milk, milk powder and juices from local and imported brands. Its products are distributed throughout Sarawak and are catered to three main customer segments namely, retailers, wholesalers and food service providers.

SFS is our wholly-owned subsidiary. In addition, as at the LPD, SFS does not have any subsidiary or associated company.

As at the LPD, SFS does not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

3.3.4 Background Information on BFL

BFL was incorporated in Malaysia on 24 May 2000 under the Companies Act, 1965 as a private limited company under its present name.

There has been no material change in the manner in which BFL conducts its business or activities since its incorporation up to the LPD.

As at the LPD, BFL's share capital is RM1,000,000 comprising 1,000,000 ordinary shares. The changes in its share capital since the date of incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration/ Types of Issue	Cumulative Share Capital (RM)
24 May 2000	5	Subscribers' shares	5
15 July 2000	999,995	Cash	1,000,000

BFL is principally involved in the distribution of frozen food (beef, lamb and mutton, poultry and seafood) as well as dairy products, chilled food and dry F&B. Its products are distributed throughout Sarawak with its operations based in Miri. Its products are mainly distributed to its three (3) main customer segments, namely, retailers, wholesalers and food service providers.

BFL is our wholly-owned subsidiary. In addition, as at the LPD, BFL does not have any subsidiary or associated company.

As at the LPD, BFL does not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

3. OVERVIEW OF OUR GROUP *(cont'd)*

3.3.5 Background Information on STSB

STSB was incorporated in Malaysia on 24 August 2016 under the Act as a private limited company under the name of SKJU Logistics Sdn Bhd. It subsequently changed its name to its present name on 16 July 2018.

There has been no material change in the manner in which STSB conducts its business or activities since its incorporation up to the LPD.

As at the LPD, STSB's share capital is RM1,000 comprising 1,000 ordinary shares. The

Date of Allotment	No. of Ordinary Shares Allotted	Consideration/ Types of Issue	Cumulative Share Capital (RM)
24 August 2016	1,000	Cash	1,000

STSB is principally involved in the provision of transportation services.

STSB is our wholly-owned subsidiary. In addition, as at the LPD, STSB does not have any subsidiary or associated company.

As at the LPD, STSB does not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

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4. OVERVIEW OF OUR BUSINESS

4.1 Our Principal Activities

We are principally involved in the distribution and warehousing of third-party as well as our own products under the “Supreme” brand, focusing on frozen food, chilled food, dairy products and dry F&B. We are also involved in the provision of transportation services.



Operating from distribution centres located in Kuching and Miri, our products are distributed to three (3) main customer segments namely:

- Wholesalers, which also includes agents, stockists and distributors based in other districts in Sarawak;
- Food service operators such as restaurants, cafes, hotels, bakeries, canteens and caterers; and
- Retailers which include but not limited to supermarkets, hypermarkets, grocery stores and sundry shops.

Details of the types of products distributed by our Group are available in Section 4.2 of this Information Memorandum.

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4. OVERVIEW OF OUR BUSINESS (cont'd)

4.2 Our Products

As at the LPD, we have a portfolio of approximately 1,750 products from 60 local and foreign agencies. The products we distribute can be categorised into four (4) categories, as shown in the table below:

Category	Types of Products	Brands	Segment Contribution by Revenue for FYE 2017 (RM' million)
<p>Frozen food</p> <p>Products that are kept frozen until used to preserve its quality. The food categorised under this segment is required to be stored at the temperature of below 15-degree Celsius to maintain their freshness.</p> <p>Under this category, we also provide our customers with processing and packing services where frozen meat products such as lamb, mutton and beef are cut into smaller pieces and packed according to customers' requirements. These processed and repacked products are marketed under our own products under "Supreme" brand.</p>	Frozen beef	Harvey, Ralph, Affco, Taylor Preston	72.4 (64.6%)
	Frozen buffalo meat	Allanasons	
	Frozen lamb and mutton	Wammco, Jimba, Ararat, McPhee	
	Frozen poultry	Ayamas, Ayamadu, Iowa Valley Turkey	
	Frozen seafood	Talley and Supreme	
	Frozen potato-based products	Open market, Figo, Ameri Food, Frosty, McCain, Parkhill, Simplot, Dutch, Emborg, Nowaco, Talley, Lamb Weston, Farm Frites, Hash Brown, Supreme, Agrarfrost, Golden Phoenix, Idaho, Tomex	
	Frozen minced meat	Ayamas, Ramly, Supreme	
	Frozen vegetables and fruits	Figo, Nowaco, Golden Phoenix, Waltie's, Ligo, Emborg, Daily Fresh, Telly, Supreme	
	Frozen pastries	Figo, Lazat, Ponto, Kontos, Mrs Mac, Noba, Kawan, Pertama, Makcik, Hiestand, Maxfood SK, Oriental, Premero	
Burger patties	Ayamas, Delihous, Farm's Best, Ramly, Supreme		

4. OVERVIEW OF OUR BUSINESS (cont'd)

Category	Types of Products	Brands	Segment Contribution by Revenue for FYE 2017 (RM' million)
Frozen food (cont'd)	Frozen further processed poultry products	Ayamas, Delihous, Farm's Best Ramly	
	Frozen further processed seafood products	Pacific West	
Chilled food This segment consists of products that are stored at chilled temperatures of 8-degree Celsius.	Butter and butter blend	Buttercup, Corman, Devondale, Emborg, Farmcow, Tru-Blue, Lurpack, MG, Miny, More Salted Butter, Promex, SCS, Twin Cow, Westgold, Westpro, Westland	17.2 (15.4%)
	Cheese	Alba, Bega, Danablu Cheese, Dairyland, Devondale, Emborg, Florida, Friendship, Knorrs, Mother's Choice Open Country, Pizza Plus, Royal Victoria, Tatua, Tatura	
	Chilled beef	Harvey	
	Margarine	Buttercup, Daisy, Flora, Naturel, Olive Gold, Planta, Meadowlea, Mother's Choice	
Dairy products This segment represents dairy products such as milk, milk powder, margarine and cream.	Cream	Dairy, Dairy Whip, Devondale, Emborg, Rich, Tatua, Vivo	12.3 (11.0%)
	Milk and milk powder	Devondale, Emborg, NSMP, Open Country, Promex, Westgold	

4. OVERVIEW OF OUR BUSINESS (cont'd)

Category	Types of Products	Brands	Segment Contribution by Revenue for FYE 2017 (RM' million)
Dry F&B Our dry F&B segment consists of processed and packaged foods that can be stored at room temperature. The type of products we distribute under this category include but not limited to pastry, pasta, noodles, sauces, condiments, dressings, syrup, seasonings, spices, juices, canned food and others.	Pasta and noodles	Campagna, Crispo, Devondale, Dona Vita, Knorr	9.8 (8.8%)
	Sauces, condiments, dressings, syrup, seasonings and spices	Campagna, Heinz, HP Sauce, Kewpie, Knorr, Lady's Choice, Lea & Perrins, Life, Mastro'Livo, Mida's, Ocean Spray, Praise, Remia, Soy Asahi, S&W, Tabasco, Tropicor	
	Juices and beverages	Cyprina	
	Canned food	Ayam Brand, Figaro, Heinz, Nature Sea, Koeleman, Palmdale, REX, S&W	
	Others (which include honey, cooking oil, vinegar, bread crumbs, raisins, jams, soft drinks, teas)	Bundaberg, Campagna, Carte D'or, Davinci, Fillipo, Heinz, Knorr, Lady's Choice, Lipton, Lukam, Mastro'Livo, Miny, Nature Sea, Orkide, Post, Promex, Starkiss, F&N, 100Plus, Seasons	
TOTAL			111.7 (99.8%)

Our food and beverage business had contributed 99.8% of our Group's revenue for the FYE 2017, while the remaining 0.2% of our Group's revenue was contributed from our transportation services.

As part of our value-added service, we also provide repacking services where frozen meats such as beef, lamb and mutton are cut into smaller pieces for our customers for ease of storage and transportation services. The cutting service is managed by our in-house production team while the repacking activities are conducted by appointed third parties.

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4. OVERVIEW OF OUR BUSINESS (cont'd)

4.3 Our Services

We provide transportation services which covers warehousing, storage and delivery services to our customers of specified locations within our coverage. The transportation services in Kuching are managed by STSB, and covers a delivery radius of approximately 200 km.

Transportation services in Miri on the other hand, are managed by BFL and covers a delivery radius of approximately 100 km.

The table below shows our current fleet of vehicles for delivery purposes:

Types of Vehicle	Quantity
<u>Location - Kuching</u>	
3.3-tonne refrigerated lorry	1
3.5-tonne refrigerated lorry	1
4.6-tonne refrigerated lorries	2
5.0-tonne refrigerated lorries	2
10.4-tonne refrigerated lorry	1
10.4-tonne non-refrigerated truck	1
11.0-tonne refrigerated truck	1
11.9-tonne refrigerated truck	1
Semi-panel vans	2
<u>Location - Miri</u>	
4.3-tonne non-refrigerated truck	1
5.0-tonne non-refrigerated trucks	2
5.0-tonne refrigerated trucks	2
Semi-panel van	1
Total	18

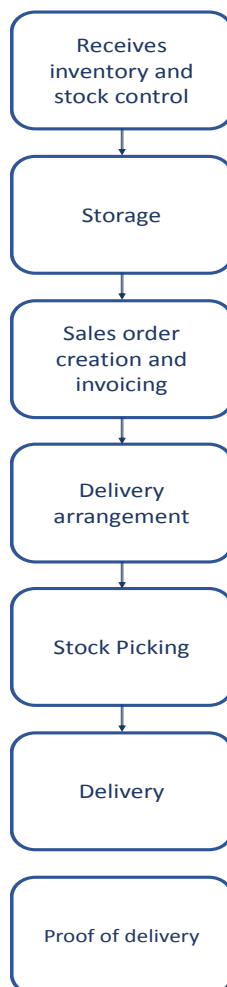
Pursuant to the sales and purchase agreement as set out in Section 9.1(v) of this Information Memorandum, SCS had acquired certain vehicles from EPT. The vehicles that are in the midst of being transferred to the Group are set out in the table below:

Type of vehicle	Quantity
<u>Location - Kuching</u>	
4.8-tonne refrigerated truck	1
5.0-tonne refrigerated truck	2
11.0-tonne refrigerated truck	1
<u>Location – Sri Aman</u>	
5.0-tonne non-refrigerated truck	1
6.0-tonne non-refrigerated truck	1
7.0-tonne non-refrigerated truck	2
10.0-tonne non-refrigerated truck	2
Total	10

4. OVERVIEW OF OUR BUSINESS (cont'd)

4.4 Business Processes

The following table illustrates our Group's distribution and warehousing activities:



The process commences when we order inventory from our suppliers. Once the ordered inventory is delivered to our warehouses, our employees will check the delivery to ensure the quantity received is equivalent to the orders made and to the amount invoiced by the suppliers. Once the quantity is verified, the information will be recorded in our inventory system. The inventory is then segmented according to product categories, where dry F&B are kept in our warehousing facilities while chilled and frozen food are stored in cold room storage facilities.

Purchase orders from our customers are submitted to our sales representative, who in turn, will generate a sales form detailing the quantity ordered. The sales form is forwarded to our cost and credit controller who will then assess the order based on customer's credit information as well as the price of the order. An invoice will be created once the cost and credit controller approved the order.

We also provide our customers with cutting and repacking services. The service is currently limited to our frozen food, where frozen beef, lamb and mutton products are cut into smaller pieces according to customers' requirements. They are then packed before making the necessary delivery arrangement.

4. OVERVIEW OF OUR BUSINESS (cont'd)

Generated invoices are then sorted according to delivery zones. For orders that are beyond our Group's delivery radius, we will arrange with third-party logistics agents for pick-up and delivery. Delivery records are then generated based on the invoices and are forwarded to our warehouses to prepare the ordered stocks.

Once the delivery records are received, our staff will generate itemised picking lists in accordance with the invoices. Items are then picked and checked for visual damages before being sorted and transported to the loading areas to be picked up by the delivery team.

Items are then delivered by our in-house team or by engaging third-party logistics provider for deliveries beyond our delivery coverage. Customers receiving the delivered stocks are required to provide proof of delivery by signing and stamping the invoices. The invoice is sent back to us for documentation and record keeping purposes.

4.5 Location of Operations

Our Group currently operates from properties owned and rented by our Group at various locations in East Malaysia.

Details of the properties owned and rented by our Group are set out in Section 4.16 of this Information Memorandum.

4.6 Competitive Strengths

4.6.1 Experienced Directors and Management Team

Our Group's success over the years is attributed to our experienced directors and key management team. SCS and SFS founders, Lim Ah Ted and Lee Hon Jin, and BFL founder Ting Ing Thai, collectively possess more than 80 years of industry experience between them, having been in the food and beverages distribution industry since 1970s. They have played instrumental roles in steering our Group's growth strategies and business directions.

Moving forward, they are supported by key management personnel such as Tay Pick Chong, our Group General Manager who possesses more than 10 years of experience in the food and beverages distribution industry. Our General Manager of BFL, Jack Chang Hong Kwang, on the other hand, possess approximately 18 years of industry experience and was one of the pioneer staff during BFL's establishment in 2000. Our operations are supported by our Group Facility Manager Terence Lim Tze Yung who oversees the facilities and operations while our Group Supply Chain Manager Brandon Wee Wei Xuan oversees the operations of our Group's transportation and supply chain activities.

In addition, we have experienced staff in the other departments supporting the main functions of our operations, such as our Group Finance Manager Ho Mui Siok who is a qualified Chartered Accountant, our Group Sales Manager Justin Ho Tze Shiuan with previous experience in the fast moving consumer goods and food service industry. Our operations are also supported by our Production and Warehouse Manager Lim Hang Min, who has more than 30 years of experience in the industry.

Further details on our Group's directors and key management team are available in Sections 6.1.2, 6.2.2 and 6.3.2 of this Information Memorandum.

4. OVERVIEW OF OUR BUSINESS (cont'd)

4.6.2 Trusted Brand Name and Track Record

Our years of operations in distributing third-party brand food and beverages coupled with our emphasis on customer satisfaction have seen us forging long-lasting business relationships with our customers and suppliers.

In view of our established proven track record in the industry, our Group is an obvious choice for other brands looking for a partner in distribution as well as local customers looking for a dependable supplier to seek as business partner. The table below shows the years of relationship between our Group and our selected suppliers:

Brand	Country of Origin	Product Types	Working Relationship Since
Farmcows	Malaysia	Butter	1996
Ayamas	Malaysia	Burger patties, chicken franks and sausages	2000
Figo	Malaysia	Frozen food, pastries and buns	2005
Emborg	Denmark	Butter, cheese, cream and frozen vegetable	2006
Friendship	Denmark	Cheese	2007
Westland	New Zealand	Butter	2008
Bega	Australia	Cheese	2008
Knorr	United Kingdom	Sauces and condiments	2010
Lady's Choice	United Kingdom	Dressing and seasoning	2010
Lipton	United Kingdom	Beverages	2010
Planta	United Kingdom	Margarine	2010
Carte D'or	United Kingdom	Beverages	2010
Tatura	Australia	Cheese	2012
Bundaberg	Australia	Beverages	2012
Pertama/ Premero/ PTM	Singapore	Pastry skin, samosa, spring roll and paratha	1998
McCain	Canada	Frozen potatoes product	2014
Delihous	Malaysia	Nugget, frank and chicken products	2015
Devondale	Australia	Milk, cheese and cream	2015
Promex	New Zealand	Butter, margarine and oatmeal	2016
Farm's Best/ Segaria/ Rasaria	Malaysia	Nuggets, sausages, frankfurter and meatball	2016
Kewpie	Japan	Dressing and mayonnaise	2016
Life	Malaysia	Sauces and Shelf stable products	2016
Hiestand	Switzerland	Frozen pastries	2016
Ramly	Malaysia	Frozen meat	2017
Prima	Malaysia	Frozen meat	2010
F&N	Malaysia	F&N beverages	2018
Allanasons	India	Buffalo meat	2017

4. OVERVIEW OF OUR BUSINESS (cont'd)

We were appointed to distribute various brands of products by way of letter of appointment or through distribution agreement we signed with our brand owners. Further details are set out in Section 4.13 of this Information Memorandum.

We have sole distributorship to popular brands as set out in the table below whereby we hold the exclusive or sole distributorship in Sarawak:

Brand	Country of Origin	Product Types
Bundaberg ⁽¹⁾	Australia	Beverages
Devondale ⁽²⁾	Australia	Milk, cheese, cream
Hiestand ⁽³⁾	Switzerland	Frozen pastries
McCain ⁽⁴⁾	Canada	Frozen potatoes product
Knorr ⁽⁵⁾	United Kingdom	Sauces, Condiments
Lady's Choice ⁽⁵⁾	United Kingdom	Dressing, seasoning
Lipton ⁽⁵⁾	United Kingdom	Beverages
Planta ⁽⁵⁾	United Kingdom	Margarine
Carte D'or ⁽⁵⁾	United Kingdom	Beverages
Prima ⁽⁵⁾	Malaysia	Frozen meat

Notes:

The appointment of our Group as the exclusive or sole distributor for the above brands of products was effected by the following distribution agreements:

- (1) Pursuant to the Distribution Agreement dated 20 January 2012 between SFS and Rus Pty Ltd of Victoria, Australia, the salient terms of which are set out in Section 4.13(b)(i) of this Information Memorandum.
- (2) Pursuant to the Distribution Agreement dated 23 September 2015 between SFS and Murray Goulburn Co-operative Co. Limited of Victoria, Australia, the salient terms of which are set out in Section 4.13(b)(ii) of this Information Memorandum. Our Group's working relationship with Murray Goulburn Co-Operative Co. Limited began in 2015.
- (3) Pursuant to the Distribution Agreement dated 28 November 2016 between SCS and Aryzta Food Solutions Malaysia Sdn Bhd, the salient terms of which are set out in Section 4.13(a)(i) of this Information Memorandum.
- (4) Pursuant to the Distribution Agreement dated 1 December 2017 between SCS and McCain International Inc. of New Brunswick, Canada, the salient terms of which are set out in Section 4.13(a)(iii) of this Information Memorandum. Our Group's working relationship with McCain International Inc. began in 2014.
- (5) Pursuant to the Distribution Agreement (Food Solutions) dated 21 February 2017 between SFS and Unilever, the salient terms of which are set out in Section 4.13(b)(iii) of this Information Memorandum. BFL was also appointed as the redistribution stockist based on the Redistribution Stockist Agreement dated 23 March 2012 between BFL and Unilever, the salient terms of which are set out in Section 4.13(c)(i) of this Information Memorandum and the Distribution Agreement (Food Solutions) dated 25 May 2017 between BFL and Unilever, the salient terms of which are set out in Section 4.13(c)(ii) of this Information Memorandum. Our working relationship with Unilever began in 2010.
- (6) Pursuant to the Distribution Agreement dated 20 February 2017 between SCS and Primabaguz Sdn Bhd, the salient terms of which are set out in Section 4.13(a)(ii) of this Information Memorandum.

4. OVERVIEW OF OUR BUSINESS (cont'd)

Our Subsidiaries have also been appointed by a number of principals and agents for distribution of various brands in Sarawak. Further information on material commercial contracts entered into between our Group and our suppliers are available in Section 4.13 of this Information Memorandum.

Our track record in the industry has translated into healthy growth of our Group's revenue during the financial years/ period under review from FYE 2016 to FYE 2017 and FPE 2018. Revenue generated in FYE 2017 from the retail, wholesale and food service operators segment grew 19.6%, 52.0% and 1.5% respectively as compared to FYE 2016. The growth was a result of amongst others, addition of new products such as Halal Indian buffalo meat from Allanasons Pvt Ltd as well as higher sales in the retail segment due to support from principals in terms of promotional activities such as food tastings and cooking demonstrations.

In 2018, SFS was appointed as a non-exclusive distributor for F&N Beverages Marketing Sdn Bhd to distribute beverage products for Sri Aman and identified surrounding areas including Lingga, Batu Lintang, Engkelili, Lubuk Antu, Betong, Spaoh, Debak, Pusa, Lachau, Pantai, Sungai Tenggang, Balai Ringin, Simunjan, Sebangau and Sebuyau.

4.6.3 Established Distribution Network

Since the incorporation of SCS in 1987, we have built a wide distribution network that ensures the products we distribute are available to our wide consumers are based which includes retailers, wholesalers and food service operators throughout Sarawak. We have established STSB in 2016 as part of our efforts to provide transportation services in Kuching to deliver our own and suppliers' products covering delivery radius of approximately 200 km. Coverage outside the delivery radius are handled by external transportation companies. In Miri, BFL covers the delivery of our products within a delivery radius of approximately 100 km. Coverage outside the delivery radius is handled by external transportation companies.

As part of our efforts to enhance the distribution of our products, we also work with distributors in selected districts, such as Supreme Food Supply (Bintulu) Sdn Bhd for areas in and outside Bintulu and Fortune Supreme Food Supply (Sibu) Sdn Bhd which covers areas in and outside Sibu. For further details of Supreme Food Supply (Bintulu) Sdn Bhd and Fortune Supreme Food Supply (Sibu), please refer to Section 4.12 of this Information Memorandum.

We currently owned four (4) warehouses equipped with cold storage facilities, with two (2) warehouses located in Kuching and two (2) warehouses in Miri. In 2018, we secured a new warehouse in Sri Aman, approximately 230 km from Kuching. The warehouse was set up to distribute dry F&B products in Sri Aman and its surrounding areas.

4.6.4 Wider Range of Food and Beverages Products

Our Group currently distributes approximately 1,750 products sourced from more than 60 local and foreign suppliers for local and imported products, focusing mainly on frozen food, chilled food, dairy products and dry F&B which cover wide ranges of products such as frozen meat (beef, lamb, mutton, poultry, and seafood), cheese, cream, milk and juices. A list summarising the products and the brands that we distribute is available in Section 4.2 of this Information Memorandum.

4. OVERVIEW OF OUR BUSINESS (cont'd)

4.7 Seasonality

Our Group does not experience significant seasonality trends. While we experience fluctuation in our sales in several identified periods of the year due to festive seasons like Chinese New Year, Hari Raya and Hari Gawai, we do not experience significant trends in seasonality on a year-to-year basis.

4.8 Quality Assurance

As part of our quality assurance efforts, we have put in-place an internal quality processes to ensure quality service and products are provided to our customers. The activities undertaken include:

- Visual inspection of inventory is conducted when receiving ordered stocks from suppliers as well as prior to delivery to customers; and
- Regular checks by our marketing team to ensure products are displayed as specified at retail locations. Pricing and promotions are also checked to ensure consistency in different outlets.

4.9 Marketing and Distribution Network

4.9.1 Marketing Strategies

Our Group's sales and marketing team is responsible for business development, establishing product presence and awareness, implementation of promotions, trade visits as well as replenishment of stocks. We also work closely with our retail customers to provide product tasting and demonstrations in selected retailers.

We also maintain an up-to-date website at www.supremegroup.my, providing website visitors with comprehensive product information on all major product categories and contact information to facilitate communication between our Group and potential customers. Our marketing efforts also encompass social media where we educate the public with various uses of our products as well as posting up-to-date promotional activities.

4.9.2 Distribution Strategies

Our distribution network strategies are based on direct and indirect distribution as explained below:

(i) Direct Distribution Network

The direct distribution network approach is implemented through our own sales and marketing teams which focuses on selling our products directly to end-customers. This strategy has the advantage of enabling the Group to work closely with our customers to evaluate and attain a better understanding of their requirements.

(ii) Indirect Distribution Network

Under this approach, we sell our products through distributors and/or appointed agents and stockists which are all located in Sarawak. Based on this arrangement, we are able to provide consumers in remote areas with access to our products without the need for our Group to invest in cold storage warehouses.

4. OVERVIEW OF OUR BUSINESS (cont'd)

4.10 Source and Availability of Raw Materials

We purchase our food and beverages products from our wide supplier base. The table below shows the purchases we made locally and imported from other countries during the FYE 2017.

Product Category	Local		Import		Value of Our Group's Total Purchases (RM'000)	Contribution to the Group's Total Purchase (%)
	(RM'000)	%	(RM'000)	%		
Frozen food	25,940	40.9	37,416	59.1	63,356	66.5
Chilled food	3,996	30.0	9,304	70.0	13,300	14.0
Dairy products	2,274	22.4	7,857	77.6	10,131	10.6
Dry F&B	7,208	85.4	1,229	14.6	8,437	8.9
TOTAL	39,418		55,806		95,224	100.0

4.11 Major Suppliers

Our Group's top five (5) suppliers for the past two (2) FYE 2016, FYE 2017 and FPE 2018 are as follows:-

	Supplier	Country	FYE 2016		FYE 2017		FPE2018		Products Sourced	Length of Relationship (Years)
			RM'000	% [^]	RM'000	% [^]	RM'000	% [^]		
1	Allanasons Pvt. Limited	India	-	-	15,638	16.4	23,515	28.7	Frozen meat	Less than 5 years
2	Unilever	Malaysia	6,070	8.4	5,487	5.8	4,379	5.3	Dry food	More than 5 years
3	Allegro Pvt. Ltd.	Australia	4,407	6.1	2,771	2.9	1,933	2.4	Frozen meat	More than 15 years
4	Murray Goulburn Co-operative Co., Ltd.	Australia	3,214	4.5	3,823	4.0	1,280	1.6	Chilled food	More than 5 years
5	Heng Business Links Pty. Ltd	Australia	2,632	3.7	3,851	4.0	1,815	2.2	Chilled food	More than 5 years
	TOTAL		16,323	22.7	31,570	33.1	32,922	40.2		

Note:

[^] Percentage contribution to our Group's total purchases.

4.12 Major Customers

Our customers can be categorised under three (3) categories, namely, retailers, wholesalers and food service operators. The retail segment is currently our largest segment, contributing approximately 38.2% of our Group's revenue followed by the wholesale segment with 37.0% while the food service operators contributing 24.8% of our Group's revenue for the FYE 2017. Customers in the retail segment include supermarkets, hypermarkets, grocery stores and sundry shops while the wholesale segment consist of agents, stockists and distributors based in other districts in Sarawak, such as Supreme Food Supply (Bintulu) Sdn Bhd and Fortune Supreme Food Supply (Sibu) Sdn Bhd. The food service operator segment on the other hand, consists mainly of restaurants, cafes, hotels, bakeries, canteens as well as caterers.

4. OVERVIEW OF OUR BUSINESS (cont'd)

Our Group's top five (5) customers for the past two (2) FYE 2016, FYE 2017 and FPE 2018 are set out below:-

	Customer	FYE 2016		FYE 2017		FPE2018		Length of Relationship (Years)
		RM'000	% ⁽¹⁾	RM'000	% ⁽¹⁾	RM'000	% ⁽¹⁾	
1	Supreme Food Supply (Bintulu) Sdn Bhd ⁽²⁾⁽³⁾	4,721	5.2	3,990	3.6	3,073	2.9	More than 20 years
2	Fortune Supreme Food Supply (Sibu) Sdn Bhd ⁽³⁾	2,428	2.7	3,635	3.2	2,659	2.5	More than 15 years
3	Hong Yong Seafood Supplies Sdn Bhd	1,477	1.6	4,011	3.6	3,077	3.0	More than 15 years
4	Central Coldstorage Kuching Sdn. Bhd.	712	0.8	4,118	3.7	3,527	3.4	More than 15 years
5	Beishi Trading Co Sdn. Bhd.	1,171	1.3	3,089	2.8	4,855	4.7	More than 15 years
	TOTAL	10,509	11.6	18,843	16.9	17,191	16.5	

Notes:

- (1) Percentage contribution to our Group's revenue.
- (2) Our Promoter and substantial shareholder, Tan Chiew Ting, is a director and substantial shareholder of Supreme Food Supply (Bintulu) Sdn Bhd. Please refer to Section 6.7(iv) of this Information Memorandum for further details to mitigate any conflict of interest, actual or potential.
- (3) Not related to our Group or our Subsidiary.

4.13 Industrial, Commercial or Financial Contracts

As at the LPD, the following are contracts or agreements including industrial, commercial or financial contracts, which are material to our business or profitability:

(a) SCS

- (i) Distribution Agreement dated 28 November 2016 between SCS and Aryzta Food Solutions Malaysia Sdn Bhd

The salient terms of the abovementioned agreement are as follows:

Description	Aryzta Food Solutions Malaysia Sdn Bhd appoints SCS as its sole distributor in the territory mentioned below.
Term/ Duration	With effect from 28 November 2016 until terminated in accordance with this agreement.
Territory	Kuching, Sarawak.
Payment Term	The agreed credit term is 60 days from the date of invoice.
Products	"Hiestand" brand of frozen pastries.
Termination/ Events of Default	Either party may terminate this agreement by giving not less than 180 days' written notice of termination of this agreement without assigning any reasons whatsoever.

4. OVERVIEW OF OUR BUSINESS (cont'd)

- (ii) Distribution Agreement dated 20 February 2017 between SCS and Primabaguz Sdn Bhd

The salient terms of the abovementioned agreement are as follows:

Description	Primabaguz Sdn Bhd appoints SCS as its exclusive distributor for selling, marketing and promoting its products in the territory mentioned below.
Term/ Duration	3 years with effect from 20 February 2017 and thereafter to be extended for agreed period with mutual consent of Primabaguz Sdn Bhd and SCS.
Territory	Sarawak, Malaysia.
Payment Term	Payment is made in RM, and all prices of Products are in accordance with the agreed price structure. Primabaguz Sdn Bhd shall maintain the price at least for a period of 6 months and thereafter, in the event of any price revision, prior notice of 30 days will be given to SCS. SCS is given a credit term of 30 days.
Products	"Prima" brand of products consisting of sausages, beef bacon, beef pepperoni and turkey toast sliced.
Termination/ Events of Default	None in the agreement.

- (iii) Distribution Agreement dated 1 December 2017 between SCS and McCain International Inc. of New Brunswick, Canada

The salient terms of the abovementioned agreement are as follows:

Description	McCain International Inc. (" McCain ") appoints SCS as its sole distributor within the territory to market, sell and distribute the products in the territory mentioned below.
Term/ Duration	Commenced on 1 December 2017 and will continue for 24 months period.
Territory	Sarawak, Malaysia.
Payment Term	Payment term is upon documents against payment (" DP sight "), McCain will send invoices and all supporting documents to the bank at which SCS opens and maintains an account with. Full payment to be paid by SCS upon arrival of the products.
Products	"McCain" products consisting of frozen potato-based products and burger patties.

4. OVERVIEW OF OUR BUSINESS (cont'd)

Termination/ Events of Default	<p>McCain may terminate this agreement:</p> <ul style="list-style-type: none"> - when SCS fails to reach sales target set by McCain; - if a material change occurs in the management, control and conduct of SCS' business; - SCS commits a material breach of this agreement which SCS fails to remedy within 15 days' written notice; - SCS fails to pay any amount due to McCain; and - there occurs a material act of insolvency by SCS.
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(b) SFS

- (i) Distribution Agreement dated 20 January 2012 between SFS and Rus Pty Ltd of Victoria, Australia

The salient terms of the abovementioned agreement are as follows:

Description	Rus Pty Ltd is the agent for the whole of the Malaysian market. Rus Pty Ltd in turn has appointed SFS to be the exclusive distributor to re-sell and promote the Products to customers in the territory mentioned below.
Term/ Duration	Initial term of this agreement shall commence on 20 February 2012 and shall end on 19 February 2013. Thereafter, this agreement will be automatically renewed for consecutive additional periods of one year each unless either party had delivered written notice of non-renewal to the other party not less than 1 month prior to the expiration date of the term or any such renewal term or until this agreement is terminated due to breaches of this agreement.
Territory	East Malaysia
Payment Term	Payment is in Australian Dollar (" AUD ") by means of letter of credit at sight for the first 6 months then revert to sight draft for full invoice value in AUD.
Products	"Bundaberg" brewed drinks.

4. OVERVIEW OF OUR BUSINESS (cont'd)

Termination/ Events of Default	<p>Rus Pty Ltd may terminate this agreement if:</p> <ul style="list-style-type: none"> - sales budget results and activities are not achieved within the period of 20 February to 19 February of each year; - there is a breach which SFS fails to remedy within 30 days after receiving notice requiring to do so; - SFS suffers an insolvency event as defined in this Agreement; or - SFS suffers a change of control, as defined in this Agreement; or - a force majeure event occurs.
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Note:

By virtue of a letter dated 15 September 2017 from Bundaberg Brewed Drinks Pty Ltd addressed to Rus Import Export of Tullamarine, Victoria, Australia, it was informed that Bundaberg Brewed Drinks Pty Ltd has made the commercial decision to wind down and cease its supply arrangement with Rus Pty Ltd and consequently, product supply of "Bundaberg" will cease for East Malaysia on 1 September 2018. Despite this letter, subsequently on 18 July 2018, Bundaberg Brewed Drinks Pty Ltd wrote to SFS informing that its supply arrangement with Rus Pty Ltd and SFS will continue until otherwise advised and not until 1 September 2018 as previously advised. As at the LPD, SFS still continues with the distribution of "Bundaberg" brewed drinks.

- (ii) Distribution Agreement dated 23 September 2015 between SFS and Murray Goulburn Co-operative Co. Limited, Victoria, Australia

The salient terms of the abovementioned agreement are as follows:

Description	Murray Goulburn Co-operative Co. Limited (" Murray Goulburn ") appoints SFS as its sole distributor of the Products for resale in the territory mentioned below.
Term/ Duration	<p>Agreement commenced on 30 September 2015 and continued for a probationary period of 6 months until 29 March 2016 ("Expiry Date")*.</p> <p>Unless either party gives written notice to the other at least 2 months prior to the Expiry Date, this agreement will be automatically extended for a further period of 12 months from the Expiry Date. This agreement can be automatically extended no more than once.</p>
Territory	East Malaysia (comprising Sabah and Sarawak and the Federal Territory of Labuan).

4. OVERVIEW OF OUR BUSINESS (cont'd)

Payment Term	<p>Murray Goulburn will sell the products to SFS at the relevant price for the products as determined by Murray Goulburn. The price for each product stated in this agreement is valid until 30 June 2016. Exchange rate USD1 = MYR3.50. All prices are quoted on the basis of CIF (means the seller pay costs, freight and insurance against buyer's risk of loss or damage in transit to destination) Kuching, per Incoterms (2010). Murray Goulburn will review the prices every 3 months during the term.</p> <p>SFS must pay Murray Goulburn the price for products ordered by SFS in USD via a letter of credit at sight, which is to be provided no later than 2 weeks prior to the scheduled departure date of the relevant order.</p>
Products	"Devondale" brand of products consisting of butter, cheese, milk and milk powder, pastry, pasta and noodles
Termination/ Events of Default	Murray Goulburn may terminate this agreement at any time with 3 months' notice. Either party may terminate this agreement immediately by written notice to the other if there is a breach not remedied within 10 business days from date of receipt of written notice or a party suffers and insolvency event as defined in this agreement.

Note:

* *The term of appointment has expired since 28 March 2017 and the appointment for a new term is currently under review by Saputo Dairy Australia Ptd Ltd ("Saputo"). Despite the expiry of the agreement, Sapura allows SFS to continue distributing "Devondale" brand of products based on existing terms. In an unlikely situation where the appointment is not renewed, our management is of the opinion that there may be financial impact on the business of our Group. However, the Group can source alternative brands to distribute given the Group's long standing presence in the industry.*

- (iii) Distribution Agreement (Food Solutions) dated 21 February 2017 between SFS and Unilever

The salient terms of the abovementioned agreement are as follows:

Description	Unilever appoints SFS as its distributor for the resale and distribution of the products sold under Unilever's tradename, trademarks and brand names in the territory mentioned below.
Term/ Duration	This Agreement shall be deemed to have come into effect on the 1 September 2015 and shall remain in force unless determined in accordance with this Agreement.
Territory	Sarawak.

4. OVERVIEW OF OUR BUSINESS (cont'd)

Payment Term	SFS shall purchase the products from Unilever at such prices agreed between Unilever and SFS from time to time. Unilever reserves the right to adjust the prices governing the sale of the products at any time.
Products	Planta, Carte D'or, Lipton, Knorr and Lady's Choice
Termination/ Events of Default	This agreement may be terminated in whole or in part by either party on 3 months' written notice at any time.

(c) BFL

- (i) Redistribution Stockist Agreement dated 23 March 2012 between BFL and Unilever

The salient terms of the abovementioned agreement are as follows:

Description	BFL is appointed as the redistribution stockist in the territory mentioned below.
Term/ Duration	This agreement shall be deemed to continue on a year to year basis commencing on 1 January 2012 unless either party gives to the other party not less than 3 months' notice of termination in writing.
Territory	Miri, Sarawak consisting of town areas, Lutong, Kuala Baram, Batu Niah, Marudi, Limbang Town and Lawas.
Payment Term	All sales by Unilever to BFL shall be made by BFL to Unilever within 30 days from the date of statement. A prompt payment discount of 2% of invoice value for payment made within 14 days from the date of statement shall be paid by Unilever to BFL.
Products	Lady's Choice, Knorr, Carte D'or and Lipton
Termination/ Events of Default	This agreement may be terminated by either party with or without cause at any time by giving to the other 3 months' notice in writing, and upon the expiry of the said 3 months, this agreement shall automatically terminate, and thereafter, neither party shall have any claim against the other save for any antecedent breach.

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4. OVERVIEW OF OUR BUSINESS (cont'd)

- (ii) Distribution Agreement (Food Solutions) dated 25 May 2017 between BFL and Unilever

The salient terms of the abovementioned agreement are as follows:

Description	BFL is appointed as the distributor for the territory mentioned below.
Term/ Duration	This agreement shall be deemed to have come into effect on 26 May 2017 and shall remain in force unless determined in accordance with this agreement.
Territory	Miri, Sarawak
Payment Term	BFL shall purchase the products from Unilever at such prices agreed between Unilever and BFL from time to time. Unilever reserves the right to adjust the prices governing the sale of the products at any time.
Products	Planta, Carte D'or, Lipton, Knorr and Lady's Choice
Termination/ Events of Default	This agreement may be terminated in whole or in part by either party on 3 months' written notice at any time.

Other than the aforementioned distribution agreements, the relevant subsidiaries within our Group have, as at the LPD, been appointed for the distribution of various brands of products by way of letters of appointment:

Company	Principal/ Agent	Date of Letter of Appointment	Brands of Products	Territory
SCS	Pacific West Foods (M) Sdn Bhd	1 January 2014	Frozen seafood products from Pacific West	Sarawak
	PSM Group Pte. Ltd., Singapore	1 November 2014	Pertama, PTM, Premero	Sarawak
	Ramly Food Marketing Sdn Bhd	1 April 2017	Ramly	Sarawak
	Sydney Cake House Sdn Bhd	2 May 2017	Mak'cik	Sarawak
	Daily Fresh Trading Sdn Bhd	1 August 2017	Daily Fresh	Sarawak
	Farm's Best Food Industries Sdn Bhd	24 August 2016	Farm's Best, Segaria and Rasaria	Sarawak

4. OVERVIEW OF OUR BUSINESS (cont'd)

Company	Principal/ Agent	Date of Letter of Appointment	Brands of Products	Territory
SFS	Crispo-Tato (M) Sdn Bhd	5 May 2017	Promex	Sarawak
	Trade World Enterprise	1 August 2017	Nature Sea	Sarawak
	New Sevegep Ltd	10 October 2017	Cyprina fruit juices	Sarawak
	Heng Business Links Pty. Ltd.	16 October 2017	Bega cheese products	Sarawak
	Kewpie Malaysia Sdn Bhd	16 October 2017	Kewpie	Sarawak
	Green Master Global Fine Food Sdn Bhd	19 October 2017	Miny	Sarawak
	Soy Asahi Food Service (Malaysia) Sdn Bhd	27 October 2017	Marinade sauces, seafood stock, tom yam stock, karaage, nacho cheese taste blaster, juicy plus and coat roll	Sarawak
	Uhrenholt Sdn Bhd	Undated*	Emborg	Sarawak
F&N Beverages Marketing Sdn Bhd	5 April 2018	F&N beverages	Sri Aman, Lingga, Batu Lintang, Engkelili, Lubuk Antu, Betong, Spaoh, Debak, Pusa, Lachau, Pantu, Sungai Tenggang, Balai Ringin, Simunjan, Sebang and Sebuyau, all within Sarawak	
BFL	CKT Marketing Sdn Bhd	9 November 2017	Lazat	Miri, Sarawak
	QL Figo Foods Sdn Bhd	24 October 2017	Figo	Miri, Sarawak
	QSR Trading Sdn Bhd	11 April 2016	Life Sauces and Shelf Stable products	Miri, Sarawak
	Ting and Ling Trading Sdn Bhd	30 April 2016	Ayamas	Miri, Lawas and Limbang, all within Sarawak

Note:

* There is no date imprinted on the letter of appointment.

4. OVERVIEW OF OUR BUSINESS (cont'd)

4.14 Major Approvals, Licences and Permits

Our Group has obtained all the relevant approvals, certifications, licences and permits required for our business and operations as at the LPD.

4.14.1 Trading Licences, Business Licences and Halal Certificates

As at the LPD, our Group has obtained the following approvals, certifications, licences and permits in relation to the operation of our business:

No.	Licence Holder	Issuing Authority	Effective Date/ Expiry Date	Type of Licence/ Approval	Salient Conditions	Status of Compliance
1.	SCR	Collector of Business Licence (Pemungut/ Timbalan Pemungut Lesen Perdagangan)	06.07.2018/ 07.07.2019	The Businesses, Professions and Trading Licensing Ordinance of Sarawak issued for investment holding at Lot 919, Block 7, Muara Tebas Land District, Demak Laut Industrial Park, Sejingkat, 93050 Kuching, Sarawak.	This licence is renewable annually and the original must be produced together with the business chop at the time of renewal. This licence must be displayed.	Complied
2.	SCS	JAKIM	01.08.2017/ 31.07.2019	Certificate of Authentication Halal Standard No. MS 1500:2009 Reference No. JAKIM/ (S)/ (22.00)/ 492/ 2/ 1 099-09/ 2014 Series no. A79837 Certification that:- 1. Beef Back Rib/ Layer Pack 2. Beef Brisket 3. Beef Brisket Sliced 4. Beef Chuck Roll 5. Beef Chuck Tender 6. Beef Clods (Blade) 7. Beef Cube Roll 8. Beef Knuckle 9. Beef Liver 10. Beef Lung distributed by SCS has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Majlis Islam Sarawak.	The serial number and the Halal Malaysian logo are to be printed on the packaging label or the packaging of the products. SCS is required to comply with all the standards required throughout the tenure of the Certificate, failing which, the Certificate will be suspended or revoked.	Complied
3.	SCS	JAKIM	01.08.2017/ 31.07.2019	Certificate of Authentication Halal Standard No. MS 1500:2009 Reference No. JAKIM/ (S)/ (22.00)/ 492/ 2/ 1 099-09/ 2014 Serial no. A79838	The serial number and the Halal Malaysian logo are to be printed on the packaging label or the packaging of the products. SCS is required to comply with all the standards required	Complied

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Licence Holder	Issuing Authority	Effective Date/ Expiry Date	Type of Licence/ Approval	Salient Conditions	Status of Compliance
				<p>It is certified that:</p> <ol style="list-style-type: none"> 1. Beef Neck Bone 2. Beef Short Ribs 3. Beef Shortloin (T-Bone) 4. Beef Striploin 5. Beef Tails 6. Beef Tenderloin 7. Beef Tendon 8. Beef Topside/ Inside 9. Beef Tripe 10. Frozen Mackerel <p>distributed by SCS has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Majlis Islam Sarawak.</p>	throughout the tenure of the Certificate, failing which, the Certificate will be suspended or revoked.	
4.	SCS	JAKIM	01.08.2017/ 31.07.2019	<p>Certificate of Authentication Halal Standard No. MS 1500:2009 Reference No. JAKIM/ (S)/ (22.00)/ 492/ 2/ 1 099-09/ 2014 Serial no. A79840</p> <p>It is certified that:-</p> <ol style="list-style-type: none"> 1. Mutton Leg Boneless 2. Mutton Shoulder 3. Supreme Beef Burger 4. Supreme Chicken Burger 5. Supreme Chicken Frankfurter 6. Supreme Crinkle Cut 7. Supreme Imitation Crab Meat Stick 8. Supreme Minced Beef 9. Supreme Minced Chicken 10. Supreme Minced Lamb <p>distributed by SCS has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Majlis Islam Sarawak.</p>	<p>The serial number and the Halal Malaysian logo are to be printed on the packaging label or the packaging of the products.</p> <p>SCS is required to comply with all the standards required throughout the tenure of the Certificate, failing which, the Certificate will be suspended or revoked.</p>	Complied
5.	SCS	JAKIM	01.08.2017/ 31.07.2019	<p>Certificate of Authentication Halal Standard No. MS 1500:2009 Reference No. JAKIM/ (S)/ (22.00)/ 492/ 2/ 1 099-09/ 2014</p>	The serial number and the Halal Malaysian logo are to be printed on the packaging label or the packaging of the products.	Complied

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Licence Holder	Issuing Authority	Effective Date/ Expiry Date	Type of Licence/ Approval	Salient Conditions	Status of Compliance
				Serial no. A79841 It is certified that:- 1. Supreme Shoestring distributed by SCS has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Majlis Islam Sarawak.	SCS is required to comply with all the standards required throughout the tenure of the Certificate, failing which, the Certificate will be suspended or revoked.	
6.	SCS	JAKIM	01.08.2017/ 31.07.2019	Certificate of Authentication Halal Standard No. MS 1500:2009 Reference No. JAKIM/ (S)/ (22.00)/ 492/ 2/ 1 099-09/ 2014 Serial no. A79839 Certification that:- 1. Lamb Carcass 2. Lamb Leg Boneless 3. Lamb Leg Chump Off 4. Lamb Leg Chump On 5. Lamb Loin 6. Lamb Rack 7. Lamb Shank 8. Lamb Short Loin 9. Lamb Shoulder 10. Mutton Foreshank distributed by SCS has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Majlis Islam Sarawak.	The serial number and the Halal Malaysian logo are to be printed on the packaging label or the packaging of the products. SCS is required to comply with all the standards required throughout the tenure of the Certificate, failing which, the Certificate will be suspended or revoked.	Complied
7.	SCS	Malaysian Fisheries Development Authority (Lembaga Kemajuan Ikan Malaysia)	20.03.2018/ March 2019*	Licence to import frozen and fresh fish through Kuching International Airport and Kuching/ Senari port for wholesaling outside wholesale market at Demak Laut Warehouse	This licence must be displayed at a conspicuous place at the business premise. This licence must be renewed within 2 months prior to its expiry.	Complied

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Licence Holder	Issuing Authority	Effective Date/ Expiry Date	Type of Licence/ Approval	Salient Conditions	Status of Compliance
8.	SCS	Collector of Business Licence (Pemungut/ Timbalan Pemungut Lesen Perdagangan)	29.03.2018/ 30.04.2019	The Businesses, Professions and Trading Licensing Ordinance of Sarawak issued for distributor of import frozen foods at Demak Laut Warehouse	This licence is renewable annually and the original must be produced together with the business chop at the time of renewal. This licence must be displayed.	Complied
9.	SFS	Collector of Business Licence (Pemungut/ Timbalan Pemungut Lesen Perdagangan)	29.03.2018/ 25.04.2019	The Businesses, Professions and Trading Licensing Ordinance of Sarawak issued for import, export buy sell, provide storage, distributor transport day product, foodstuff, beverages, products of all kind in commercial cold storage business at Demak Laut Warehouse	This licence is renewable annually and the original must be produced together with the business chop at the time of renewal. This licence must be displayed.	Complied
10.	BFL	JAKIM	01.04.2017/ 31.03.2019	Certificate of Authentication Halal Standard No. MS 2400-2:2010 Reference No. JAKIM/ (S)/ (22.00)/ 492/ 2/ 1 069-12/ 2015 Serial No. A71694 Certification that the Logistic (Penggudangan) managed by BFL has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification of JAKIM. List of approved products attached to the Certificate, bearing Reference No. JAKIM/ (S)/ (22.00)/ 492/ 2/ 1 069-12/ 2015 and Serial No. A71694 dated 22/ 3/ 2017: 1. Beef 2. Bread Crumb 3. Chicken Part 4. Drinking Water 5. Fish Cake 6. Honey products Dalian Jialong International Trade 7. Lamb 8. Lichuan Fish Cake 9. Mini Jam 10. Mutton 11. Mutton Products 12. Offal Beef Liver 13. Orange Marmalade Jam	1. This Halal Certificate of Authentication (" the Certificate ") and the Malaysian Halal Logo (" the Logo ") shall not be traded, transferred nor shall its contents be altered. 2. The use of the Certificate is subject to the laws and regulations that are currently in force. 3. Any changes to the name or address of the company, factory or premise, name of the product, ingredients, suppliers or anything related thereto shall be informed in writing to the Director General of JAKIM for further action. 4. The Certificate holder shall at all times be subject to inspection, monitoring and enforcement conducted either by JAKIM, Islamic Religious Council/ Department (" MAIN/ JAIN ") of the States or the Ministry of KPDNKK. 5. The Certificate holder shall be held responsible for any abuse or misappropriation of the Certificate. Any loss or damage of the Certificate shall be reported to the Royal Malaysian Police (" PDRM ") and shall immediately be informed in writing to the Director General of JAKIM.	Complied

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Licence Holder	Issuing Authority	Effective Date/ Expiry Date	Type of Licence/ Approval	Salient Conditions	Status of Compliance
				14. Pasta 15. Products 16. Pure Honey 17. Tuna	6. The Certificate may be suspended or withdrawn at any time by JAKIM, MAIN/ JAIN or KPDKK if there is doubt in terms of Islamic Law or violation of any laws or regulations that are currently in force. 7. The Certificate holder shall exhibit the Logo on the product of the approved premise as stated in the Certificate. 8. The Certificate shall be signed by the certificate holder and a copy of the signed certificate shall be submitted to the Director General of JAKIM. 9. The Certificate shall be exhibited only at the address as stated in the Certificate. 10. The use of the Logo on the approved product or premise shall be accompanied by the Reference Number and Standard Number as stated in the Certificate for such product or premise. 11. Renewal application shall be made 3 months before the expiry of the Halal Certificate.	
11.	BFL	Collector of Business Licence (Pemungut/ Timbalan Pemungut Lesen Perdagangan)	15.08.2018/ 17.08.2019	The Businesses, Professions and Trading Licensing Ordinance of Sarawak issued for cold storage at Lot 1970 & 1971, Block 4, Piasau Industrial Estate, Jalan Piasau Utara, 98000 Miri, Sarawak	This licence is renewable annually and the original must be produced together with the business chop at the time of renewal. This licence must be displayed.	Complied
12.	STSB	Collector of Business Licence (Pemungut/ Timbalan Pemungut Lesen Perdagangan)	17.08.2018/ 19.09.2019	The Businesses, Professions and Trading Licensing Ordinance of Sarawak issued for logistics and transportation of goods at Ground Floor of Demak Laut Warehouse	This licence is renewable annually and the original must be produced together with the business chop at the time of renewal. This licence must be displayed.	Complied
13.	SCS**	Kuching North City Hall (Dewan Bandaraya Kuching Utara)	01.01.2018/ 30.06.2020	Licence to conduct the following businesses by SCS: - Sale of meat; and - Cold storage; at Demak Laut Warehouse	None	Not applicable

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Licence Holder	Issuing Authority	Effective Date/ Expiry Date	Type of Licence/ Approval	Salient Conditions	Status of Compliance
14.	SCS	Ministry of Health Malaysia	25.05.2018 / 24.05.2021	MeSTI Certificate Certification No. 78/Q/000225-052018 MeSTI Certificate to certify that SCS at the Demak Laut Warehouse has fulfilled the terms and conditions for certification of MeSTI (Makanan Selamat Tanggungjawab Industri)	<ol style="list-style-type: none"> 1. The MeSTI certificate and logo shall not be transferrable nor shall its content be altered. 2. Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, Ministry of Health Malaysia for further action. Certification will be automatically void should the factory or premise ceased operation. 3. The certificate holder shall be subjected to inspection, monitoring and enforcement activities conducted by the Ministry of Health Malaysia. 4. The certificate holder is subject to the laws and regulations that are currently in force in the country. 5. The certificate holder shall be held responsible for any abuse or manipulation of the certificate. Any loss or damage of the certificate shall immediately be informed in writing to the Senior Director for Food Safety and Quality, Ministry of Health Malaysia. 6. The certificate remains the property of the Ministry of Health Malaysia. It may be withdrawn or terminated at any time if there is violation of any guidelines, laws or regulations that are currently in force. 7. The use of the logo is only allowed for food product that is being produced in the premises as stated in the certificate. 	Complied

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Licence Holder	Issuing Authority	Effective Date/ Expiry Date	Type of Licence/ Approval	Salient Conditions	Status of Compliance
15.	SCS	Department of Veterinary Services Sarawak	06.04.2018 / 05.04.2019	Approval for Importation of Indian beef from APEDA 23, Frigorifico Allana India Ref: (6)DVS/HQ/600-2/2/1 Approval granted by the Approving Committee for the importation of Animal and Animal Products to SCS to import 810 MT or 32 containers per month for 1 year from APEDA 23, Frigorifico Allana India	<ol style="list-style-type: none"> The State Veterinary Authority Sarawak reserves the right to terminate or impose restrictions in the event of: <ul style="list-style-type: none"> - an outbreak of diseases; or - upon the expiry of the validity of the establishment; or - breach of import conditions, without prior notification. The State Veterinary Authority Sarawak reserves the right to reduce the quota if the amount imported is less than the approved quantity. 	Complied

Notes:

* No specific date imprinted on the licence, and may be assumed to expire on the last day of the calendar month of March 2019.

** Licence is issued to SCS. Lim Ah Ted's name is also imprinted on the licence as being the director of SCS, the holder of this licence.

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4. OVERVIEW OF OUR BUSINESS (cont'd)

4.14.2 Permits to Import

The State Veterinary Authority Sarawak is empowered to regulate the import of veterinary, vaccines, animals, riverine fish and related products with the Veterinary Public Health Ordinance 1999 of Sarawak including the rules and orders made pursuant thereto. Upon arrival of animals, riverine fish and related products, they are inspected by Veterinary Port Health officers at the port of entry before they are allowed landing or release.

In compliance with section 9(1) of the Veterinary Public Health Ordinance 1999 of Sarawak, permits to import from the State Veterinary Authority Sarawak is required for importation of authorised food products into Sarawak ("**Permits to Import**").

Such Permits to Import is only valid for a period of 60 days from the date of issue or deemed to have been revoked after the landing or entry of the authorised food product, whichever is earlier, and in the authorised quantity into Sarawak. Upon the expiry or deemed revocation of any Permits to Import, a new Permit to Import will be required to be obtained from the State Veterinary Authority Sarawak for the importation of the authorised food products into Sarawak. Every shipment of the authorised food products for each consignment requires a valid Permit to Import, and our Group ensures that there is a valid Permit to Import for each shipment.

As at the LPD, our Group has obtained various Permit to Import from the State Veterinary Authority Sarawak for the purpose of our business. Such Permit to Import are issued to our subsidiary, SCS and SFS, for importation of food products from the country of import into the state of Sarawak. The table below sets out the type of food products and the country of import or origin according to the category, based on the Permit to Import issued to SCS or SFS, which are valid and subsisting as at the LPD:

Category	Type of Food Products	Country of Import/ Origin
Frozen food	Frozen Indian boneless buffalo meat	India
	Frozen beef, frozen bones, mutton shoulder, beef neck bones, beef knuckle, frozen bone in mutton legs, frozen beef inside, boneless beef, boneless beef blade U/ 10mm VP, beef clod, boneless beef chuck tender chilled, boneless beef knuckle chilled, chilled boneless beef, boneless beef D-rump chilled, chilled boneless beef, chilled boneless beef cube roll, chilled boneless beef, spleen, frozen beef tripe pieces, frozen bone-in beef neck meat, frozen bone-in lamb fore shanks, bone in lamb shoulder, lamb leg, lamb leg boneless, beef bolar blade, frozen beef short loin, frozen beef tendons, frozen beef bone in beef tails, frozen beef striploin, beef short rib and beef tenderloin	Australia
	Frozen beef liver, frozen beef tripe, frozen boneless beef, frozen beef clod, frozen beef striploin, frozen beef neck bone, beef tripe, frozen bone in lamb square cut shoulder, lamb rack and lamb leg	New Zealand
	Shell curry chicken puff, chicken curry puff, curry chicken filling, Hawaiian pizza, pepperoni pizza, Italian pizza, Mexico topping and premium curry chic puff	Malaysia
	Beef nugget, beef frankfurter and beef meat ball	↓
	Ramly beef burger, Ramly beef burger oblong classic and Ramly beef burger (grilled/ smoked)	
	Chicken burger, Ramly chicken burger, chicken nugget, chicken tempura nugget, fried chicken, breaded chicken drummets and Ramly chicken frankfurter	

4. OVERVIEW OF OUR BUSINESS (cont'd)

Category	Type of Food Products	Country of Import/ Origin
Frozen food (cont'd)	Butter croissant, kaya whirl and twist kaya	Malaysia
	Farm's Best golden crumb chicken nugget, Farm's Best Segaria chicken nugget, Farm's Best Segaria fried chicken, Farm's Best chicken meatball (plain), Farm's Best deli chicken meat loaf, Farm's Best popcorn chicken, Farm's Best chicken meatball (vegetable), Farm's Best tempura cheese nugget and Farm's Best chilli hot chicken drummet	↓
	Delihous chicken nugget, Delihous chicken nugget stick, Delihous 99 promo pack and Delihous honey chicken frankfurter	
	Prima chicken lyoner plain, Prima chicken mushroom lyoner, Prima jumbo chicken frankfurter, Prima chicken meat loaf, Prima beef breakfast sausage, Prima beef garlic sausage, Prima beef pepperoni sliced, Prima smoked beef pepperoni, Prima beef brisket strips and Prima turkey toast sliced	
Chilled food	Australia	
Chilled food	Mother's Choice cheddar cheese slices, cheddar cheese slices, cream cheese, butter, Olive Gold margarine, spreadable butter, cheese slices, cream cheese and margarine	Malaysia
	Buttercup luxury spread and Buttercup dairy spread	Malaysia
	Twin Cows blended spread	Malaysia
Dairy products	Milk and milk product	Australia

For importation of frozen and fresh fish, SCS has obtained a valid licence from the Malaysian Fisheries Development Authority (Lembaga Kemajuan Ikan Malaysia) to import frozen and fresh fish through Kuching International Airport and the Kuching or Senari ports for the purpose of wholesaling outside wholesale market at our Demak Laut Warehouse. The details of this licence are set out in Section 4.14.1 of this Information Memorandum.

4.14.3 Health and Halal Certifications Requirement for Import of Food

The importation of food into Malaysia is governed by the Food Act 1983 and Food Regulations 1985, which prohibits any importation of food which does not comply with the provisions on importation of food.

Apart from Permit to Import (as explained in Section 4.14.2 of this Information Memorandum), certain foods to be imported will require additional documentation to be accompanied with the consignment when it is imported.

In line with the requirements imposed on 1 January 2005 by the Ministry of Health Malaysia and regulated by its Food Safety and Quality Division, there must be a valid health certificate issued and submitted to the authorised health officer at the entry point once custom declaration is made for importation of meat, edible meat offal, poultry, edible poultry offal, shrimps and prawns into Malaysia from overseas. The food groups that require health certificate under the Malaysia law which are related to the foods which our Group distributes are all types of fresh, chilled or frozen meat of bovine animals including buffalo meat, lamb, goats, sheep and poultry meat including edible offal and other meat. A valid health certificate certifies, amongst others, that the meat is free from disease and fit for human consumption.

4. OVERVIEW OF OUR BUSINESS (cont'd)

In addition, if the meat was slaughtered in accordance with Islamic rites, a Halal slaughtering certificate or its equivalent will certify that the meat is fit for consumption by Muslims in any part of the world. Such slaughtering certificate is only valid for the meat which was slaughtered on the slaughter dates specified in the certificate.

A valid health certificate is also required to be accompanied with the consignment of all dry F&B, frozen food, chilled food and dairy products as described in in Section 4.2 of this Information Memorandum, when such food products are imported from the country of import or origin as mentioned in Section 4.14.2 of this Information Memorandum. Such health certificate is required to be issued by a competent authority of the exporting country certifying that there are no diseases in the country of origin prior to export and that the food is fit for human consumption.

A Halal certificate will also be obtained from the competent authority of the exporting country, certifying that the process of food production has complied with Islamic rites and therefore these products are Halal and can be consumed by Muslims in any part of the world. Alternatively, a Halal accreditation certifying that the food exporter is accredited by the Islamic council of the exporting country to process Halal products is required.

Each health certificate, Halal slaughtering certificate, Halal certificate, Halal accreditation or its equivalent are issued for a specific consignment. With such certificates, the State Veterinary Authority Sarawak will then issue a Permit to Import (as explained in Section 4.14.2 of this Information Memorandum) for the corresponding consignment.

As our Group imports frozen food including frozen meat, chilled food, dairy products and dry F&B from Australia, India, Vietnam and New Zealand on consignment basis, we ensure that valid certificate of health and certificate of Halal slaughter as well as Halal certificate and Halal accreditation are obtained from the relevant authorities of the country of export for all our import. The table below sets out the type of certificates issued to SCS or SFS, as the case may be, by the relevant authorities of the country of export for some of our consignments as at the LPD:

Country of Import/ Origin	Issuing Authority/ Company	Type of Certificate	Slaughter Dates/ product/ subject matter	Date of Issue	Date of Expiry/ Validity
Australia	Department of Agriculture, Fisheries and Forestry	Official Certificate with respect to Meat, Meat Products and Edible Offal - certifying that Australia has been free from diseases 12 months immediately prior to the slaughter of the animals and the export of the product to Malaysia	None stated – but relates to or correspond with Certificate of Slaughter in accordance with Islamic rites issued for the same consignment of 754 cartons of frozen bone in beef neck bones	24 August 2018	Nil
		Certificate of Slaughter in accordance with Islamic rites	24 April 2018 to 13 August 2018 (for 754 cartons of frozen bone in beef neck bones)	24 August 2018	Nil

4. OVERVIEW OF OUR BUSINESS (cont'd)

Country of Import/ Origin	Issuing Authority/ Company	Type of Certificate	Slaughter Dates/ product/ subject matter	Date of Issue	Date of Expiry/ Validity
		Halal Certificate - certifying that Australia was free from diseases 12 months prior to the export of the product	1887 cartons of Tatura Australian Natural Cream Cheese	22 August 2018	Nil
	Australian Halal Authority & Adviser	Halal Accreditation Certificate	Saputo Dairy Australia Pty Ltd has been inspected, audited, approved and accredited to process and produce food according to Islamic rites and the food can be consumed by Muslims in any part of the world	2 May 2018	Valid until 28 March 2019
	Islamic Co-ordinating Council of Victoria	Halal Certificate	Tatura Milk Industries Ltd is accredited to prepare the Halal products set out in the certificate	Not stated	31 July 2019
India	Frigorifico Allana Private Limited	Slaughter Certificate	4 June 2018 to 4 July 2018 (relates to 1420 cartons of Indian origin frozen halal boneless buffalo meat slaughtered by Muslim Halal method)	13 August 2018	Nil
	Jamiat Ulama Halal Foundation India	Halal Slaughtering Certificate	None stated – but relates to or correspond with the Health Certificate issued for the same consignment of 1420 cartons of Indian origin frozen halal boneless buffalo meat	13 August 2018	Nil
	Department of Animal Husbandry, of the Government of Maharashtra, India	Health Certificate	None stated – but relates to 1420 cartons of Indian origin frozen halal boneless buffalo meat slaughtered by Muslim Halal method	8 August 2018	90 days from the date of issue

4. OVERVIEW OF OUR BUSINESS (cont'd)

Country of Import/ Origin	Issuing Authority/ Company	Type of Certificate	Slaughter Dates/ product/ subject matter	Date of Issue	Date of Expiry/ Validity
New Zealand	Ministry for Primary Industries	Sanitary Certificate for Meat and Meat Products for Human Consumption to Malaysia	16 March to 14 June 2018 (for 1347 cartons of frozen beef neck bone)	20 July 2018	Nil
	The Federation of Islamic Association of New Zealand	New Zealand Halal Export Certificate	16 March to 14 June 2018 (for 1347 cartons of frozen beef neck bone)	19 July 2018	Nil
Vietnam*	Ken Ken (Viet Nam) Food Manufacturing Co. Ltd.	Health Certificate	Not stated*	21 June 2018	Nil

Note:

* *There was no Halal certificate issued in respect of this product imported from Vietnam, which is for pangasius, a type of seafood.*

As for importation of our Group's other food products from West Malaysia through our suppliers, the consignment is to be accompanied with a certificate of Veterinary Health Mark ("VHM") issued to the supplier by the Department of Veterinary Services of the Ministry of Agriculture and Agro-Based Industry, Malaysia. Such certificate certifies that the supplier concerned has fulfilled the requirements of the Department of Veterinary Services and the implementation of Quality Assurance Program and Hazard Analysis and Critical Control Point (HACCP) system for food safety. Accredited supplier is then allowed to use the VHM logo on labels and packaging of products and premises that have been approved by the Department of Veterinary Services Malaysia.




With such certificate of VHM, no separate health certificate is required, but instead the State Veterinary Authority Sarawak will issue the necessary Permit to Import (as explained in Section 4.14.2 of this Information Memorandum) for the consignment of the approved food products.

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4. OVERVIEW OF OUR BUSINESS (cont'd)

4.15 Intellectual Properties

As at the LPD, we have submitted the trademark application for the following trademarks to the Intellectual Property Corporation of Malaysia:

Trademark Logo	Registrant	Country Trademark Number/ Class No.	Description of Trademark	Status
	SCR	2017014062/ Class 35	Advertising, business management, business administration, office functions	Application to be re-submitted with modification so that the usage of the word "Supreme" is not considered as general usage of word.
	SCR	2017014061/ Class 39	Transport, packaging and storage of goods, travel arrangement	Application for registration has been accepted vide letter dated 28 February 2018, on the condition that such registration shall give no right to exclusive use of the word "Supreme". Pending gazette.
	SCR	2017014063/ Class 39	Transport, packaging and storage of goods, travel arrangement	Application to be re-submitted with modification so that the usage of the word "Supreme" is not considered as general usage of word.

Save as disclosed above, our Group is not dependent on any other intellectual property rights for our business operations.

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4. OVERVIEW OF OUR BUSINESS (cont'd)

4.16 Properties

4.16.1 Properties Owned by Our Group

(a) As at the LPD, our Group own the following properties:

No.	Registered/ Beneficial Owner	Title/ Address	Description/ Existing Use	Age of the Building/ Tenure	Encumbrances	Land Area/ Built-up Area (square metre)	Date of Issuance of Occupation Permit	Market Value ⁽³⁾ / Date of Valuation (RM'000)	Net Book Value as at 31.12.2017 (RM'000)
1.	SCS	Provisional Lease Lot 842, Block 7, Muara Tebas Land District/ Lorong Demak Laut 3A, Demak Laut Industrial Park, Kuching, Sarawak ("Lot 842")	Vacant industrial land/ a 3-storey office cum warehouse will be built as mentioned in Section 2.1.4 (a) of this Information Memorandum	Not applicable/ Leasehold of 60 years expiring 20 September 2054	Charged to United Overseas Bank (Malaysia) Berhad	7,720.0/ Approximately 2,000 (for the new 3-storey office cum warehouse	Not applicable (vacant land)	1,740/ 27 July 2018	1,550
2.	SCS	Provisional Lease Lot 919, Block 7, Muara Tebas Land District/ Demak Laut Warehouse	Two (2) detached industrial buildings – offices and two (2) warehouses/ Office and warehouse	Warehouse 1 and two (2) ancillary buildings – 22 years Warehouse 2 – 17 years Warehouses 3 & 4 – 10 years/ Leasehold of 60 years expiring 12 February 2054	Charged to AmBank Islamic Berhad and AmBank (M) Berhad	8,440.0/ 4,579.9 (for all four (4) buildings and two (2) ancillary buildings)	Industrial building 28.06.1996 Extension to existing building 17.11.2003 Open shed to existing building 28.12.2007 Renovation & Extension to existing building 26.7.2018	5,100/ 27 July 2018	1,053
SUBTOTAL								6,840	2,603

4. OVERVIEW OF OUR BUSINESS (cont'd)

No.	Registered/ Beneficial Owner	Title/ Address	Description/ Existing Use	Age of the Building/ Tenure	Encumbrances	Land Area/ Built-up Area (square metre)	Date of Issuance of Occupation Permit	Market Value ⁽³⁾ / Date of Valuation (RM'000)	Net Book Value as at 31.12.2017 (RM'000)
3.	SCS ⁽¹⁾	Provisional Lease Lot 8276, Section 64, Kuching Town Land District/ Lee Chong Lin Industrial Estate ("Lot 8276")	2-storey semi-detached industrial building/ Office and warehouse	33 years/ Leasehold of 60 years expiring 21 March 2045	Nil	534.2/ 245.2 (exclude extension areas)	09.10.1985	820/ 27 July 2018	820
4.	SFS ⁽²⁾	Lot 1201, Block 7, Muara Tebas Land District/ Lorong Demak Laut 5, Demak Laut Industrial Park ("Lot 1201")	Detached industrial building – office and warehouse/ Vacant (to be disposed)	Not applicable/ Leasehold of 60 years expiring 13 October 2056	Charged to Malayan Banking Berhad	1,600.0/ 610.2	None (to be disposed)	590 (land value only)/ 27 July 2018	964
5.	BFL	Lot 1970 and Lot 1971, both of Block 4, Piasau Industrial Estate, Jalan Piasau Utara, Miri, Sarawak	Two (2) adjoining units of 1½ storey semi- detached industrial building/ Office and warehouse	33 years/ Leasehold of 55 years expiring 21 June 2042	Nil	797.9 each/ 722.2 (Lot 1970) and 521.9 (Lot1971) (after extension approval)	26.12.1985 Extension to existing building on 22.11.2017	1,380 for Lot 1970 & 1,280 for Lot 1971/ 1 August 2018	560
6.	BFL	Lot 1541, Block 3, Miri Concession Land District/ Jalan Piasau Utara 3, Piasau Utara Light Industrial Estate	2-storey clustered industrial building	24 years/ Leasehold of 60 years expiring 10 January 2054	Nil	343.7/ 458.1 (after extension approval)	21.04.1994 Extension to existing building on 02.04.2018	830/ 1 August 2018	348
SUBTOTAL								4,900	2,692
TOTAL								11,740	5,295

4. OVERVIEW OF OUR BUSINESS (cont'd)

Notes:

- (1) The acquisition of this property by SCS is still on-going as at the LPD, the details of which are set out in Section 9.1(v) of this Information Memorandum. The acquisition is expected to be completed by 30 October 2019.
- (2) The disposal of this property by SFS is still on-going as at the LPD the details of which are as set out in Section 9.1(vi) of this Information Memorandum. The disposal is expected to be completed by 30 August 2019.
- (3) The market value disclosed above is based on the valuation report prepared by an independent valuer, namely CH Williams Talhar Wong & Yeo. This market value is solely for information purposes. We do not intend to incorporate the market value of these properties in our financial statement in the future.

- (b) As at the LPD, our Group has purchased three (3) properties which are currently under construction, the details of which are set out in the table below. The salient terms of the contracts relating to the acquisition of these properties are set out in Section 9.1 (ii), (iii) and (iv) of this Information Memorandum.

No.	Purchaser/ Beneficial Owner	Vendor/ Developer	Title/ Address	Description	Master Title	Land Area/ Built-up Area (square metre)	Date of Issuance of Occupation Permit	Expected Completion date	Purchase Price (RM'000)
1.	SFS	JCSB	Plot 10 (Survey Lot 14889), Block B, Jalan Semariang, Kuching ("Plot 10")	3-storey corner shophouse	Lot 13968, Section 65, Kuching Town Land District	309.7	Pending/ Under construction	10 January 2021	1,418
2.	SCS	JCSB	Plot 11 (Survey Lot 14890), Block B, Jalan Semariang, Kuching ("Plot 11")	3-storey intermediate shophouse	Lot 13968, Section 65, Kuching Town Land District	301.5	Pending/ Under construction	10 January 2021	1,281
3.	BFL	JCSB	Plot 12 (Survey Lot 14891), Block B, Jalan Semariang, Kuching ("Plot 12")	3-storey intermediate shophouse	Lot 13968, Section 65, Kuching Town Land District	301.4	Pending/ Under construction	10 January 2021	1,281
TOTAL									3,980

Note:

The acquisition of the above properties will be financed by way of bank borrowings. As at the LPD, we have obtained banking facilities from United Overseas Bank (Malaysia) Berhad to part-finance the acquisition of the above properties. Once the above properties are completed, we intend to use them as distribution centres to service our customers in Semariang area. Semariang is situated at the northern part of Kuching and has been identified as a new growth area of Kuching. Presently, it comprises a township with more than 5,000 units of residential and commercial buildings, a hypermarket market and a light industrial park. The township has entered into its second phase with the development of Borneo Semariang Resort City. This development comprises a water theme park (which was completed sometime in March 2018), safari park, hotel and convention and exhibition facilities that will further enhance and attract visitors to Semariang.

4. OVERVIEW OF OUR BUSINESS (cont'd)**4.16.2 Properties Rented by Our Group**

As at the LPD, the details of the property which we are currently renting are as follows:

No.	Tenant/ Beneficial Owner	Landlord	Title/ Address	Location	Description/ Usage	Land Area/ Built-up Area (square metre)	Date Issuance Occupation Permit	of of	Duration of Tenancy
1.	SFS	Tay Choon Siang	Lot 1709, Block 5, Undup Land District	Sabu, Temudok Road, Sri Aman	2-storey detached building/ Godown cum showroom cum office	1,365.0 (Built- up area) 3,824.0 (open area)	14 May 2012		3 years commencing on 1 June 2018 and expiring on 30 June 2021*

Note:

* The tenancy agreement for the tenancy of this premise is dated 2 May 2018.

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4. OVERVIEW OF OUR BUSINESS *(cont'd)*

4.17 Business Strategies and Future Plans

Moving forward, our Group will focus on the following strategies to grow our business.

(i) Construction of New Warehousing Facilities

As disclosed in Section 2.1.4(a) of this Information Memorandum, one of the immediate future plans of our Group involves constructing a new warehousing and cold storage facility that will serve as a main distribution centre for our Group and is expected to cater for the expansion of our Group's products. The new warehousing and cold storage facility will be built on an existing vacant industrial land described as Lot 842 (please refer to item no. (1) in Section 4.16.1 (a) of this Information Memorandum for details).

Our current warehousing and cold storage facilities is operating at almost full capacity, resulting in the need to rent additional storage space to store our products which increases our expenses and reduces operational efficiency. The new warehousing facilities will include a new warehousing area, cold storage facilities (such as freezer and chiller room to store frozen and chilled food), office, loading and unloading bay as well as a fully-equipped kitchen which is to be used for marketing activities such as cooking demonstrations to our customers. The built-up area of the warehousing facilities is approximately 2,000 square metres.

Our Group has submitted a development plan to the local authority for the construction of the new warehousing facilities and the formal approval dated 13 June 2018 for the proposed construction has been obtained from the Land and Survey Department, Kuching Division. The total cost of the construction of new warehousing facilities is estimated at RM13.0 million. Of the RM13.0 million, we intend to utilise RM3.5 million from the Excluded Issue proceeds to fund part of the construction cost while the remaining balance will be funded through our internally generated funds and/or bank borrowings.

(ii) Expanding Product Range

Our Group intends to secure new agency rights as part of our efforts to introduce new products that are in line with customers' needs. The expansion will involve securing rights for local and overseas products that complement our current product offerings. The product range expansion will also include the sourcing and securing of agency rights for alternative products, such as blended butter, which are priced lower than butter, to provide our customers with additional choices with different pricing. One successful example of our product range expansion includes securing the rights to distribute dry F&B products in Sri Aman and its surrounding areas, which increases the type of dry F&B products that we currently offer.

(iii) Expanding Distribution Network

Our Group's warehousing and distribution facilities are currently located in Kuching and Miri. As part of our expansion plan, we intend to increase the number of distribution network in selected districts in Sarawak in order to have our own distribution network for improved distribution efficiency and at the same time, reduce our dependency on distributors. We are currently exploring the possibilities of expanding our distribution network to Sibul and Bintulu, two (2) districts that are located in the middle of the State of Sarawak. The expansion of our distribution network will be achieved via acquisition of suitable distributors in the two (2) identified districts or by establishing a distribution network in the said districts.

4. OVERVIEW OF OUR BUSINESS (*cont'd*)

4.18 Industry Outlook and Prospects of our Group

Our Board is optimistic over our Group's prospects, after taking into consideration our future plans as elaborated above, our key competitive strengths as well as the positive outlook of the food and beverages distribution market in Malaysia.

The food and beverages distribution market in Malaysia is forecast to expand at a steady pace throughout the period of 2017 to 2022. It is projected to grow from RM108.41 billion in 2017 to RM147.92 billion in 2022, representing a compound annual growth rate ("**CAGR**") of 8.2% throughout the said period.

Factors influencing the demand of the food and beverages distribution market mainly derive from the change in eating habits caused by fundamental and societal changes. The proportion of urban population has been increasing from 50.7% (in 1991), to 62.0% (in 2000). In 2010, urban population in Malaysia further expanded to 71.0%. As urbanisation continues, demand for processed food is set to increase, as urban population with busy lifestyle opt for food choices that offer better convenience.

Additionally, the Malaysian population growth has a positive correlation to the demand for food. As the population grows, the demand of food consumed, including chilled and frozen food increases as well. As the Malaysian population is projected to grow from 28.6 million in 2010 to 41.5 million in 2040, demand for food is set to grow and accordingly, spurring further expansion on the food and beverages distribution market.

Source: IMR Report

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5. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER, ALONG WITH OTHER MATTERS IN THIS INFORMATION MEMORANDUM, THE RISKS AND INVESTMENT CONSIDERATIONS BELOW.

5.1 Risks Relating to Our Business and Operations

5.1.1 Dependency on Third Party Brands

Our Group is principally involved in the distribution of food and beverages which are sourced from multiple brand owners for distribution in Sarawak. The food and beverages distribution activities contributed 99.8% of our revenue for FYE 2017. Some examples of the third-party brands that we distribute include but not limited to “Ayamas”, “Bega”, “Devondale”, “Emborg” and “Farmcow”. Therefore, any material disruptions in our business dealings with these brand owners may affect our business and financial performance.

In mitigation, we have established close business relationships with the brand owners. For example, we have worked with brands such as Ayamas, Bega, Emborg and Farmcows for more than 15 years and have continued to work closely with them to increase their brands’ awareness in the market. Further, our Group continually seeks new agency rights to increase the brands and types of products for our distribution hence reducing reliance on one particular brand.

Save as disclosed in Section 4.13 (b) (ii) of this Information Memorandum, as at the LPD, our Group has not experienced any material adverse impact on our business operations and financial performance due to our dependency on the distribution of third-party brands. Nevertheless, there can be no assurance that the risk of business disruption from distribution of third-party brands would not have a material adverse impact on our Group in the future.

5.1.2 Disruption to Warehousing and Cold Storage Facilities

Our business operations are dependent on the continued operations of our warehousing and cold-storage facilities as well as our transportation vehicles. Any disruptions to our warehousing and cold-storage facilities as well as our transportation vehicles such as fire, power failure or breakdown will have an adverse impact on our operations.

In order to mitigate this risk, we carry out regular maintenance of our facilities and vehicles. We have also obtained insurance coverage for our warehousing and cold-storage facilities at levels customary to our industry as part of our mitigating factor and will continue to limit this risk through annual review of our insurance policies to ensure adequate insurance coverage.

Despite the necessary steps taken to mitigate this risk, there can be no assurance that any occurrence of the abovementioned disruptions will not affect our business operations. We cannot guarantee that the insurance obtained is adequate and sufficient to cover all liabilities and expenses incurred. Further, we cannot assure that the insurance is renewable at the existing premium rate.

5.1.3 Exposed to Product Liability Claim

As a distributor of third-party dry F&B, our Group is exposed to product liability claims which may impact our revenue and profitability. Product liability claims generally arises due to various factors, which include but not limited to manufacturing defects, product contamination, product mislabelling and use of uncertified ingredients. While product liability claims are likely to affect product manufacturers, distributors such as our Group may also face legal actions which may have an adverse impact on our revenue and profitability.

5. RISK FACTORS (*cont'd*)

Some of the manufacturers of the products which we distribute provide us with a warranty on their products which we distribute, the most common being a warranty that the products are free from manufacturing defects. The responsibility of a defective product lies on the manufacturer, and this includes defects arising from defects in materials or ingredients, manufacturing or packaging, or arising from delivery of the products to our warehouse, of which the defective products shall be returned to the manufacturer. We are indemnified against all costs arising from public product liability claims due to the quality or use of the products. For minor damage claims, the manufacturer concerned would replace the defective products.

In view of such warranty and indemnity given by the manufacturers of the products we distribute, we have therefore and thus far, deemed it unnecessary to purchase product liability insurance on our own.

Over the financial years/ period under review up to the LPD, our Group has not experienced any product liability claims, therefore we have not experienced any material adverse impact on our business operations and financial performance. Notwithstanding the above, there can be no assurance that we will not experience any product liability claims in the future. Further, there will be no liability on the part of the manufacturer if such liability is incurred or arises directly or indirectly out of the act or omission or negligence on our part.

5.1.4 Failure to Obtain Necessary Licenses

Our Group's business operations are generally governed and dictated by a number of licences and Permits to Import awarded by relevant authorities which include trading licenses, cold room certificates, approval for import of Indian beef, health certificates, Halal certificates Halal slaughtering certificates and Halal accreditation or its equivalent for import of food. A summary of our major licenses and an explanation on the Permits to Import as well as a summary of the health certificates, Halal certificates, Halal slaughtering certificates and Halal accreditation or its equivalent issued to our Group as at the LPD are all available in Section 4.14 of this Information Memorandum.

While it is imperative that these licenses, Permits to Import and health certificates are obtained in order for our Group to undertake and carry out our daily operations, it is also important that our Group strictly adhere and comply with the terms and conditions stipulated in these licenses, permits and certificates. Failure to comply or findings of non-compliances may result in us being subject to fines, penalties or termination of our licences or non-issuance of Permits to Import, which could have a material adverse effect on our business and profitability.

Over the past financial years/ period under review and up to the LPD, our Group has not experienced any fines, penalties or termination of our licences or non-issuance of Permits to Import and we have complied with the required laws and regulations in Malaysia. While we have consistently ensured to comply with relevant authorities' regulations, there can be no assurance that any penalties, if imposed, will not have a material adverse impact on our financial performance in the future.

5.1.5 Dependency on Directors and Key Management

We believe that our continued success in the industry will depend, to a significant extent, on the experience, knowledge, ability and expertise of our Directors and key management. At such, any loss of our key management personnel without any suitable and timely replacement, as well as our inability to attract and retain qualified personnel would have an unfavourable and material impact on our Group's operations.

5. RISK FACTORS (cont'd)

We recognise the importance of attracting and retaining our key management and have put in place human resource strategies that include competitive remuneration packages, reward schemes as well as training and career development opportunities for our key management. However, there can be no assurance that the above-mentioned measures will be successful in retaining our Directors and key management or in ensuring smooth transition or management succession plan should such incidents occur.

5.2 Risks Relating to the Industry in Which We Operate In

5.2.1 Competition

Our Group operates in a highly fragmented and competitive dry F&B distribution market, focusing on the distribution of frozen food, chilled food, dairy products and dry F&B. Our competitors may distribute similar products or have wider range of product mix and categories. Failure to compete with our competitors would affect our financial performance.

However, we believe that our Group possesses the necessary competitive advantages to distinguish ourselves, such our wide range of products in our focused segments from established brands, wide distribution network as well as our proven track record in the industry. Further details of our Group's competitive strengths are available in Section 4.6 of this Information Memorandum.

5.2.2 Foreign Currency Fluctuation Risk

Most of our Group's purchases are transacted in USD while our revenues are transacted in RM. As such, we are exposed to foreign currency fluctuation risk. Any unfavourable fluctuation in foreign currency rates may have an adverse impact on our financial performance.

In order to mitigate the risk, we will continuously monitor foreign currency fluctuation and enter into foreign exchange spot contracts to hedge against the foreign currency fluctuation risk, if necessary. However, despite our efforts to minimize the foreign currency risk, there can be no assurance that any future significant fluctuation in foreign currency will not have a material adverse impact on the financial performance of our Group.

5.2.3 Impact by Changes in Law, Economic, Political and Social Conditions

Our Group's business is subject to changes in law, economic, political and social conditions within the country. Any adverse developments in the above conditions may have a negative impact on our financial position and business prospects. These risks include changes in political leadership, changes in foreign exchange rate policy, changes in government policies such as introduction of new regulations, import restrictions and duties, export restrictions and duties, and imposition of quota for importation of frozen meat.

Notwithstanding the above, we have not experienced adverse or material changes in law, economic, political and social conditions which have had material impact on our business operations in the past. However, there can be no assurance that adverse political, economic and regulatory changes, which are beyond our control, will not affect our Group's businesses in the future.

5. RISK FACTORS (cont'd)

5.3 Risks Relating to Investment in Our Shares

5.3.1 We May Not Be Able to Proceed With or Experience A Delay for Our Listing

Bursa Securities may not grant an approval-in-principle for our Listing or if granted, we may not be able to proceed with or experience a delay in our Listing due to, amongst others, the following reasons:

- (a) the identified Sophisticated Investors fail to subscribe for the portions of the Issue Shares allotted to them; or
- (b) the occurrence of any force majeure events, which are beyond our control, before our Listing.

Nevertheless, we will endeavour to ensure compliance with the Listing Requirements for our successful listing on the LEAP Market.

5.3.2 There May Not Be An Active or Liquid Market for Our Shares

The listing of and quotation for our Shares on the LEAP Market does not guarantee that an active market for the trading of our Shares will develop.

There can also be no assurance that the Issue Price, which has been determined after taking into consideration the factors as set out in Section 2.1.3 of this Information Memorandum, will correspond to the price at which our Shares will be traded on the LEAP Market upon or subsequent to our Listing.

5.3.3 Control by Promoters

Upon Listing, our Promoters will collectively hold 86.8% of our enlarged issued share capital. Due to their shareholdings and depending on how they choose to vote, our Promoters will generally be expected to have significant influence on the outcome of certain matters requiring the vote of our shareholders, unless our Promoters or any one of them are required to abstain from voting by law and/or as required by the relevant authorities.

Nevertheless, as a step towards good corporate governance, we have appointed an Independent Non-Executive Director to inter alia, scrutinise all transactions in which there is potential conflict of interest situation arising from the interests of our Promoters, substantial shareholders and/or Director and to ensure that any future transactions involving related parties are entered into on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to our minority shareholders.

5.3.4 Payment of Dividends

Our Company, being an investment holding company, derives income mainly from dividends received from the subsidiaries within the SCR Group.

In determining the size of any dividend recommendation, we will also take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, availability of distributable reserves, capital expenditure plans and compliance with regulatory requirements.

Whilst we endeavour to make payments of dividends, no assurance can be given that we are able to pay any dividends in the future as a result of the factors stated above. Please refer to Section 2.4 of this Information Memorandum for further information on our dividend policy.

5. RISK FACTORS (cont'd)

5.3.5 Impairment of Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. The goodwill is not amortised and is tested for impairment at the end of every financial year. When the carrying amount of the goodwill exceeds its fair value, an impairment loss is recognised in an amount equal to the excess. The impairment loss will be reflected in the statements of profit and loss for the year it is recognised.

As at 30 September 2017 and 30 June 2018, our Group had the same goodwill of RM21.4 million arising from the restructuring exercise. The goodwill is subjected to review every financial year which may result in impairment in the event the carrying amount of the goodwill exceeds its fair value. This may have a material adverse effect on our Group's results of operations or its financial position.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

6.1 Promoters and/or Substantial Shareholders

6.1.1 Shareholdings

The shareholdings of our Promoters and/or substantial shareholders in our Company before and after our Listing are as follows:

Promoter and/or Substantial Shareholder	^(a) Before Listing				^(b) After Listing			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and Substantial Shareholders</u>								
BNDM	48,800,000	45.6	-	-	48,800,000	40.6	-	-
Dato Richard Wee	700,000	0.7	^(c) 48,800,000	45.6	700,000	0.6	^(c) 48,800,000	40.6
Datin Dona Amat Drury	-	-	^(c) 48,800,000	45.6	-	-	^(c) 48,800,000	40.6
Lim Ah Ted	31,500,000	29.5	-	-	31,500,000	26.2	-	-
Tan Chiew Ting	9,000,000	8.4	-	-	9,000,000	7.5	-	-
Ting Ing Thai	6,600,000	6.2	-	-	6,600,000	5.5	-	-
<u>Promoters</u>								
Lee Hon Jin	3,600,000	3.4	-	-	3,600,000	3.0	-	-
Ting Ing Soon	3,000,000	2.8	-	-	3,000,000	2.5	-	-
Brandon Wee Wei Xuan	200,000	0.2	-	-	200,000	0.2	-	-
Lim Hang Min	800,000	0.7	-	-	800,000	0.7	-	-
Terence Lim Tze Yung	-	-	-	-	-	-	-	-

Notes:

- (a) Based on the issued share capital of 106,860,000 Shares prior to the Issue Shares.
(b) Based on the enlarged issued share capital of 120,000,000 Shares after the Excluded Issue.
(c) Deemed interested by virtue of his/her substantial shareholding in BNDM pursuant to Section 8 of the Act.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

6.1.2 Profiles of Promoters and/or Substantial Shareholders

(i) The profiles of our Promoters and substantial shareholders are as set out below:-

(a) BNDM

BNDM was incorporated in Malaysia on 20 June 1997 under the Companies Act, 1965 as a private limited company under the name of Transfab Technologies Sdn Bhd. On 14 February 2003, it changed its name to its present name.

BNDM is principally involved in investment holding.

As at the LPD, BNDM's issued and paid up share capital is RM1,000,000.00 comprising 1,000,000 ordinary shares.

The directors and shareholders of BNDM and their respective shareholdings in the company as at the LPD are as follows:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Directors and shareholder</u>				
Dato Richard Wee	-	-	800,000*	80.0
Datin Dona Amat Drury	-	-	800,000*	80.0
Brandon Wee Wei Xuan	50,000	5.0	-	-
Nigel Wee Wei Si	50,000	5.0	-	-
<u>Shareholders</u>				
RSB	800,000	80.0	-	-
Darren Wee Wei Yang	50,000	5.0	-	-
Marcus Wee Wei Chen	50,000	5.0	-	-

Note:

* Deemed interested by virtue of their respective substantial shareholdings in RSB pursuant to Section 8 of the Act.

(b) RSB

RSB was incorporated on 18 March 2003 under the Companies Act, 1965 as a private limited company under its present name.

As at the LPD, RSB's paid up share capital is RM10,000.00 comprising 10,000 ordinary shares.

RSB is principally involved in investment holding.

The directors and shareholders of RSB are Dato Richard Wee and Datin Dona Amat Drury, and their respective shareholdings in the company as at the LPD are as follows:

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Directors and shareholders</u>				
Dato Richard Wee	8,000	80.0	-	-
Datin Dona Amat Drury	2,000	20.0	-	-
<u>Director</u>				
Brandon Wee Wei Xuan	-	-	-	-

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

(c) Dato Richard Wee

Dato Richard Wee, a Malaysian male aged 59, is our Non-Independent Executive Vice Chairman. He was appointed to the Board on 11 July 2016. Dato Richard Wee primarily oversees the management and operations of our Group. He is also responsible for the overall strategy and business development of our Group. He obtained a Diploma of Management Development from the Asian Institute of Management, Manila in 1981. He is a member of the Malaysian Institute of Management since 1985. An active individual in the local business community, he is also the President of Federation of Chinese Associations for Kuching, Samarahan and Serian Division. For his contributions and achievements in the commerce and industrial sector, he was awarded the 2012 Annual Sarawak State Entrepreneur of the Year presented by the Sarawak Chamber of Commerce and Industries.

He began his career with Eastern Oxygen Sdn Bhd, a company involved in industrial gas manufacturing and trading in 1981 as Acting General Manager and was subsequently appointed as its Managing Director in 1986. During his tenure with the company, he played instrumental roles in growing and implementing strategies for the company, which included a listing exercise on the Second Board of Kuala Lumpur Stock Exchange (now known as Bursa Securities) (“KLSE”) on 27 December 1995 under Eastern Oxygen Berhad.

He also oversaw the internal restructuring exercises which involved diversification into the shipping line in 1998 and the transfer of Eastern Oxygen Berhad’s listing status to the Main Board of KLSE in 2001 under the name of EOX Group Berhad.

EOX Group Berhad subsequently changed its name to Hubline Bhd in 2004 where he remained in executive position until 2005. Subsequently, from 2005 to 2007, he became the Non-executive Non-independent Chairman and as Independent Non-Executive Director from 2007 to 2016. From 2017 onwards, he was re-designated as Non-Executive Vice Chairman of Hubline Bhd.

Dato Richard Wee is the father of Brandon Wee Wei Xuan and uncle of Justin Ho Tze Shiuan, our Group Sales Manager.

(d) Datin Dona Amat Drury

Datin Dona Amat Drury, Malaysian female aged 54, is an indirect substantial shareholder of BNDM. She currently sits on the board of several private companies. She is actively involved in social works. She is the President of the Sarawak Society for the Prevention of Cruelty to Animals/ SSPCA and is actively advocating spaying and neutering of cats and dogs as well as conducting fund-raising for new animal shelters.

Datin Dona Amat Drury is the spouse of our Non-Independent Executive Vice Chairman, Dato Richard Wee and the mother of our Group Supply Chain Manager, Brandon Wee Wei Xuan.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

(e) Lim Ah Ted

Lim Ah Ted, a Malaysian male aged 63 is the Managing Director of our Group. He is the co-founder of SCS and SFS. He was appointed to the Board on 11 July 2016. As our Managing Director, Lim Ah Ted is responsible for overseeing the operations, strategic business planning and direction of our Group. He obtained a Diploma in Business and Management from the University of the Sunshine Coast, Australia in 2006. He has over 47 years of experience in the food and beverages distribution industry and is responsible for establishing and implementing our Group's business strategies.

He began his career with Joo Chan Company in 1971 as an Operations Trainee where he was responsible for the company's operations, thereby exposing him to the local cold storage industry. He then left Joo Chan Company and joined Cold Storage (M) Bhd in 1980 as a Sale cum Operations Executive where he was responsible for sales and marketing activities as well as overseeing the warehousing operations. He left Cold Storage (M) Bhd in 1982 and joined Paris Trading Company, a distributor of frozen food, as a partner where he was responsible for overseeing the operations and management of the company.

He left Paris Trading Company in 1984 and established SCS Trading in the same year to venture into the distribution of frozen and chilled food. He subsequently established SCS to assume the operations of SCS Trading in 1987 and SFS in 1999.

(f) Tan Chiew Ting

Tan Chiew Ting, a Malaysian male aged 60, is our Promoter and substantial shareholder. He completed his Form 5 education in SMK Bintulu in 1977. After finishing school, he started working in his family's hardware business before establishing Tan Trading Co, a sundry shop in Bintulu in 1981. He then established Supreme Food Supply (Bintulu) Sdn Bhd in 2003, a company which is involved in the distribution of dry F&B for third party brands. He subsequently established Ting & Ling Trading Sdn Bhd in 2004 and later Asfine Marketing Sdn Bhd in 2008 as director and shareholder to distribute frozen food.

(g) Ting Ing Thai

Ting Ing Thai, a Malaysian male aged 55, is our Non-Independent Executive Director and the founder of BFL. He was appointed to the Board on 14 July 2017 as Non-Independent Non-Executive Director and was subsequently re-designated as Non-Independent Executive Director on 8 October 2018. He completed his secondary education in St Thomas Secondary School, Sarawak in 1979. He is responsible for overseeing the day-to-day operations of BFL and its business strategies.

He began his career with his family-owned Ting & Ting Supermarket in 1979. It was the first supermarket in Kuching where he was responsible for the daily operations of the business. In 1990, he established Prime Cuts, a company that is principally involved in the distribution of frozen food, offering various cuts and grades of meat, butchery and other meat-related products. As the business grew, he then established BFL in 2000 to assume the operations of Prime Cuts.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

(ii) The profiles of our Promoters are as set out below:-

(a) Lee Hon Jin

Lee Hon Jin, a Malaysian male aged 73, is a Promoter and substantial shareholder of SCR. He is the co-founder of SCS and SFS.

He graduated from Kuching Chung Hua Middle School No. 1 in Kuching in 1962. He then worked as a technician with Jabatan Kerja Raya Sarawak for several years until 1970 when he opened a provision store in Kuching. In 1979, he established Sung Hoe Trading Sdn Bhd, a company involved in the wholesale of food and baby products. He then established SCS Trading with Lim Ah Ted in 1984 before establishing SCS with Lim Ah Ted in 1987 to assume the operations of SCS Trading. He is currently a shareholder of SCS.

(b) Ting Ing Soon

Ting Ing Soon, a Malaysian male aged 54, is our Promoter and substantial shareholder. He completed his secondary education in Green Road Secondary School in Kuching, Sarawak in 1980.

He joined Ting & Ting Supermarket in 1981, working in various departments of the supermarket. He was later responsible for managing the supermarket's purchasing department as well as assisting in the operations of the supermarket. In 1993, he acquired a commercial printing business, Bahagia Press Sdn Bhd and serves as its Managing Director where he handles the sales and production activities of the company.

Ting Ing Soon is the brother of our Non-Independent Executive Director, Promoter and substantial shareholder, Ting Ing Thai.

(c) Brandon Wee Wei Xuan

Brandon Wee Wei Xuan, a Malaysian male aged 33 was appointed as the Alternate Director to Dato Richard Wee on 14 July 2017 and is currently our Group Supply Chain Manager. He graduated with a Bachelor of Commerce, majoring in Business Law from Curtin University of Technology in Perth, Western Australia in 2010. He is responsible for overseeing the operations of STSB, a wholly-owned transportation subsidiary of our Group.

He began his career with OSK Investment Bank Berhad in 2010 as an Associate where he was involved in corporate exercises and fund-raising activities. He then joined Proventus Capital Sdn Bhd in 2012 as an Investment Analyst responsible for assessing and managing the firm's investments. He left Proventus Capital Sdn Bhd in 2014 and subsequently joined Crowe Malaysia (*formerly known as Crowe Horwath*) ("**Crowe**") as a Senior Associate in its Corporate Advisory Department where he was involved in managing and conducting internal audit exercises.

He left Crowe in 2014 and joined BNDM as a Director overseeing the company's investments. He joined STSB on 1 June 2017.

Brandon Wee Wei Xuan is the son of our Non-Independent Executive Vice Chairman, Dato Richard Wee.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

(d) Lim Hang Min

Lim Hang Min, a Malaysian male aged 56 is currently the Production and Warehouse Manager of our Group. He is primarily responsible for our Group's food processing and warehousing activities. He completed his secondary education in SMK Penrissen No. 1 in Kuching, Sarawak in 1981.

He began his career with SCS Trading in April 1984 as the Operations and Warehousing Supervisor where he was responsible for overseeing the operations and warehousing activities of the company. In November 1987, after SCS Trading was wound up, he joined SCS as Production and Warehouse Manager, a position he still currently holds.

Lim Hang Min is the brother of our Managing Director, Lim Ah Ted.

(e) Terence Lim Tze Yung

Terence Lim Tze Yung, a Malaysian male aged 35, was appointed as the Alternate Director to Lim Ah Ted on 14 July 2017. He graduated from Green Road Secondary School, Kuching in 2000. He enrolled in an Advance Diploma course from Edith Cowan University in Perth, Australia in 2000. He subsequently withdrew from the course and returned Malaysia in 2005. He is currently the Group Facility Manager of SCR and is responsible for overseeing our Group's operations facilities.

He began his career with SCS as a Warehouse Assistant in 2006 where he was responsible for, amongst others, managing and controlling the company's stocks. He joined SCS's sales team in 2007 as a Sales Representative where his responsibilities include expanding the company's sales via securing new customers while maintaining the relationship with current customers.

He resigned from his position in SCS in 2009 and was later appointed as a Director in SFS in the same year, where he was responsible for overseeing the business operations and accounting matters. He was later promoted to his current position in 2017 subsequent to the internal restructuring exercise in the same year.

Terence Lim Tze Yung is the son of our Managing Director, Lim Ah Ted.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**6.2 Directors****6.2.1 Shareholdings**

The shareholdings of our Directors before and after our Listing are as follows:

Directors	Designation	^(a) Before Listing				^(b) After Listing			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ibrahim bin Baki	Non-Independent Non-Executive Chairman	2,000,000	1.9	-	-	2,000,000	1.7	-	-
Dato Richard Wee	Non-Independent Executive Vice Chairman	700,000	0.7	^(c) 48,800,000	45.6	700,000	0.6	^(c) 48,800,000	40.6
Lim Ah Ted	Managing Director	31,500,000	29.5	-	-	31,500,000	26.2	-	-
Ting Ing Thai	Non-Independent Executive Director	6,600,000	6.2	-	-	6,600,000	5.5	-	-
Chin Mui Khiong	Independent Non-Executive Director	100,000	0.1	-	-	100,000	0.1	-	-
Brandon Wee Wei Xuan	Alternate Director to Dato Richard Wee	200,000	0.2	-	-	200,000	0.2	-	-
Terence Lim Tze Yung	Alternate Director to Lim Ah Ted	-	-	-	-	-	-	-	-

Notes:

(a) Based on the issued share capital of 106,860,000 Shares prior to the Issue Shares.

(b) Based on the enlarged issued share capital of 120,000,000 Shares after the Excluded Issue.

(c) Deemed interested by virtue of his/her substantial shareholding in BNDM pursuant to Section 8 of the Act.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

6.2.2 Profiles of Directors

The profiles of Dato Richard Wee, Lim Ah Ted, Ting Ing Thai, Brandon Wee Wei Xuan and Terence Lim Tze Yung who are Promoters and/or substantial shareholders are set out in Section 6.1.2 of this Information Memorandum. The profiles of the other Directors are as follows:-

(a) Ibrahim bin Baki

Ibrahim bin Baki, a Malaysian male aged 59, is our Non-Independent Non-Executive Chairman. He was appointed to the Board on 1 September 2016. He holds a Bachelor's (Hons) degree in law and is a Barrister-At-Law since 1984.

He began his career with Petronas in 1984 as a Legal Officer. He then left and became a founding partner in Idris Buang, Ibrahim Baki & Co, Advocates and Solicitors in Sarawak in 1985. He was a full-time legal practitioner for 6 years before leaving full-time practice in 1991 to set up his own businesses, which include property development, renovation works and supplies, furniture manufacturing, manufacturing and distribution of industrial and medical gases, welding equipment, education, car park management and consultancy services.

Ibrahim Bin Baki is also involved in the shipping and logistics industry via Hubline Bhd (formerly EOX Group Berhad) where he has been the Executive Chairman and shareholder since November 2017. He is also a member of the Sarawak Bumiputera Economic Council.

(b) Chin Mui Khiong

Chin Mui Khiong, a Malaysian male aged 64, is an Independent Non-Executive Director of our Group. He was appointed to the Board on 1 March 2018. An Accountant by training, he has more than 35 years of experience in the areas of audit and business advisory services. He is a member of the Association of Chartered Certified Accountants since 1987 and a member of the Malaysian Institute of Accountants since 1983.

He began his career with Hanafiah Raslan & Mohamad in Kuching, Sarawak as an Auditor in 1979 where he was responsible for the conduct of statutory audit of private limited companies. The firm subsequently merged with Arthur Andersen in 1990, which in turn merged with Ernst & Young in 2002.

Subsequent to the merger in 1990, he was appointed as a Partner of the firm in 1997, a position he served until his retirement in 2015. During the period, he has served as the partner-in-charge of a number of companies listed on Bursa Securities as well as private and quasi-government corporations which included industries such as manufacturing, plantation, banking, construction, transportation services, hotel, hospital, education, stockbroking, unit trusts and government agencies.

He is currently an Independent Non-Executive Director and Chairman of the Audit Committee of Cahya Mata Sarawak Berhad. He is also an Independent Non-Executive Director of Landmarks Berhad and Hubline Bhd. He also sits on the board of several private limited companies.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

6.2.3 Directors' Remuneration and Benefits

The aggregate remuneration and material benefits-in-kind (*including any contingent or deferred compensation accrued for the year*) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYE 2016, FYE 2017 and FPE 2018 are as follows:

Remuneration band*	No. of Directors		
	FYE 2016*	FYE 2017	FPE 2018
<u>Non-Executive Directors</u>			
Less than RM50,000	-	1	1
RM50,001 to RM100,000	1	1	1
<u>Executive Directors</u>			
Less than RM50,000	-	-	-
RM50,001 to RM200,000	2	1	2
RM200,001 to RM400,000	1	2	2
RM400,001 to RM600,000	-	-	-
RM600,001 to RM800,000	-	-	-
RM800,001 to RM1,000,000	1	-	-
RM1,000,001 to RM1,200,000	-	-	-
RM1,200,001 to RM1,400,000	-	1	1

Note:

* Based on Pro Forma for FYE 2016

Our Directors' remuneration includes salaries, bonuses, fees and allowances as well as other benefits and employer's contributions to Employees' Provident Fund, whereby pursuant to our Constitution, the fees and benefits must be approved by our shareholders in a general meeting.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**6.3 Key Management Personnel****6.3.1 Shareholdings**

Our key management personnel and their respective shareholdings in our Company before and after our Listing are as follows:

Key Management	Designation	^(a) Before Listing				^(b) After Listing			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tay Pick Chong	Group General Manager	200,000	0.2	-	-	200,000	0.2	-	-
Ho Mui Siok	Group Finance Manager	100,000	0.1	-	-	100,000	0.1	-	-
Justin Ho Tze Shiuan	Group Sales Manager	100,000	0.1	-	-	100,000	0.1	-	-
Lim Hang Min	Production and Warehouse Manager	800,000	0.7	-	-	800,000	0.7	-	-
Jack Chang Hong Kwang	General Manager of BFL	60,000	0.1	-	-	60,000	0.1	-	-

Notes:

(a) Based on the issued share capital of 106,860,000 Shares prior to the Issue Shares.

(b) Based on the enlarged issued share capital of 120,000,000 Shares after the Excluded Issue.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

6.3.2 Profiles of Key Management Personnel

Save for the profiles of Lim Hang Min which is set out in Section 6.1.2 of this Information Memorandum, the profiles of the key management personnel are as follows:-

(a) Tay Pick Chong

Tay Pick Chong, a Malaysian male aged 46, is the Group General Manager of SCR and is responsible for the overall daily operations and implementation of our Group's business strategies. He graduated from Stamford College, Kuching majoring in Hospitality Management in December 1995.

Upon graduation, he joined Value Hospitality in 1996 as a Management Trainee based in Rajah Court Hotel, Kuching where he was trained in various areas of the food and beverages and hospitality industry. He was transferred to Value Inn based in Klang, Selangor in 1997 as a food and beverages specialist of the hotel where he was responsible for overseeing the food and beverage division of the hotel. He was later transferred to ParkCity Everly Hotel in Bintulu, Sarawak in October 1998 as its Food and Beverages Outlet Manager where he was responsible for managing the day to day operations of the hotel's food and beverages outlets.

He left ParkCity Everly Hotel in Bintulu, Sarawak in 2001 and joined Supreme Food Supply (Bintulu) Sdn Bhd in January 2002 as its General Manager where his responsibilities include setting up and running the operations of the company in Bintulu, Sarawak. He left Supreme Food Supply (Bintulu) Sdn Bhd at the end of 2004 and in April 2005, he joined Nestle Products Sdn Bhd as a Regional Sales Manager covering the East Malaysia and Brunei regions where he was responsible for managing the sales performance and operations of the said regions.

He then left Nestle Products Sdn Bhd in November 2009 and joined Fronterra Brands Malaysia Sdn Bhd in January 2010 as its Regional Sales Manager where he was responsible for managing the overall sales performance of East Malaysia and Brunei regions. He left Fronterra Brands Malaysia Sdn Bhd in April 2012 to join SFS in May 2012 as our Regional General Manager. He was promoted to his current position in July 2017.

(b) Ho Mui Siok

Ho Mui Siok, a Malaysian female aged 49, is our Group Finance Manager and is responsible for all financial matters of our Group. She is a qualified Chartered Accountant and has obtained her professional accounting qualification from the Association of Chartered Certified Accountants of United Kingdom in 1999. She has been a Member of the Malaysian Institute of Accountants since 2000.

She began her career with KPMG Malaysia as an Audit Junior in June 1991 where she was responsible for carrying our audit activities of listed companies in various industries. She left KPMG in December 2000 as an Audit Senior and subsequently joined Linde Eox Sdn Bhd (formerly known as Eastern Oxygen Industries Sdn Bhd) ("**Linde**") in the same year as its Finance Manager and later appointed as its Company Secretary in April 2006. She was later reassigned as the company's Manager-in-charge of corporate taxations where she was responsible for amongst others, all corporate tax matters for Linde's group of entities in Malaysia. She left Linde EOX Sdn Bhd in September 2017 and subsequently joined SCR in her current position in October 2017.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

(c) Justin Ho Tze Shiuan

Justin Ho Tze Shiuan, a Malaysian male aged 41, is the Group Sales Manager of SCR. He is primarily responsible for leading the sales activities of our Group. He graduated from Hawaii Pacific University with a Bachelor's Degree, majoring in finance and minor in economics in 1998.

Upon graduation, he joined Kilpatrick Townsend & Stockton, an international law firm, at their office in California, USA in February 1999 as a Staff Accountant and his responsibilities include preparation of the firm's budgets and billings. He left the firm in September 2003 and subsequently enrolled in a Mandarin course with the Communication University of China (formerly Beijing Broadcasting Institute) in 2004. He returned to Malaysia in 2005.

He spent the next few months exploring opportunities before joining Bing! Coffee Company in Kuching in November 2006 as its Café Manager where he managed the day-to-day operations of the café. He left Bing! Coffee Company in August 2008 and joined Eastern Oxygen Industries Sdn Bhd in September 2008 as its Cylinder Asset Manager where he was responsible for amongst others, managing key customers and securing new contracts for the company as well as managing the company's cylinder assets.

He left Eastern Oxygen Industries Sdn Bhd at the end of 2010. He joined Etika Sdn Bhd, a company involved in the manufacturing, distribution and marketing of Halal beverages in Malaysia with brands such as Pepsi, Revive Isotonic, Tropicana Juice and Wonda Coffee, as a Sales Manager in March 2011 where he was responsible for amongst others, managing the company's sales operations and strategies in Sarawak. He left Etika Sdn Bhd at the end of 2015 and joined SCS in February 2016 as a Sales and Marketing Manager and was subsequently promoted to his current position later in December 2016.

He is the nephew of our Non-independent Executive Vice Chairman, Dato Richard Wee.

(d) Jack Chang Hong Kwang

Jack Chang Hong Kwang, a Malaysian male aged 40, is the General Manager of BFL. His responsibilities include the overall operations and implementation of BFL's business strategies. He graduated from Oxford-Brookes University, United Kingdom with a bachelor's degree in Business and Management in 1999.

He began his career with SFS in January 2000 as a Marketing Executive where he was responsible for sales and marketing and business development activities. He was later transferred to BFL in the same year, as one of the pioneer staff that was involved in setting up BFL's business and operations in Miri, Sarawak where he was responsible for business development strategies for new and existing agency lines. He was promoted to his current position in August 2000.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

6.4 Involvement of Our Promoters, Substantial Shareholders, Directors and Key Management Personnel in Businesses/ Corporations Outside Our Group

Save as disclosed below, our Promoters, substantial shareholders, Directors and key management personnel do not have any other principal directorships in other Malaysian corporations or any principal business activities performed outside our Group at present and for the past 3 years prior to the LPD.

6.4.1 Promoters and/or Substantial Shareholders

(a) Dato Richard Wee

Company	Involvement (Director/ Shareholder)	Principal Activities
EPT ⁽¹⁾	Director and shareholder	Selling of provisional and consumable goods
Hubline Bhd	Director and shareholder	Investment holding and provision of management services
RSB	Director and shareholder	Investment holding
BNDM	Director and shareholder	Investment holding and provision of management services
WHTS Venture Sdn Bhd	Director and shareholder	Investment holding
WHTS Resources Sdn Bhd	Director and shareholder	Operating of a restaurant
WHTS Capital Sdn Bhd	Director and shareholder	Dormant
Matop Sawit Mini Estate Sdn Bhd	Director and shareholder	Rubber tree plantation
WHT Properties Sdn Bhd	Director and shareholder	Business of property development
P-Parking Malaysia Sdn Bhd	Director and shareholder	Dormant
Radium Properties Sdn Bhd	Director and shareholder	Business of property development
JBA Solutions Sdn Bhd	Director and shareholder <i>(Resigned as director on 4 December 2017)</i>	IT management, consultancy and trading
Butchers Deli Sdn Bhd ⁽²⁾	Director and shareholder	Wholesale and retailing of food provision and cooked food
Butchers Smokehouse Sdn Bhd ⁽²⁾	Director and shareholder	Business of importers, exporters, wholesaler and retailer of meat, dairy products, provision of goods and food stuffs
WHT Estates Sdn Bhd	Director and shareholder	Business of property investment

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Company	Involvement (Director/ Shareholder)	Principal Activities
WHT Land Sdn Bhd	Director and shareholder	Dormant
WHT Industrials Sdn Bhd	Director	Investment holding
LICS Resources Sdn Bhd	Director and shareholder	Dormant
Mandarin Express Sdn Bhd	Director and shareholder	Dormant
Mirage Holdings (S) Sdn Bhd	Alternate Director	Investment and management of stocks, shares and properties
Sara Tegag Sdn Bhd	Director and shareholder	Dormant
SAGASCO Sdn Bhd	Director and shareholder	Organises and conduct seminars, conferences and workshop and to provide training, technical and management advisory services
Wee Hood Teck Holdings Sdn Bhd	Alternate Director and shareholder	Investment holding
Wee Hood Teck & Sons Sdn Bhd	Director and shareholder	Investment in realty, stocks and shares
Ozlink Sdn Bhd	Director	Shipowner and charterer of vessels on a line charter basis
EM Shipping Sdn Bhd	Director (Resigned as director on 16 October 2015)	The company is in the process of winding up
EM Carriers Sdn Bhd	Director	Shipowner and charterer of vessels on a line charter basis
Linde EOX Sdn Bhd	Director (Resigned as director on 15 June 2016)	Manufacturing and distribution of industrial and medical gases and welding equipment
CR Systems Sdn Bhd	Director and shareholder	Industrial cleaners, launderers, clean room services
Wonder Link Sdn Bhd	Director (Resigned as director on 1 July 2016)	Dormant
Zon Permata Sdn Bhd	Director	Property investment (in the process of striking off under Section 550 of the Act)
Harmony Empire Sdn Bhd	Director and shareholder	Property investment
Datin Amar Kathryn Wee Yuk Lian Bhd	Director	Charitable organisation
Good Worldclass Sdn Bhd	Director and shareholder	Property investment
CHMS Education Foundation	Director	Education foundation

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

Company	Involvement (Director/ Shareholder)	Principal Activities
Top Sunbest Sdn Bhd	Director and shareholder	Property investment
Renewable Resources Tech Sdn Bhd	Director and shareholder	Dormant
Top Sunhill Sdn Bhd	Director and shareholder	Property investment
R&W Majujaya Sdn Bhd	Director and shareholder	Dormant
P Estates Sdn Bhd	Director and shareholder	Dormant

Notes:

- (1) *As explained in Section 6.7 of this Information Memorandum, the potential conflict of interest situation arising from Dato Richard Wee's involvement in EPT is mitigated given that, EPT's agency rights to product brands of "Ramly", "Hiestand", "Makcik" and "Daily Fresh Farm" which were held by EPT previously have been granted to SCS by the relevant agents or distributors as part of the agreed terms of the transaction disclosed in Section 9.1(v) of this Information Memorandum. Furthermore, on 24 July 2018, the distribution rights granted to EPT for distribution of "Life" chilli sauce, being the only remaining similar product (albeit different brand) that we also distribute, had been terminated. Ensuing from such termination, EPT intends to focus on the distribution of chemical products, the product segments which we do not distribute.*
- (2) *As explained in Section 6.7 of this Information Memorandum, the potential conflict of interest situation arising from Dato Richard Wee's involvement in Butchers Deli Sdn Bhd and Butchers Smokehouse Sdn Bhd is mitigated given that these companies only trade in non-Halal pork food and cooked food products in their principal activity of wholesale and retail of food provision and cooked food, of which our Group is not involved in. To further mitigate any conflict of interest, Dato Richard Wee has given an undertaking to resign from his directorships in Butchers Deli Sdn Bhd and Butchers Smokehouse Sdn Bhd within 12 months from 18 July 2018. In the interim, Butchers Deli Sdn Bhd and Butchers Smokehouse Sdn Bhd have each given an undertaking to our Company that they do not have any intention and shall not diversify their current principal business into the supply and storage of Halal frozen meat (beef, lamb and mutton, poultry and seafood) or any other Halal or non-Halal food including food products in any part of Malaysia which will bear similarity to our Group's current principal business.*

Dato Richard Wee is not involved in the day-to-day operations of the business activities of the aforementioned companies outside our Group. He holds equity interest in these companies mainly for investment purpose only and hence, he is not expected to be involved actively in the daily management of these companies. For companies that have business activities, he employs competent management team to manage the daily operations of these companies. Consequently, his involvement in the aforementioned business activities or the corporations outside our Group does not affect his contributions to our Group or adversely impact his ability to act as our Non-Independent Executive Vice-Chairman or perform his responsibilities to our Group.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

In the event of a potential conflict of interest situation, Dato Richard Wee, if required by law or regulations, will abstain from voting and deliberations on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of his direct and indirect interests.

(b) Lim Ah Ted

Company	Involvement (Director/ Shareholder)	Principal Activities
BGSB*	Director and shareholder	Supply and storage of food products
Supreme Trading Sdn Bhd	Director and shareholder	Dormant
Valumart Sdn Bhd	Director and shareholder	Dormant
Supreme Integrated Farming (M) Sdn Bhd	Director and shareholder	Livestock farming and cultivation of agriculture produce
JCSB	Shareholder	Business in property development

Note:

* As explained in Section 6.7 of this Information Memorandum, BGSB only trades in non-Halal frozen pork food products in its principal activity of supply and storage of food products, of which our Group is not involved in. To mitigate any conflict of interest, Lim Ah Ted has given an undertaking to resign from his directorship in BGSB within twelve (12) months from 18 July 2018. In the interim, BGSB has given an undertaking to our Company that it does not have any intention and shall not diversify its current principal business into the supply and storage of Halal frozen meat (beef, lamb and mutton, poultry and seafood) or any other Halal or non-Halal food including food products in any part of Malaysia which will bear similarity to our Group's current principal business.

Lim Ah Ted is not involved in the day-to day operations of the aforementioned business activities or the corporations outside our Group. Consequently, his involvements in the companies outside our Group does not affect his contributions to our Group or adversely impact his ability to act or perform his responsibilities as our Managing Director.

In the event of a potential conflict of interest situation, Lim Ah Ted, if required by law or regulations, will abstain from voting and deliberations on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of his direct and indirect interests.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

(c) Tan Chiew Ting

Company	Involvement (Director/ Shareholder)	Principal Activities
Asfine Marketing Sdn Bhd*	Director and shareholder	General trading in frozen product and dry foods
Ting & Ling (Bintulu) Sdn Bhd	Director and shareholder	Investment in real properties
Supreme Food Supply (Bintulu) Sdn Bhd*	Director and shareholder	Supply of cold storage food and dairy products
Ting & Ling Trading Sdn Bhd*	Director and shareholder	General trading
Enrich Achievement Sdn Bhd	Director and shareholder	Property investment
Good Record Sdn Bhd	Director and shareholder	Property investment
Good Promise Sdn Bhd	Director and shareholder	Property investment
Standard Brick Sdn Bhd	Director and shareholder	Manufacturing and sales of red brick

Note:

* As explained in Section 6.7 of this Information Memorandum, the potential conflict of interest situation arising from Tan Chiew Ting's involvement in Asfine Marketing Sdn Bhd, Supreme Food Supply (Bintulu) Sdn Bhd and Ting & Ling Trading Sdn Bhd is mitigated given that Tan Chiew Ting does not hold any directorship in our Group and is not involved in the day-to-day operations of our Group.

Tan Chiew Ting does not hold any directorship in our Group and is not involved in the day-to-day operations of the business activities of our Group. He holds shares in our Group for investment purposes only and thus his involvement in the aforementioned companies outside our Group will not adversely impact his ability to act as our Promoter.

In the event of a potential conflict of interest situation, Tan Chiew Ting, if required by law or regulations, will abstain from voting and deliberations on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of his direct and indirect interests.

(d) Ting Ing Thai

Company	Involvement (Director/ Shareholder)	Principal Activities
Ting & Ting Supermarket Sdn Bhd *	Director and shareholder	Operating a supermarket and general trading
Prime Cuts	Director and shareholder	Dormant. The company has been dissolved

Notes:

* As explained in Section 6.7 of this Information Memorandum, Ting & Ting Supermarket Sdn Bhd is one of our customers and hence, complements the businesses of our Group. Its provision of frozen food products is merely part of its principal activity in the operation of a supermarket carrying on retail supermarket trading of consumer goods, canned goods and frozen and chilled products of which our Group is not involved in.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

Ting Ing Thai is only involved in one other business activity or corporation outside our Group which does not require significant amount of time hence does not affect his contributions to our Group or adversely impact his ability to act or perform his responsibilities as our Non-Independent Executive Director and as a Promoter of our Group.

In the event of a potential conflict of interest situation, Ting Ing Thai will abstain from deliberations in the Board meetings and, if required by law or regulations, will abstain from voting and deliberations on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of his direct and indirect interests.

(e) Lee Hon Jin

Company	Involvement (Director/ Shareholder)	Principal Activities
Lee Hon Kee Sdn Bhd	Director and shareholder	Letting of properties
Sung Hoe Trading Sdn Bhd*	Director and shareholder	General trading
Sung Hoe Trading (Miri) Sdn Bhd*	Director and shareholder	Trading of household and consumable products
Sung Hoe Trading (Bintulu) Sdn Bhd*	Director	Distribution and sales of baby products, infant nutrients
JCSB	Director and shareholder	Business of property development
Vega Sinar Sdn Bhd	Director and shareholder	Dormant. The company is in the process of winding up
Astral Foods Sdn Bhd	Alternate Director	Food processing. The company has been dissolved.
Advance HP Sdn Bhd	Director and shareholder	Dormant
Fourise Realty Sdn Bhd	Director (Resigned as director on 11 December 2017)	Property development

Notes:

* As explained in Section 6.7 of this Information Memorandum, Sung Hoe Trading Sdn Bhd, Sung Hoe Trading (Miri) Sdn Bhd and Sung Hoe Trading (Bintulu) Sdn Bhd only trade in baby care products and baby food, of which our Group is not involved in. Furthermore, Lee Hon Jin has given a covenant that he will not directly or indirectly engage in any business in the same nature as our Group in any part of Malaysia for a period of five (5) years from 14 September 2015, which will expire on 13 September 2020.

Lee Hon Jin does not hold any directorship in our Group and is not involved in the day-to-day operations of the business activities of our Group. He holds shares in our Group for investment purposes only. Consequently, his involvements in the aforementioned business or corporation outside our Group does not affect his contributions to our Group or adversely impact his ability to act as our Promoter.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

In the event of a potential conflict of interest situation, Lee Hon Jin, if required by law or regulations, will abstain from voting and deliberations on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of his direct and indirect interests.

(f) Ting Ing Soon

Company	Involvement (Director/ Shareholder)	Principal Activities
Ting & Ting Supermarket Sdn Bhd*	Director and shareholder	Operating a supermarket and general trading
Bahagia Press Sdn Bhd	Director and shareholder	Printing service
Nuromen Café Sdn Bhd	Director	Restaurants
Avec Moi Restaurant Sdn Bhd	Director and shareholder	Restaurants
Ting and Ting Food Catering Sdn Bhd	Director and shareholder	Restaurant café and other eating and drinking places
Prime Cuts	Director and shareholder	Dormant. The company has been dissolved.

Notes:

* As explained in Section 6.7 of this Information Memorandum, Ting & Ting Supermarket Sdn Bhd is one of the customers of our Group and hence, complements the businesses of our Group. Its provision of frozen food products is merely part of its principal activity in the operation of a supermarket carrying on retail supermarket trading of consumer goods, canned goods and frozen and chilled products, of which our Group is not involved in.

Ting Ing Soon is not involved in the day-to-day operations of the business activities of our Group. He holds shares in our Group for investment purposes only. Consequently, his involvement in the aforementioned business activity and company outside our Group does not affect his contributions to our Group or adversely impact his ability to act as a Promoter of our Group.

In the event of a potential conflict of interest situation, Ting Ing Soon, if required by law or regulations, will abstain from voting and deliberations on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of his direct and indirect interests.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

(g) Brandon Wee Wei Xuan

Company	Involvement (Director/ Shareholder)	Principal Activities
BNDM	Director and shareholder	Investment holding and provision of management services
EPT*	Director	Selling of provisional and consumable goods
RSB	Director	Investment holding
Radium Properties Sdn Bhd	Director	Property development
Kenyalang Capital Sdn Bhd	Director	Investment holding and manufacture of liquefied or compressed inorganic and industrial or medical gases
Sagasco Sdn Bhd	Director	Organises and conduct seminars, conferences and workshop and to provide training, technical and management advisory services
P-Parking Malaysia Sdn Bhd	Director	Dormant
WHT Land Sdn Bhd	Director	Dormant
WHT Estates Sdn Bhd	Director	Business of property investment
WHTS Resources Sdn Bhd	Director	Restaurant business
WHT Properties Sdn Bhd	Director	Business of property development
JBA Solutions Sdn Bhd	Director	IT management, consultancy and trading
WHTS Venture Sdn Bhd	Director	Investment holding
Mandarin Express Sdn Bhd	Director	Dormant
Sara Tegas Sdn Bhd	Director	Dormant
WHTS Capital Sdn Bhd	Director	Investment holding
Matop Sawit Mini Estate Sdn Bhd	Director	Rubber tree plantation

Note:

* As explained in Section 6.7 of this Information Memorandum, the potential conflict of interest situation arising from Brandon Wee Wei Xuan's involvement in EPT is mitigated given that, EPT's agency rights to product brands of "Ramly", "Hiestand", "Makcik" and "Daily Fresh Farm" which were solely enjoyed by EPT previously have been granted to SCS by the relevant agents or distributors as part of the agreed terms of the transaction disclosed in Section 9.1(v) of this Information Memorandum. Furthermore, on 24 July 2018, the distribution rights granted to EPT for distribution of "Life" chilli sauce, being the only remaining similar product (albeit different brand) that we also distribute, had been terminated. Ensuing from such termination, EPT intends to focus on the distribution of chemical products, the product segments which we do not distribute.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

Brandon Wee Wei Xuan is not involved in the day-to-day operations of the companies outside of our Group. Hence, his involvement in the aforementioned companies outside of our Group does not affect his contributions to our Group or adversely impact his ability to act as an alternate director to Dato Richard Wee, our Non-Independent Executive Vice-Chairman, and further, performs his responsibilities as our Group Supply Chain Manager.

In the event of a potential conflict of interest situation, Brandon Wee Wei Xuan will abstain from deliberations in the Board meetings and, if required by law or regulations, will abstain from voting and deliberations on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of his direct and indirect interests.

(h) Terence Lim Tze Yung

Company	Involvement (Director/ Shareholder)	Principal Activities
BGSB*	Director and shareholder	Supply and storage of food products

Note:

* *As explained in Section 6.7 of this Information Memorandum, BGSB only trades in non-Halal frozen pork food products in its principal activity of supply and storage of food products, of which our Group is not involved in. To further mitigate any conflict of interest, whether actual or potential, Terence Lim Tze Yung and his father, Lim Ah Ted, have each given an undertaking to resign from their directorships in BGSB within 12 months from 18 July 2018. In the interim, BGSB has given an undertaking to our Company that it does not have any intention and shall not diversify its current principal business into the supply and storage of Halal frozen meat (beef, lamb and mutton, poultry and seafood) or any other Halal or non-Halal food including food products in any part of Malaysia which will bear similarity to our Group's current principal business.*

Terence Lim Tze Yung is only involved in one other business activity or corporation outside our Group which does not require significant amount of time. Hence, his involvement in the aforementioned companies outside of our Group does not affect his contributions to our Group or adversely impact his ability to act as an alternate director to Lim Ah Ted, our Managing Director, and further, perform his responsibilities as our Group Facility Manager.

In the event of a potential conflict of interest situation, Terence Lim Tze Yung will abstain from deliberations in the Board meetings and, if required by law or regulations, will abstain from voting and deliberations on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of his direct and indirect interests.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

6.4.2 Directors

(a) Ibrahim bin Baki

Company	Involvement (Director/ Shareholder)	Principal Activities
Hubline Bhd	Executive Chairman and shareholder	Investment holding and the provision of management services
Lestari Asiabina Sdn Bhd	Director	Dormant
IBZ Aero Industries Sdn Bhd	Director and shareholder	Non-scheduled transport of passenger by air, renting of air-transport equipment with operator for the purpose of passenger transportation and renting of air-transport equipment with operator for the purpose of freight transportation
IBZ Mineral Resources Sdn Bhd	Director and shareholder	Quarrying, rough trimming and sawing of monumental and building stone such as marble, granite, sandstone, building construction and manufacture of prefabricated structural components for building or civil engineering of cement, concrete or artificial stone
IBZ Corporation Sdn Bhd	Director and shareholder	Investment holding
Daya Builders Sdn Bhd	Director	Building construction, trading in housing materials and marketing agent Construction
IBZ Capital Sdn Bhd	Director and shareholder	Dormant
Daya Utama Sdn Bhd	Director and shareholder	Dormant
Daya Realty Sdn Bhd	Director and shareholder	Dormant
Gegasan Sdn Bhd	Managing Director/ shareholder	Furniture manufacturing and trading
Gegasan Abadi Properties Sdn Bhd	Alternate Director/ shareholder	Investment holding, operation of hotel and letting of apartments. The company is in the process of winding up
Gegasan Abadi Holdings Sdn Bhd	Director	Investment holding and provisions of management services to its subsidiary companies
Gegasan Décor & Furnishing Sdn Bhd	Director	Interior designers

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Company	Involvement (Director/ Shareholder)	Principal Activities
Gegasan Properties Sdn Bhd	Director	Investment in properties
PPKS Miri Sdn Bhd	Director	Provision of training courses
P-Parking Malaysia Sdn Bhd	Director	Dormant
Linde EOX Sdn Bhd	Director (Resigned as director on 14 June 2016)	Manufacture and sale of industrial and medical gases and trading of welding and medical equipment and related products
Bahagia Kenyalang Holdings (M) Sdn Bhd	Director	Investment holding and provision of management services to its subsidiary companies
Naluri Hartawan Sdn Bhd	Director and shareholder	Dormant
Azaria Sdn Bhd	Director and shareholder	Dormant. The company is in the process of winding up
Warisan Kenyalang Sdn Bhd	Director/ shareholder	Investment holding
BK Management and Services Sdn Bhd	Director	Rendering of management services

Ibrahim bin Baki is not involved in the day-to-day operations of the aforementioned business activities or the corporations outside our Group. He holds equity interest in these companies mainly for investment purpose only and he is not expected to be involved actively in the daily management of these companies. The daily activities of these companies are carried out by their own management team. Consequently, his involvement in the companies outside our Group does not affect his contributions to our Group or adversely impact his ability to act and perform his responsibilities as our Non-Independent Non-Executive Chairman.

(b) Chin Mui Khiong

Company	Involvement (Director/ Shareholder)	Principal Activities
Cahaya Mata Sarawak Berhad	Independent Director	Investment holding company, also provides centralised treasury and administrative services for the group
Landmarks Berhad	Independent Director	Investment holding and the provision of management services
Hubline Bhd	Independent Director	Investment holding and the provision of management services
COPE Private Equity Sdn Bhd	Director	Management of private equity investment

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

Company	Involvement (Director/ Shareholder)	Principal Activities
ASSAR Corporate Services Sdn Bhd	Director	Business management consultancy services
Wineagles Sdn Bhd	Director (Resigned as director on 3 December 2015)	Investment in properties

Chin Mui Khiong is not involved in the day-to-day operations of the aforementioned business activities or the corporations outside our Group. He sits on the board of three (3) public listed companies as independent director and thus, he is not involved in the daily management of these companies. As for the private limited companies, they are mainly investment holding that do not require daily involvement. Consequently, his involvements in the aforementioned business activities or the corporations outside our Group does not affect his contributions to our Group or adversely impact his ability to act or perform his responsibilities as our Independent Non-Executive Director.

6.4.3 Key Management Personnel

Company	Involvement (Director/ Shareholder)	Principal Activities
Durian Story Sdn Bhd	Director	Durian orchard
SMI Corporate Services Sdn Bhd	Director	Provision management and secretarial services
BKJ Properties Sdn Bhd	Director	Dormant
Linde Roc Sdn Bhd	Director (Resigned as director on 1 July 2017)	Operating a shared service centre for engineering management consultancy services and outsourcing business
SMI Corporate Services (S) Sdn Bhd	Director	Providing management services

Ho Mui Siok is not involved in the day-to-day operations of the aforementioned business activities or the corporations outside our Group. Consequently, her involvements in the aforementioned business activities or corporations outside the Group does not affect her contributions to our Group or adversely impact her ability to act or perform her responsibilities as our Group Finance Manager.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

6.5 Relationships or Associations

Save as disclosed below, there are no family (the term “a member of the director’s family” as defined in Section 197(2) of the Act) relationships or association between substantial shareholders, Promoters, Directors and key management.

- (a) Datin Dona Amat Drury is the spouse of Dato Richard Wee.
- (b) Dato Richard Wee is the father of Brandon Wee Wei Xuan and uncle of Justin Ho Tze Shiuan.
- (c) Brandon Wee Wei Xuan is the son of Dato Richard Wee and Datin Dona Amat Drury.
- (d) Justin Ho Tze Shiuan is the nephew of Dato Richard Wee and Datin Dona Amat Drury.
- (e) Ting Ing Thai and Ting Ing Soon are brothers.
- (f) Lim Ah Ted and Lim Hang Min are brothers.
- (g) Terence Lim Tze Yung is the son of Lim Ah Ted.

6.6 Related Party Transactions

Under the Listing Requirements, a “related party transaction” is a transaction entered into between the listed corporation or any of its subsidiaries and a related party. A “related party” of a listed issuer is:-

- (i) a director having the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed corporation or a chief executive of the listed corporation; or
- (ii) a substantial shareholder who has an interest of 10% or more of the total number of voting shares in a corporation; or
- (iii) a person connected with such director or substantial shareholder.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

6.6.1 Related Party Transactions

Save as disclosed below, our Board confirms that there are no existing or presently proposed related party transactions entered into between our Group and our Directors, substantial shareholders and/or persons connected with them for the FYE 2017, FPE 2018 and subsequent to FPE 2018 up to the LPD.

No.	Related Parties	Nature of Relationship	Nature of Transaction	FYE 2017 (RM)	FPE 2018 (RM)	Subsequent to FPE 2018 up to the LPD (RM)
1.	SCS and EPT	Dato Richard Wee, our Non-Independent Executive Vice Chairman and substantial shareholder is a director and a substantial shareholder of EPT	Acquisition of property and sole agency rights under the agreement set out in Section 9.1(v) of this Information Memorandum	-	1,400,000	-
2.	SCS, STSB and SFS, and EPT	Dato Richard Wee, our Non-Independent Executive Vice Chairman and substantial shareholder, is a director and a substantial shareholder of EPT	<p>Sale of food products</p> <p>Purchase of food products</p> <p>Provision of property plant and equipment</p> <p>Office maintenance</p> <p>Renting of warehouse</p> <p>Renting of office</p>	<p>301,144</p> <p>680,945</p> <p>46,000</p> <p>11,500</p> <p>38,031</p> <p>19,520</p>	<p>192</p> <p>-</p> <p>708,100</p> <p>6,500</p> <p>42,500</p> <p>-</p>	<p>152</p> <p>512</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>
3.	SCS and WHTS Resources Sdn Bhd	Dato Richard Wee, our Non-Independent Executive Vice Chairman and substantial shareholder, is a director and a substantial shareholder of WHTS Resources Sdn Bhd	<p>Office maintenance</p> <p>Sale of food products</p>	<p>15,100</p> <p>25,233</p>	<p>6,500</p> <p>17,512</p>	<p>-</p> <p>3,729</p>
4.	SFS and Dato Richard Wee and Lim Ah Ted	Dato Richard Wee, is our Non-Independent Executive Vice Chairman and	Disposal of property as further described in the agreements set out in Section	-	900,000	-

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

No.	Related Parties	Nature of Relationship	Nature of Transaction	FYE 2017 (RM)	FPE 2018 (RM)	Subsequent to FPE 2018 up to the LPD (RM)
		substantial shareholder. Lim Ah Ted, is our substantial shareholder and Managing Director	9.1(vi) of this Information Memorandum			
5.	SCS and JCSB	Lim Ah Ted, our Managing Director and substantial shareholder, is a shareholder of JCSB. Lee Hon Jin, our Promoter and substantial shareholder, is a director of JCSB.	Acquisition of property as further described in the agreement set out in Section 9.1(ii) of this Information Memorandum	-	1,281,342	-
6.	SFS and JCSB	Lim Ah Ted, our Managing Director and substantial shareholder, is a shareholder of JCSB. Lee Hon Jin, our Promoter and substantial shareholder, is a director and shareholder of JCSB.	Acquisition of property as further described in the agreement set out in Section 9.1(iii) of this Information Memorandum	-	1,417,580	-
7.	BFL and JCSB	Lim Ah Ted, our Managing Director and substantial shareholder, is a shareholder of JCSB. Lee Hon Jin, our Promoter and substantial shareholder, is a director and shareholder of JCSB.	Acquisition of property as further described in the agreement set out in Section 9.1(iv) of this Information Memorandum	-	1,281,342	-
8.	SCR, SCS, SFS, STSB and JBA Solutions Sdn Bhd	Brandon Wee Wei Xuan, the alternate director to Dato Richard Wee and our Group Supply	Provision of computer services to SCR, SCS and SFS	142,778	125,047	63,151

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

No.	Related Parties	Nature of Relationship	Nature of Transaction	FYE 2017 (RM)	FPE 2018 (RM)	Subsequent to FPE 2018 up to the LPD (RM)
		Chain Manager, is a director of JBA Solutions Sdn Bhd. Dato Richard Wee, our Non-Independent Executive Vice Chairman and substantial shareholder is a shareholder of JBA Solutions Sdn Bhd	Purchase of computer equipment for office use	-	23,697	23,494
9.	SCS, SFS and BFL with Asfine Marketing Sdn Bhd	Tan Chiew Ting, our Promoter and substantial shareholder, is a director and shareholder of Asfine Marketing Sdn Bhd	Purchase of food products Sale of food products	31,992 -	53,897 -	10,204 -
10.	SCS, SFS and BFL with Supreme Food Supply (Bintulu) Sdn Bhd	Tan Chiew Ting, our Promoter and substantial shareholder, is a director and shareholder of Supreme Food Supply (Bintulu) Sdn Bhd	Purchase of food products Sale of food products	984,124 3,989,587	174,906 3,278,658	153,173 1,245,771
11.	SCS, SFS and BFL with Ting & Ling Trading Sdn Bhd	Tan Chiew Ting, our Promoter and substantial shareholder, is a director and shareholder of Ting & Ling Trading Sdn Bhd	Purchase of food products Sale of food products	3,458,562 579,554	2,656,543 578,032	994,235 178,993
12.	SCS, SFS and BFL with Ting & Ting Supermarket Sdn Bhd	Ting Ing Thai, our Non-Independent Executive Director and substantial shareholder, is a director and shareholder of Ting & Ting Supermarket Sdn Bhd	Purchase of food products	2,070,054	1,491,121	755,421

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

No.	Related Parties	Nature of Relationship	Nature of Transaction	FYE 2017 (RM)	FPE 2018 (RM)	Subsequent to FPE 2018 up to the LPD (RM)
		Ting Ing Soon, our Promoter and substantial shareholder, is a director and shareholder of Ting & Ting Supermarket Sdn Bhd	Sale of food products	1,696,802	1,196,455	659,613
13.	SCS and BGSB	Lim Ah Ted, our Managing Director and substantial shareholder, is a shareholder of BGSB Terence Lim Tze Yung, the alternate director to Lim Ah Ted and our Group Facility Manager, is a director BGSB	Handling charges	-	2,870	565

Our Board, having considered all aspects of the related party transactions, is of the opinion that the above related party transactions were carried out on arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties, and accordingly, they are not detrimental to our Group and our minority shareholders.

Upon Listing, our Board will ensure that:-

- (i) any proposed related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not detrimental to our minority shareholders;
- (ii) any proposed related party transactions shall be considered by our independent Director as to the viability of the terms thereof and further, shall require the prior approval of shareholders in general meeting; and
- (iii) the Directors, substantial shareholders and/or persons connected with a Director or substantial shareholder who have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or substantial shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or substantial shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or substantial shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or substantial shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transactions at the general meeting.

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*cont'd*)

6.7 Interests in Similar Business and Other Conflict of Interest

Save as disclosed below, none of our Promoters, substantial shareholders, Directors and/or key management personnel has any interest, direct or indirect, in other businesses or corporations carrying on a trade similar to that of our Group or businesses or corporations which are also our customers or suppliers as at the LPD:

Promoter/ Substantial Shareholder/ Director	Company	Nature of Interest
Dato Richard Wee	Similar business as that of our Group:- - EPT ⁽ⁱ⁾ - Butchers Deli Sdn Bhd ⁽ⁱⁱ⁾ - Butchers Smokehouse Sdn Bhd ⁽ⁱⁱ⁾	Director and shareholder
Lim Ah Ted	Similar business as that of our Group:- - BGSB ⁽ⁱⁱⁱ⁾	Director and shareholder
Tan Chiew Ting	Similar business as that of our Group:- - Asfine Marketing Sdn Bhd ^(iv) - Supreme Food Supply (Bintulu) Sdn Bhd ^(iv) - Ting & Ling Trading Sdn Bhd ^(iv)	Director and shareholder
Ting Ing Thai	Similar business as that of our Group:- - Ting & Ting Supermarket Sdn Bhd ^(v)	Director and shareholder
Ting Ing Soon	Similar business as that of our Group:- - Ting & Ting Supermarket Sdn Bhd ^(v)	Director and shareholder
Lee Hon Jin	Similar business as that of our Group:- - Sung Hoe Trading Sdn Bhd ^(vi) - Sung Hoe Trading (Bintulu) Sdn Bhd ^(vi) - Sung Hoe Trading (Miri) Sdn Bhd ^(vi)	Director and shareholder
Brandon Wee Wei Xuan	Similar business as that of our Group:- - EPT ⁽ⁱ⁾	Director
Terence Lim Tze Yung	Similar business as that of our Group:- - BGSB ⁽ⁱⁱⁱ⁾	Director and shareholder

Our Board is of the opinion that the potential conflict of interest situation arising from the interests of our Promoters, substantial shareholders and/or Director in other businesses or corporations which are also in the provision of frozen food is mitigated due to the following:

- (i) EPT's agency rights to product brands of "Ramly", "Hiestand", "Makcik" and "Daily Fresh Farm" which were solely enjoyed by EPT previously have been granted to SCS by the relevant agents or distributors as part of the agreed terms of the transaction disclosed in Section 9.1(v) of this Information Memorandum. Furthermore, on 24 July 2018, the distribution rights granted to EPT for distribution of "Life" chilli sauce, being the only remaining similar product (albeit different brand) that we also distribute, had been terminated. Ensuing from such termination, EPT intends to focus on chemical products, the product segments which we do not distribute;
- (ii) Butchers Deli Sdn Bhd and Butchers Smokehouse Sdn Bhd are principally involved in the wholesaling and retailing of non-Halal pork food and cooked food products which our Group does not distribute. Butchers Deli Sdn Bhd and Butchers Smokehouse Sdn Bhd have each given an undertaking to our Company that they do not have any intention and shall not diversify their current principal business into the supply and storage of Halal frozen meat (beef, lamb and mutton, poultry and seafood) or any other Halal food or non-Halal food including food products in any part of Malaysia which bear similarity to our Group's current principal business. Further, Dato Richard

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Wee, being the director of Butchers Deli Sdn Bhd and Butchers Smokehouse Sdn Bhd has given an undertaking to our Company that he will resign from the directorships in these two companies within twelve (12) months from 18 July 2018.

- (iii) BGSB only trades in non-Halal frozen pork food products in its principal activity of supply and storage of food products, of which our Group is not involved in. BGSB has given an undertaking to our Company that it does not have any intention and shall not diversify its current principal business into the supply and storage of Halal frozen meat (beef, lamb and mutton, poultry and seafood) or any other Halal food or non-Halal food including food products in any part of Malaysia which bear similarity to our Group's current principal business. Further, Lim Ah Ted and Terence Lim Tze Yung, being the directors of BGSB have each given an undertaking to our Company that they will resign from the respective directorships in BGSB within twelve (12) months from 18 July 2018;
- (iv) The shareholdings in Asfine Marketing Sdn Bhd, Supreme Food Supply (Bintulu) Sdn Bhd and Ting & Ling Trading Sdn Bhd are held by Tan Chiew Ting and his family members. Tan Chiew Ting does not hold any directorship in our Group and he is not involved in the day-to-day operations of our Group;
- (v) Ting & Ting Supermarket Sdn Bhd is one of the customers of our Group and hence, complements the businesses of our Group, and its provision of frozen food is merely part of its principal activity in the operation of a supermarket carrying on retail supermarket trading of consumer goods, canned goods and frozen and chilled food, of which our Group is not involved in; and
- (vi) Sung Hoe Trading Sdn Bhd, Sung Hoe Trading (Bintulu) Sdn Bhd and Sung Hoe Trading (Miri) Sdn Bhd carry out wholesale trading mainly in food and baby care products, of which our Group is not involved in, whereas dry F&B is only a by-product which they include in their wholesale trading. Lee Hon Jin does not hold any directorship in the Group and is not involved in the day-to-day operations of our Group. In connection with his disposal of shares in SCS to BNDM, the transaction of which was completed on 14 September 2015, Lee Hon Jin has given a covenant that he will not directly or indirectly engage in any business in the same nature as SCS in any part of Malaysia for a period of five (5) years from the date of completion of such transaction. He has further covenanted that during this same period, he will not directly or indirectly solicit business from, or attempt to sell, license or provide the same or similar products or services as are now provided by SCS, to any customer or client of SCS, and that he will not directly or indirectly solicit, induce or attempt to induce any employee of SCS to terminate his employment with SCS.

Notwithstanding the above, in the event of a potential conflict of interest situation, such Promoters, substantial shareholders and/or Director and/or persons connected with them are obliged, if required by law or regulations, to abstain from voting and deliberations on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of their direct and indirect interests.

In addition, should our Group ventures into non-Halal food or non-Halal food related products in the future, such Promoters, substantial shareholders and/or Director and/or persons connected with them who have interest in businesses relating to non-Halal food or non-Halal food related products outside our Group in any part of Malaysia, shall abstain from deliberations and voting on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect of their direct and indirect interests, to avoid any actual or potential conflict of interest situation. In relation to this, as at the LPD, Dato Richard Wee, Lim Ah Ted and Terence Lim Tze Yung each has interest in businesses relating to non-Halal food or non-Halal food related products outside our Group, namely

6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

Butchers Deli Sdn Bhd and Butchers Smokehouse Sdn Bhd and BGSB respectively, with the details of their principal activities as set out in Section 6.4.1 of this Information Memorandum.

To mitigate any conflict of interest, actual or potential, these three (3) companies namely, Butchers Deli Sdn Bhd and Butchers Smokehouse Sdn Bhd, and BGSB have each given a written undertaking to our Company, undertaking that they do not have any intention and shall not diversify their current principal business into the supply and storage of Halal frozen meat (beef, lamb and mutton, poultry and seafood) or any other Halal or non-Halal food including food products in any part of Malaysia which will bear similarity to our Group's current principal business.

To further mitigate any conflict of interest, actual or potential, arising from the non-Halal food or non-Halal food related products in the future, Dato Richard Wee, Lim Ah Ted and Terence Lim Tze Yung (person connected to Lim Ah Ted) will resign as director in these companies within twelve (12) months from 18 July 2018.

As a step towards good corporate governance, we have our Independent Non-Executive Director to scrutinise all transactions of our Group with the companies set out in Section 6.4 of this Information Memorandum in which there is potential conflict of interest situation arising from the interests of our Promoters, substantial shareholders and/or Director and to ensure that any future transactions involving such related parties set out in Section 6.6.1 of this Information Memorandum or any other related parties, are entered into on arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to our minority shareholders.

6.8 Other Transactions

Save as disclosed in Section 9.1 of this Information Memorandum, there are no other transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party during the FYE 2017 up to the LPD.

There are no outstanding loans, including guarantees of any kind made by our Group to or for the benefit of related parties during the FYE 2017 up to the LPD.

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6. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)

6.9 Employees

A summary of our Group's total workforce by category as at 30 September 2017, 30 June 2018 as well as at the LPD is set out below:

Category	No. of Employees		
	As at 30 September 2017	As at 30 June 2018	As at the LPD
Director	7	6	7
Senior Managers	7	5	5
Managers	7	7	7
Professional and Executives	35	37	41
Clerical and Non-Executives	94	91	123

Category	Length of Service (Years)			Total Number of Employees as at the LPD
	Less than 1 Year	More than 1 Year but Less than 5 Years	More than 5 Years	
Directors	-	2	5	7
Senior Managers	1	1	3	5
Managers	-	2	5	7
Professional/ Executive	8	16	17	41
Clerical/ Non-executive	52	38	33	123
TOTAL	61	59	63	183

As at the LPD, we have a total workforce of 183 permanent employees in our employment including our Directors, all of which consist of Malaysians. We do not employ foreign workers and none of our employees belong to any trade unions and we enjoy good working relationship with our employees. Thus, we have not experienced any major turnover in our workforce and this is expected to continue.

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7. PRO FORMA HISTORICAL FINANCIAL INFORMATION

7.1 Pro Forma Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets out the pro forma historical audited consolidated statements of profit or loss and other comprehensive income for the FYE 2016 and FYE 2017 as well as the pro forma historical unaudited consolidated statements of profit or loss and other comprehensive income for the FPE 2018, which have been extracted from our audited financial statements for FYE 2016 and FYE 2017 and unaudited interim financial statements for the FPE 2018 as set out in the Appendix I and II of this Information Memorandum respectively and shall be read in conjunction with the "Management Discussion and Analysis" in Section 8 of this Information Memorandum:

	-----Pro forma----->		
	Audited FYE 2016 RM	FYE 2017 RM	Unaudited FPE 2018 RM
REVENUE	90,503,895	112,076,669	104,294,915
COST OF SALES	(81,744,062)	(99,558,170)	(93,808,883)
GROSS PROFIT	8,759,833	12,518,499	10,486,032
OTHER INCOME	822,204	1,051,487	413,037
	9,582,037	13,569,986	10,899,069
ADMINISTRATIVE EXPENSES	(5,438,811)	(7,227,754)	(4,908,572)
FINANCE COSTS	(680,433)	(828,223)	(752,182)
PROFIT BEFORE TAXATION	3,462,793	5,514,009	5,238,315
INCOME TAX EXPENSES	(1,052,360)	(1,461,199)	(1,280,635)
PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR/ PERIOD	2,410,433	4,052,810	3,957,680
EBITDA	3,411,013	5,435,425	5,224,729
GP MARGIN (%)	9.68%	11.17%	10.05%
PBT MARGIN (%)	3.83%	4.92%	5.02%
PAT MARGIN (%)	2.66%	3.62%	3.79%

1) GP margin is computed based on GP divided by revenue

2) PBT margin is computed based on PBT divided by revenue

3) PAT margin is computed based on PAT divided by revenue

7. PRO FORMA HISTORICAL FINANCIAL INFORMATION (cont'd)

7.2 Pro Forma Consolidated Statements of Financial Position

The following table sets out the pro forma consolidated statements of financial position for the FYE 2016 and FYE 2017 as well as the pro forma historical unaudited consolidated statements of financial position for the FPE 2018, which have been extracted from our audited financial statements for FYE 2016 and FYE 2017 and unaudited interim financial statements for the FPE 2018 as set out in the Appendix I and II of this Information Memorandum respectively and shall be read in conjunction with the "Management Discussion and Analysis" in Section 8 of this Information Memorandum:

	<-----Pro forma----->		
	Audited		Unaudited
	FYE 2016	FYE 2017	FPE 2018
	RM	RM	RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8,567,683	9,276,967	10,514,052
Investment properties	-	-	270,932
Intangible assets	-	-	266,000
Goodwill	21,407,233	21,407,233	21,407,233
	29,974,916	30,684,200	32,458,217
CURRENT ASSETS			
Inventories	14,876,481	21,399,994	17,655,799
Trade receivables	13,978,768	17,483,928	23,089,490
Other receivables, deposits and prepayments	4,150,345	385,376	930,701
Cash and bank balances	2,528,320	7,570,454	6,852,266
Fixed deposits with licensed banks	2,338,789	1,939,359	3,490,350
Current tax assets	356,645	270,967	225,310
	38,229,348	49,050,078	52,243,916
TOTAL ASSETS	68,204,264	79,734,278	84,702,133
EQUITY AND LIABILITIES			
EQUITY			
Share capital	50,500,000	50,500,000	50,500,000
Retained profits/ (Accumulated losses)	(2,089,567)	583,243	4,540,923
TOTAL EQUITY	48,410,433	51,083,243	55,040,923
NON-CURRENT LIABILITIES			
Long term borrowings	209,000	2,021,044	653,788
Hire purchase payables	743,654	629,871	425,703
Deferred tax liabilities	435,726	323,671	323,671
	1,388,380	2,974,586	1,403,162
CURRENT LIABILITIES			
Short term borrowings	9,565,060	19,182,983	21,044,939
Hire purchase payables	314,441	298,257	248,195
Trade payables	4,442,131	4,728,382	4,228,852
Other payables and accruals	1,960,583	1,317,321	1,813,745
Amount owing to a shareholder	-	-	750,000
Amount owing to directors	2,014,238	-	-
Current tax liabilities	108,998	149,506	172,317
	18,405,451	25,676,449	28,258,048
TOTAL LIABILITIES	19,793,831	28,651,035	29,661,210
TOTAL EQUITY AND LIABILITIES	68,204,264	79,734,278	84,702,133

7. PRO FORMA HISTORICAL FINANCIAL INFORMATION (cont'd)

7.2 Pro Forma Consolidated Statements of Financial Position (cont'd)

The following table sets out a summary of the pro forma consolidated statement of financial position of our Group to show the pro forma effects of after the allotment of shares, the proposed Excluded Issue and utilisation of proceeds:

	As at 30 September 2017 RM	Pro forma I after Allotment of shares RM	Proforma II After Pro forma I and Excluded Issue RM	Pro forma III After Pro forma II and Utilisation of Proceeds RM
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	9,276,967	9,276,967	9,276,967	12,776,967
Goodwill	21,407,233	21,407,233	21,407,233	21,407,233
	30,684,200	30,684,200	30,684,200	34,184,200
CURRENT ASSETS				
Inventories	21,399,994	21,399,994	21,399,994	21,399,994
Trade receivables	17,483,928	17,483,928	17,483,928	17,483,928
Other receivables, deposits and prepayments	385,376	385,376	385,376	385,376
Cash and bank balances	7,570,454	10,500,454	17,070,454	12,470,454
Fixed deposits with licensed banks	1,939,359	1,939,359	1,939,359	1,939,359
Current tax assets	270,967	270,967	270,967	270,967
	49,050,078	51,980,078	58,550,078	53,950,078
TOTAL ASSETS	79,734,278	82,664,278	89,234,278	88,134,278

Notes:

- (i) *Being effect after new allotment of shares to certain directors, senior management and long serving employees for cash at the issue price of RM0.50 per share.*
- (ii) *Being effects of the public issue of 13,140,000 Issue Shares at issue price of RM0.50 per share pursuant to the Excluded Issue.*
- (iii) *Being effects of the utilisation of proceeds as disclosed in Excluded Issue Summary of this Information Memorandum.*

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7. PRO FORMA HISTORICAL FINANCIAL INFORMATION (cont'd)

	As at 30 September 2017 RM	Pro forma I after Allotment of share RM	Proforma II After Pro forma I and Excluded Issue RM	Pro forma III After Pro forma II and Utilisation of Proceeds RM
EQUITY AND LIABILITIES				
EQUITY				
Share capital	50,500,000	53,430,000	60,000,000	60,000,000
Retained profits/ (accumulated losses)	583,243	583,243	583,243	(516,757)
TOTAL EQUITY	51,083,243	54,013,243	60,583,243	59,483,243
NON-CURRENT LIABILITIES				
Long term borrowings	2,021,044	2,021,044	2,021,044	2,021,044
Hire purchase payables	629,871	629,871	629,871	629,871
Deferred taxation liabilities	323,671	323,671	323,671	323,671
	2,974,586	2,974,586	2,974,586	2,974,586
CURRENT LIABILITIES				
Short term borrowings	19,182,983	19,182,983	19,182,983	19,182,983
Hire purchase payables	298,257	298,257	298,257	298,257
Trade payables	4,728,382	4,728,382	4,728,382	4,728,382
Other payables and accruals	1,317,321	1,317,321	1,317,321	1,317,321
Current tax liabilities	149,506	149,506	149,506	149,506
	25,676,449	25,676,449	25,676,449	25,676,449
TOTAL LIABILITIES	28,651,035	28,651,035	28,651,035	28,651,035
TOTAL EQUITY AND LIABILITIES	79,734,278	82,664,278	89,234,278	88,134,278

Notes:

- (i) Being effect after new allotment of shares to certain directors, senior management and long serving employees for cash at the issue price of RM0.50 per share.
- (ii) Being effects of the public issue of 13,140,000 Issue Shares at issue price of RM0.50 per share pursuant to the Excluded Issue.
- (iii) Being effects of the utilisation of proceeds as disclosed in Excluded Issue Summary of this Information Memorandum.

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7. PRO FORMA HISTORICAL FINANCIAL INFORMATION (cont'd)

7.3 Pro Forma Consolidated Statements of Cash Flows

The following table sets out the pro forma consolidated statements of cash flow for the FYE 2016, FYE 2017 as well as pro forma consolidated statements of cash flow for the FPE 2018, which have been extracted from our pro forma audited consolidated statements of profit or loss and other comprehensive income for FYE 2016 and FYE 2017 as well as the pro forma historical unaudited consolidated statements of profit or loss and other comprehensive income for the FPE 2018 as set out in the Section 7.1 of this Information Memorandum and shall be read in conjunction with the "Management Discussion and Analysis" in Section 8 of this Information Memorandum:

	←-----Pro forma----->		
	Audited FYE 2016 RM	FYE 2017 RM	Unaudited FPE 2018 RM
CASH FLOWS FOR OPERATING ACTIVITIES			
Profit before taxation	3,462,793	5,514,009	5,238,315
Adjustments for:-			
Allowance for impairment losses on receivables	30,568	35,297	-
Allowance for impairment losses on inventories	-	38,579	-
Bad debts written off	10,304	10,894	-
Bad debts recovered	(150)	-	-
Depreciation of property, plant and equipment	732,213	906,807	751,768
Depreciation of intangible assets	-	-	14,000
Impairment losses on property, plant and equipment	-	410,000	-
Interest expense	680,433	828,223	752,182
Property, plant and equipment written off	3,377	4,071	5,263
Unrealised loss on foreign exchange	(18,695)	4,609	-
Gain on disposal of property, plant and equipment	(60,912)	(141,509)	(81,961)
Interest income	(115,642)	(95,468)	(39,521)
Reversal of impairment losses	(4,203)	-	(16,030)
Reversal of impairment losses on trade receivables	4,600	(25,968)	-
Operating profit before working capital changes	4,724,686	7,489,544	6,624,016
Decrease/ (Increase) in inventories	1,675,403	(6,562,092)	3,744,195
Decrease/ (Increase) in trade and other receivables	(3,252,791)	695,541	(6,122,107)
(Decrease)/ Increase in trade and other payables	847,418	(817,575)	(15,857)
(Decrease)/ Increase in amount owing to directors	2,125,394	(2,014,238)	-
Increase in amount owing to a shareholder	-	-	750,000
CASH FROM FROM/ (FOR) OPERATIONS	6,120,110	(1,208,820)	4,980,247
Interest paid	(680,433)	(828,223)	(313,674)
Interest received	115,642	95,468	39,521
Income tax paid	(1,207,494)	(1,572,495)	(1,212,166)
Income tax refunded	123,659	125,428	-
NET CASH FROM/ FOR OPERATING ACTIVITIES	4,471,484	(3,388,642)	3,493,928

7. PRO FORMA HISTORICAL FINANCIAL INFORMATION (cont'd)

	<-----Pro forma----->		
	Audited		Unaudited
	FYE 2016	FYE 2017	FPE 2018
	RM	RM	RM
CASH FLOWS FOR INVESTING ACTIVITIES			
Acquisition of investments in subsidiaries	(44,314,868)	-	-
Purchase of property, plant and equipment (Decrease)/ Increase in fixed deposits pledged to licensed banks	(1,042,696) (165,490)	(3,371,453) 399,429	(2,273,085) (1,550,991)
Increase in intangible assets	-	-	(280,000)
Proceeds from disposal of property, plant and equipment	107,513	1,710,000	90,000
NET CASH FOR INVESTING ACTIVITIES	(45,415,541)	(1,262,024)	(4,014,076)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	(4,500,000)	(1,380,000)	-
Proceeds from issuance of shares	50,501,000	-	-
Increase/ (Repayment) of bankers' acceptance	(2,432,043)	9,998,333	242,193
Repayment of hire purchase obligations	(233,876)	(357,167)	(287,028)
Drawdown of term loan	-	2,700,000	1,000,000
Repayment of term loan	(902,691)	(787,333)	(595,576)
NET CASH FROM FINANCING ACTIVITIES	42,432,390	10,173,833	359,589
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	1,488,333	5,523,167	(160,559)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/ PERIOD	-	1,488,333	7,011,500
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/ PERIOD *	1,488,333	7,011,500	6,850,941

Note:-

* For the purpose of the statements of cash flows, cash and cash equivalents comprise the following: -

	FYE 2016	FYE 2017	FPE 2018
	RM	RM	RM
Cash and bank balance	2,528,320	7,570,454	6,852,266
Bank overdrafts	(1,039,987)	(558,954)	(1,325)
Cash and cash equivalents	1,488,333	7,011,500	6,850,941

8. MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis of our past financial condition and results of operations should be read in conjunction with our Proforma Audited Consolidated Financial Statements for the FYE 2016, FYE 2017 and proforma unaudited for the FPE 2018 as set out in the Appendix I and II of this Information Memorandum.

This discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below or elsewhere in this Information Memorandum, particularly in the section entitled "Risk Factors" set out in Section 5 of this Information Memorandum.

8.1 Overview

We are principally involved in the distribution and warehousing of food and beverages for third-party and own brands, focusing on frozen food, chilled food, dairy products and dry F&B. We are also involved in the provision of transportation services via our subsidiary, STSB.

Geographically, our business operations are in Sarawak. We operate our business through our distribution centres in Kuching and Miri.

Please refer to Section 8.10 of this Information Memorandum for significant factors which affect our financial position and results of operations.

8.2 Revenue

Our Group's revenue for the financial years/ period under review was derived from distribution and warehousing of food and beverages for third-party and own brands. Our revenue is recognised when all the following conditions are satisfied:

- (i) we have transferred the significant risks and rewards of ownership of our goods to our buyer;
- (ii) we retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) the amount of revenue can be measured reliably;
- (iv) it is probable that the economic benefits associated with the transaction will flow to the entity;
- (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably; and
- (vi) upon the completion of the services rendered and acceptance by the customers.

The following tables set out a breakdown of our Group's revenue by products and services, company based on products and services, distribution channel and companies within the SCR Group on proforma basis for FYE 2016, FYE 2017 and FPE 2018:-

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

(a) By Products and Services

The types of food and beverages products and services that we are distributing and providing includes:-

- (i) Frozen food : Burgers patties, chicken franks, seafood, French fries, mutton, lamb, poultry and chicken, frozen beef, buffalo meat, pastry, mixed vegetable and fruits.
- (ii) Chilled food : Chilled beef, butter, cheese and margarine.
- (iii) Dairy products : Milk, milk powder and cream.
- (iv) Dry F&B : Non-carbonated drinks, desserts, sauces, spices, dressings, canned food as well as bakery products such as flour or powder.
- (v) Transportation : Transportation of goods.

Revenue	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Food and beverages distributed:-						
Frozen food	53,616	59.2	72,406	64.6	69,448	66.6
Chilled food	16,622	18.4	17,221	15.4	14,255	13.7
Dairy products	10,960	12.1	12,343	11.0	8,480	8.1
Dry F&B	9,306	10.3	9,809	8.8	12,112	11.6
	90,504	100.0	111,779	99.8	104,295	100.0
Service provided:-						
Transportation	-	-	298	0.2	-	-
TOTAL GROUP	90,504	100.0	112,077	100.0	104,295	100.0

(b) Company Based on Products and Services

SCS	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Food and beverages distributed:-						
Frozen food	36,301	97.9	54,150	98.7	56,504	98.5
Dairy products	714	1.9	740	1.3	526	0.9
Chilled food	63	0.2	11	*	322	0.6
Dry F&B	-	-	-	-	-	-
TOTAL	37,078	100.0	54,901	100.0	57,352	100.0

Note:

* Insignificant

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

SFS	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Food and beverages distributed:-						
Chilled food	12,420	44.8	13,335	45.4	11,010	40.7
Dairy products	8,324	30.1	9,458	32.2	6,290	23.3
Dry F&B	5,551	20.0	5,572	19.0	9,151	33.8
Frozen food	1,409	5.1	986	3.4	589	2.2
TOTAL	27,704	100.0	29,351	100.0	27,040	100.0

BFL	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Food and beverages distributed:-						
Frozen food	15,905	61.8	17,271	62.7	12,355	62.0
Dry F&B	3,756	14.6	4,236	15.4	2,961	14.9
Chilled food	4,139	16.1	3,875	14.1	2,923	14.7
Dairy products	1,922	7.5	2,145	7.8	1,664	8.4
TOTAL	25,722	100.0	27,527	100.0	19,903	100.0

STSB	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Service provided:-						
Transportation services	-	-	298	100.0	-	-
TOTAL	-	-	298	100.0	-	-

(c) Distribution Channel

Distribution Channel	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Retails	35,763	39.5	42,796	38.2	41,920	40.2
Wholesales	27,302	30.2	41,505	37.0	40,772	39.1
Food services	27,439	30.3	27,776	24.8	21,603	20.7
TOTAL GROUP	90,504	100.0	112,077	100.0	104,295	100.0

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)**(d) By Companies**

Companies	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 30 June 2018	
	RM'000	%	RM'000	%	RM'000	%
SCS	41,270	41.2	59,666	48.1	61,934	54.1
SFS	33,158	33.1	35,038	28.3	31,428	27.5
BFL	25,731	25.7	27,568	22.3	19,904	17.4
STSB	-	-	1,571	1.3	1,107	1.0
	100,159	100.00	123,843	100.0	114,373	100.0
Consolidation adjustments*	(9,655)	-	(11,766)	-	(10,078)	-
TOTAL GROUP	90,504	100.0	112,077	100.0	104,295	100.0

* Due to intra group sales, purchases, rental income and expenses made between SCS, SFS, BFL and STSB.

(e) By Brands

Brands	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
3rd party brands	84,664	93.5	105,965	94.5	100,154	96.0
Own brands	5,840	6.5	6,112	5.5	4,141	4.0
TOTAL GROUP	90,504	100.0	112,077	100.0	104,295	100.0

Comparison Between Proforma FYE 2016, FYE 2017 and FPE 2018

Our Group's revenue increased by RM21.6 million or approximately 23.9% from RM90.5 million for the FYE 2016 to RM112.1 million in the FYE 2017. The increase in revenue is mainly due to an increase in revenue from our entire products and services segment as elaborated below.

The increase in revenue from the distribution of frozen food of approximately RM18.8 million or approximately 35.1 % was mainly due to the following reasons:

- the introduction of Halal Indian buffalo meat from May 2017 onwards, which have contributed an additional RM15.0 million to the increased frozen food's revenue for FYE 2017; and
- the increased of RM0.3 million or 4.7% in the distribution of our own branded frozen food such as chicken burgers, chicken frankfurters, honey chicken franks, chicken nuggets and chicken nugget sticks as a result of the successful marketing campaigns, sales promotion and product samplings.

In addition, the increase in revenue from the distribution of dairy products of approximately RM1.3 million or approximately 11.8% from FYE 2016 to FYE 2017 was mainly due to the following reasons:

- the introduction of new dairy products from brands such as "Magnolia", and "Farmhouse", which have contributed additional RM0.8 million to the dairy products' revenue for FYE 2017; and
- the increased distribution of our existing main brands, including amongst others, "Rich", "NZMP", and "Devondale" by RM0.2 million or approximately 3.5% of the increase in revenue from the dairy products segment for the FYE 2017.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

The increase in revenue from the distribution of chilled food of approximately RM0.6 million or approximately 3.6% was mainly due to the following reasons:

- the introduction of new products including amongst others, juices, dairy product, butter and cheese as a result of the distribution rights acquired from new agencies since April 2017 has contributed RM1.2 million or 7.2% of the total sale of chilled food; and
- the increase in revenue from the distribution of chilled food was set-off by the reduction in the sale of our existing products as we have discontinued the sale of Tatura cheese plain packing which resulted in the loss of revenue of RM0.5 million or 3.0% of chilled food sales.

Further, the increase in revenue from the distribution of dry F&B of RM0.5 million or approximately 5.4% was mainly due to the increased distribution of bakery products such as "Planta Chef" and seasonings like "Knorr" to wholesalers of about RM0.2 million or approximately 76.4% of the increase in revenue from the dry F&B segment for the FYE 2017.

Meanwhile, our transportation segment has contributed revenue of RM0.3 million or approximately 0.3% to the total revenue recorded for the FYE 2017. The revenue recorded was mainly attributed to the provision of transportation services to third parties. However, no comparison can be made for the income from transportation as STSB only commenced operations in October 2016.

For the FPE 2018, our Group recorded revenue of approximately RM104.3 million of which frozen food, chilled food, dairy products and dry F&B contributed RM69.4 million, RM14.3 million, RM8.5 million and RM12.1 million or approximately 66.6%, 13.7%, 8.1% and 11.6% of the total revenue FPE 2018. Meanwhile, no revenue was generated from the transportation segment as the Group did not provide any transportation services to third parties in FPE 2018.

The revenue generated from frozen food was mainly due to the distribution of Halal Indian buffalo meat. The revenue from Halal Indian buffalo meat for the period was recorded at RM25.0 million or approximately 36.0% of the total frozen food sales for the FPE 2018. Raw meat from New Zealand and Australia contributed to RM17.7 million or 25.5% of the total frozen food sale. The remaining 38.5% are generated from seafood, frozen vegetables and agency product burgers patties, frankfurters, honey franks, nuggets and nugget sticks.

8.3 Cost of Sales

The following table sets out a breakdown of our Group's cost of sales on proforma basis for the FYE 2016, FYE 2017 and FPE 2018:-

Cost of Sales	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Direct costs	75,586	92.5	91,531	91.9	86,794	92.5
Indirect costs	6,158	7.5	6,751	6.8	6,284	6.7
Cost of transportation services	-	-	1,276	1.3	731	0.8
TOTAL GROUP	81,744	100.0	99,558	100.0	93,809	100.0

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Our cost of sales generally comprises the following:-

- Direct cost of sales includes purchase costs, import permit and carriage inwards cost.
- Indirect cost of goods sold mainly consisted of salaries, wages and other staff related costs, depreciation of property, plant and equipment, electricity and water charges, commission paid and payable, and rental expenses.
- Cost of transportation are costs incurred for transportation services carried out by STSB which include repair and maintenance costs, motor vehicle running expenses, rental charges, travelling expenses and allowances, and staff costs.

Our cost of sales as a proportion of revenue was at 90.3% for FYE 2016 and it improved slightly to 88.8% for FYE 2017 and increased slightly to 89.9% for FPE 2018.

Comparison between Proforma FYE 2016, FYE 2017 and FPE 2018

Our total cost of sales increased by RM17.8 million or approximately 21.8% from RM81.7 million for FYE 2016 to RM99.6 million for FYE 2017. The increase in costs of sales was mainly due to increase in the overall costs as elaborated below:-

- the increase in direct costs is mainly due to an increase in purchases from RM71.9 million to RM95.2 million attributed to the increase in the purchase of the Halal Indian buffalo meat – “Allanasons”, incurring RM15.6 million or approximately 18.3% to the total costs for the FYE 2017. There was also an increase in carriage inwards of RM0.6 million from RM1.0 million to RM1.6 million mainly due to overseas brand purchases;
- the weakening of RM has also resulted in the increase in purchases as most of our purchases are in USD and were imported from India, Australia, New Zealand and Denmark;
- the increase in indirect costs is mainly due to the increase in staff costs as a result of the increase in warehouse staff, annual salary increments and bonuses. Furthermore, higher depreciation charge on property, plant and equipment from the newly acquired property, plant and equipment, which includes amongst others, forklift, machine and also new short-term leasehold land had also contributed to the increase in indirect costs; and
- the increase in operating cost incurred by the new transportation services unit due to the driver's salary and rental of tracks.

For the FPE 2018, our Group incurred total costs of sales of RM93.8 million comprising direct costs (RM86.8 million or 92.5%), indirect costs (RM6.3 million or 6.7%) and transportation costs (RM0.7 million or 0.8%).

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8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

8.4 GP and GP Margin

The following table sets out a breakdown of our Group's GP and GP margin by subsidiary companies on proforma basis for the FYE 2016, FYE 2017 and FPE 2018:-

GP	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	GP Margin %	RM'000	GP Margin %	RM'000	GP Margin %
SCS	1,191	2.9	4,131	6.9	3,857	6.2
SFS	4,154	12.5	4,523	12.9	4,009	12.8
BFL	2,880	11.2	3,056	11.1	1,833	9.2
STSB	-	-	225	14.3	290	26.2
	8,225	-	11,935	-	9,989	-
Consolidation adjustments*	535	-	583	-	497	-
TOTAL GROUP	8,760	9.7	12,518	11.2	10,486	10.1

* Due to intra group sales, purchases, rental income and expenses made between SCS, SFS, BFL and STSB.

Comparison between Proforma FYE 2016, FYE 2017 and FPE 2018

Our Group's GP (after consolidation adjustments) increased by RM3.7 million or 42.0% from RM8.8 million in the FYE 2016 to RM12.5 million in FYE 2017 due the significant increase in revenue generated from the operations of SCS. As a result, our Group's GP margin has improved by 1.5% from 9.7% for FYE 2016 to 11.2% for FYE 2017. The GP margin varies between companies within the Group. This is mainly attributed to the different sales mix of each company.

The GP of SCS increased by RM2.9 million or 241.7% from RM1.2 million in FYE 2016 to RM4.1 million in FYE 2017. The GP margin of SCS increased by approximately 4.0% from 2.9% in FYE 2016 to 6.9% for the FYE 2017, which was largely attributed to the increase GP margin of frozen beef and lamb where the selling price is higher as a result of market demand and cheaper source of supply as we sourced our supply directly from slaughter houses rather than from the traders. We also achieved a higher margin of 20.0% for our new brand products.

GP margins of SCS for FYE 2016, FYE 2017 and FPE 2018 can be further analysed as follows:-

	GP Margin		
	FYE 2016	FYE 2017	FPE 2018
Meat from Supreme own brand	11.8%	24.2%	32.9%
Meat from Australia	9.9%	13.2%	12.1%
Meat from New Zealand	11.3%	14.8%	14.3%
Meat from India	-	9.0%	8.5%

There is only a slight increase in SFS's GP of RM0.3 million from RM4.2 million for FYE 2016 to RM4.5 million for FYE 2017, while GP margin improved slightly by 0.4% from 12.5% for FYE 2016 to 12.9% for FYE 2017. SFS's revenue is mostly generated from chilled food which has higher margins mainly due to the sales of new brand products since April 2017.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

BFL's GP for the FYE 2017 is relatively stable and recorded a marginal increase of only RM0.2 million from RM2.9 million for FYE 2016 to RM3.1 million for FYE 2017. GP margin remained the same at about 11.2% and 11.1% for FYE 2016 and FYE 2017 respectively. The marginal decrease in GP margin from FYE 2016 to FYE 2017 was mainly due to higher purchase cost as a result of weaker RM. Overall, despite the increase in indirect costs such as freezer rental expenses, motor vehicle running expenses and staff costs, the GP margin for the FYE 2016 and FYE 2017 still remained at above 11.0% as we were able to pass down the costs to our customers by increasing the selling price of certain frozen food.

For FPE 2018, the margin decreased to 10.1% mainly contributed by the sale of lower margin products such as dry F&N products with margin of approximately 6%. In addition, margins from meat imported from Australia, New Zealand and India had also decreased as compared to FYE 2017 (as shown below) due to competition and our strategy to capture more market share by pricing our products more competitively.

8.5 Other Income

The following table sets out a breakdown of our Group's other income on proforma basis for the FYE 2016, FYE 2017 and FPE 2018:-

Other Income	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Interest income	139	16.9	103	9.8	39	9.4
Gain on disposal of property, plant and equipment	61	7.4	142	13.5	82	19.9
Rental income	18	2.2	70	6.7	3	0.7
Incentive income	121	14.7	285	27.1	66	16.0
Insurance claims	-	-	200	19.0	-	-
Miscellaneous income *	483	58.8	251	23.9	223	54.0
TOTAL GROUP	822	100.0	1,051	100.0	413	100.0

Note:-

* *Miscellaneous income consisted of promotion claim freight charges claims from agencies principal.*

The other income does not constitute part of the Group's revenue.

Comparison between Proforma FYE 2016, FYE 2017 and FPE 2018

Other income increased by RM0.3 million or approximately 37.5% from RM0.8 million for FYE 2016 to RM1.1 million for FYE 2017. This was mainly due to the following factors:

- insurance claims received of approximately RM0.2 million due to goods received in bad condition;
- the higher incentive rebates given by the suppliers for fulfilling the minimum order requirement as well as rebates due to short shelf life of newly purchased goods during the FYE 2017;
- gain on the disposal of a piece of vacant land in Sarawak; and
- increase in rental income from the letting of our offices to outsiders.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

For FPE 2018, our Group recorded other income of RM0.4 million or approximately 0.4% of the revenue recorded, comprising mainly miscellaneous income (consisted of promotion claim freight charges claims from agencies principal), gain on disposal of property, plant and equipment and incentive rebates given by our suppliers.

8.6 Administrative Expenses

The following table set out a breakdown of our Group's administrative expenses on proforma basis for the FYE 2016, FYE 2017 and FPE 2018.

	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Directors' remuneration	1,530	28.1	2,232	30.9	1,568	31.9
Staff cost	1,955	36.0	1,632	22.6	1,268	25.8
Others *	530	9.7	833	11.5	658	13.3
Legal, consultancy and auditing	131	2.4	666	9.2	474	9.7
Impairment on property, plant and equipment	3	0.1	414	5.7	4	0.1
Utilities	273	5.0	308	4.3	215	4.4
Depreciation	234	4.3	306	4.2	313	6.4
Repair and maintenance	227	4.2	251	3.5	127	2.6
Insurance	97	1.8	180	2.5	81	1.6
Management fees	120	2.2	147	2.0	-	-
Travelling and entertainment	149	2.7	131	1.8	106	2.2
Motor vehicle expenses	146	2.7	66	0.9	101	2.1
Impairment on trade receivables	31	0.6	35	0.5	-	-
Bad debts written off	12	0.2	15	0.2	-	-
Unrealised loss/ (gain) on Forex	-	-	7	0.1	(6)	(0.1)
Rental	1	-	5	0.1	-	-
TOTAL GROUP	5,439	100.0	7,228	100.0	4,909	100.0

Note:-

* Other expenses consisted of stamp duty, filling fee, communication cost and other sundry expenses.

Administrative expenses as a proportion of our Group's revenue were 6.0%, 6.4% and 4.7% for the FYE 2016, FYE 2017 and FPE 2018 respectively.

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8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Comparison between Proforma FYE 2016, FYE 2017 and FPE 2018

Overall, administrative expenses increased by RM1.8 million or approximately 33.3% from RM5.4 million for FYE 2016 to RM7.2 million for FYE 2017. The increase in our overall administrative expenses was due to the following factors:

- the increase in directors' remuneration of RM0.7 million due to annual salary increment and bonus pay-out;
- the increase in legal and professional fee of RM0.6 million mainly attributed to professional fees for the acquisition of BFL and the two (2) pieces of land at Muara Tebas Land District as well as the disposal of a piece of land in Bau, Sarawak;
- the increase impairment on property, plant and equipment of RM0.4 million due to the one-off impairment losses for Lot 1201, Block 7, Muara Tebas Land District; and
- other expenses of RM0.3 million consist of filling and stamp duty for the acquisition of BFL (RM0.1 million), increase in bank charges (RM0.09 million), seminar and training fee (RM0.04 million).

For FPE 2018, our Group incurred RM4.9 million administrative expenses comprising mainly staff costs, directors remuneration and others (consisted of stamp duty, filling fee, communication cost and other sundry expenses) of approximately RM1.3 million, RM1.6 million and RM0.7 million respectively.

8.7 Finance Costs

The following table sets out a breakdown of our Group's finance costs on proforma basis for the FYE 2017, FYE 2016 and FPE 2018:-

Finance Costs	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Bank overdraft interest	116	17.0	53	6.4	38	5.1
Bankers' acceptance interest	446	65.6	557	67.3	501	66.6
Hire purchase interest	44	6.5	66	8.0	38	5.1
Term loan interest	74	10.9	152	18.3	175	23.2
TOTAL GROUP	680	100.0	828	100.0	752	100.0

Finance costs as a proportion of our Group's revenue were 0.8% for FYE 2016 and 0.7% for the FYE 2017 and FPE 2018 respectively.

Finance costs are mainly interest charged on bank and trade facilities granted by banking and financial institutions, which account for 0.7% and 0.8% of our total revenue for the FYE 2017 and FYE 2016 respectively.

The increase of finance cost was mainly due to the increase in interest expenses on bankers' acceptance and term loans as a result of an increase in the utilisation of bankers' acceptance as well as new term loan drawdown in 2017.

For the FPE 2018, the finance cost was recorded at RM0.8 million main due to the interest incurred from the banker acceptance facilities, this is in line with the increase in sales and cost of sales.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

8.8 PAT and PAT Margin

The following table sets out a breakdown of our Group's PAT and PAT margin by each subsidiaries on proforma basis for the FYE 2016, FYE 2017 and FPE 2018:-

	Proforma				Unaudited	
	FYE 2016		FYE 2017		FPE 30 June 2018	
	RM'000	PAT Margin %	RM'000	PAT Margin %	RM'000	PAT Margin %
BFL	1,569	6.1	1,733	6.3	1,148	5.8
SFS	1,427	4.3	1,527	4.4	2,250	7.2
SCS	194	0.5	1,394	2.3	1,267	2.0
STSB	-	-	-	-	117	10.6
SCR	4,500	-	1,540	-	(824)	-
	7,690	-	6,194	-	3,958	-
Consolidation adjustments*	(5,280)	-	(2,141)	-	-	-
TOTAL GROUP	2,410	2.7	4,053	3.6	3,958	3.8

* Due to dividend distributed by SFS, SCS and BFL to SCS and SCR respectively.

Comparison between Proforma FYE 2016, FYE 2017 and FPE 2018

Our Group's PAT increased by approximately RM1.7 million or 70.8% from RM2.4 million for FYE 2016 to RM4.1 million for the FYE 2017. The increase in PAT was mainly due to the following:

- (i) higher GP from the products and services as explained Section 8.4 of this Information Memorandum; and
- (ii) the increase in other income from the insurance claim, incentive income, rental income and the gain on disposal of land as explained in Section 8.5 of this Information Memorandum.

For FPE 2018, our Group recorded a PAT of RM4.0 million, of which the contribution from SFS, SCS, BFL, STSB are RM2.3 million, RM1.3 million, RM1.1 million, RM0.1 million respectively. SCR incurred a loss of RM0.8 million during the period.

8.9 Key Financial Ratios

	Proforma		Unaudited
	FYE 2016	FYE 2017	FPE 2018
Trade receivables turnover period (days)	56.4	56.9	61.0
Trade payables turnover period (days)	19.8	17.3	12.0
Current ratio (times)	2.1	1.9	1.8
Gearing ratio (times)	0.2	0.4	0.4

Notes:

- (1) $\frac{\text{Trade receivables}}{\text{Revenue}}$ X No. of days in the period
- (2) $\frac{\text{Trade payables}}{\text{Cost of sales}}$ X No. of days in the period
- (3) $\frac{\text{Total current assets}}{\text{Total current liabilities}}$
- (4) $\frac{\text{Total borrowings}}{\text{Shareholders' equity}}$

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

(i) Trade Receivables

The normal credit period generally granted to our customers is between 1 day to 60 days. Our credit terms to customers are assessed and approved on a case by case basis.

Our trade receivables turnover period falls within our normal credit period at around 57 days for FYE 2016 and FYE 2017 and 61 days for FPE 2018.

	Within Credit Period	Exceeding Credit Period		Total
		Less than 90 Days	Over 90 Days	
	RM'000	RM'000	RM'000	RM'000
Trade receivables	11,571	5,443	569	17,583
Less: Provision for doubtful debts	-	3	96	99
Net trade receivables	11,571	5,440	473	17,484
Percentage of total trade receivables (%)	66.2%	31.1%	2.7%	100.0%
Subsequent collections up to the LPD	11,571	5,414	469	17,454
Outstanding balance as at the LPD	-	26	4	30

As at the LPD, the bulk of RM17.6 million of the total receivables outstanding have been collected except for RM0.03 million which represented 0.2% of total trade receivable as at 30 September 2017.

Our Board is of the opinion that the remaining amount of RM0.03 million is recoverable and no provision for impairment is require after taking into consideration the customers' credentials, payment track and our relationships with our customers.

We will ensure that proper credit control procedures are conducted in terms of evaluation of credit risk assessments and customers' funding to ensure debts are recoverable.

(ii) Trade Payables

Our trade payables balances are mainly amount owing to our transporter, forwarder agent and trading goods.

The normal credit terms granted to our Group by our suppliers ranges from one (1) day to 90 days. Our trade payables turnover has been decreasing from 20 days for the FYE 2016 to 17 days for the FYE 2017 and 12 days for the FPE 2018, which indicated promptness in our payments to suppliers.

(iii) Current Ratio

Our current ratio for FYE 2016, FYE 2017 and FPE 2018 were 2.1 times, 1.9 times and 1.8 times respectively. The decrease in current ratio in FYE 2017 as compared to FYE 2016 was due to the increase in our short-term borrowings of RM9.6 million for FYE 2017 compared to FYE 2016. Short-term borrowings as at FPE 2018 stood at RM21.0 million, an increase of RM1.8 million compared to the FYE 2017 of RM19.2 million. Our short-term borrowings comprising mainly banker acceptance for our working capital purposes, which is in line with our business growth.

8. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

(iv) Gearing ratio

Our gearing ratio for FYE 2017 and FPE 2018 were at 0.4 times respectively which is higher as compared FYE 2016 at 0.2 times. This was mainly due to the increase in borrowings consisting of bankers' acceptance and term loan for purchase of properties.

8.10 Significant Factors Affecting Our Financial Position and Results of Operations

Our financial position and results of operations have been and will continue to be affected by, amongst others, the following factors which may not be within our control:-

(i) Political conditions of country in which we operate

Our ability to secure continuous supplies is dependent on the political conditions of the countries we import our products from as our dairy products and frozen food are mostly imported from Australia, New Zealand, Denmark and India. In addition, import duties and import quota imposed by the aforesaid countries will also have an effect on our financial performance.

(ii) Socio-economy conditions that drive local consumption

Our future revenue is dependent on the socio-economy conditions in our country. An improved socio-economy condition will stimulate greater demand for our products as consumers will place greater emphasis on quality of products instead of pricing.

(iii) Growth in user industry sectors

Our distribution channels currently comprised retail sector, wholesaler channel and food services sector. The continuous growth in food services sector would have a direct and positive flow-on effect on the demand of frozen food, chilled food, dairy products and dry F&B thus creating business opportunities for our Group.

(iv) Wide product portfolio

Currently, we have a wide product portfolio which includes, amongst others cheese, milk, butter, margarine, frozen beef, lamb cut and chicken frank. We need to continuously introduce new product choices to our customers to maintain our competitive advantage in product offerings.

(v) Sole distributor rights

Our sole distributor rights for certain product brands in East Malaysia or Sarawak enables us to gain a competitive advantage over our peers as our customers can only source their supplies from us. The maintenance of these rights in future will continue to put us in an advantageous position compared to our competitors.

(vi) Impact of inflation

Our financial performances for FYE 2016, FYE 2017 and FPE 2018 were not materially affected by the impact of inflation. Although we believe that we would be able to pass on any future increases in cost of the products to our customers, there can be no assurance that future inflation will not have a financial impact on our business.

8. MANAGEMENT DISCUSSION AND ANALYSIS (*cont'd*)

(vii) **Outbreak of diseases**

We are operating in the food supply industry where there is an exposure to outbreak of diseases for livestock such as mad cow disease and bird flu. These outbreaks will cause interruption to the supplies as well as a drop in demand which can affect our financial performance.

(viii) **Impact from interest rates**

Our Group's gearing stood at 0.4 times for both FYE 2017 and FPE 2018, and all our borrowings are interest bearing. Thus, any interest rate hike will affect our financial position.

(ix) **Impact from foreign currency exchange rate**

Most of our purchases from foreign suppliers were transacted in USD and our revenues were transacted in RM. As we have significant transactions in foreign currencies, any significant fluctuation in foreign exchange rate may have an impact on the performance of our business.

(x) **Competition**

There are other suppliers who supply similar products of different brands, thus, there is no assurance that our customers will not buy from these suppliers. Nonetheless, we believe that our competitive advantages, amongst other, are our abilities to supply wide range of products with reputable brands and good relationships with existing customers will enable us to compete effectively within the industry and for us to continue to grow our business.

8.11 **Order Book**

Generally, we do not have any long term contracts with our customers as our sales are made based on confirmed orders. During FYE 2017, sales generated from the top five (5) customers were approximately RM18.8 million which is 79.0% higher than RM10.5 million from the same customers in FYE 2016. Sales generated from the top five customers for FPE 2018 were approximately RM17.2 million, representing 16.4% of total sales.

Furthermore, we actively and strive to secure new clients via our marketing and distribution network as part of our business strategies to maintain and grow our business.

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9. OTHER INFORMATION

9.1 Material Contracts

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Company or our subsidiaries within the 2 years immediately preceding the date of this Information Memorandum:

- (i) Shares Sale and Purchase Agreement dated 19 April 2017 ("**SSPA**") entered into between SCR and the shareholders of BFL namely Lee Hon Jin, Ting Ing Thai, Tan Chiew Ting, Ting Ing Soon and BNDM (collectively, "**BFL Vendors**"), which was subsequently varied by the Memorandum of Variation of Agreement dated 15 December 2017 entered into between the same parties.

The agreement provides for the purchase of 15,000,000 ordinary shares in BFL representing the entire issued and paid-up share capital in BFL ("**BFL Sale Shares**") for RM15,000,000.00, to be satisfied by way of allotting and issuing an aggregate of 15,000,000 new ordinary shares of RM1.00 in SCR. The sale and purchase transaction contemplated by this agreement was completed on 30 April 2017 ("**Completion Date**").

Consequently, BFL Vendors and the vendor of SCS, namely, BNDM and SFS, namely Lim Ah Ted and Terence Lim Tze Yung agreed that for a period of 2 years from the Completion Date, they shall give SCR a combined guarantee of RM5,100,000.00 per annum in the after-tax profits of BFL, SCS and SFS for each of the FYE for 2018 and 2019. It was also agreed that SCS shall apply to be listed on the LEAP Market of Bursa Securities or such other market as the Directors of SCR may deem fit, by 31 December 2019.

In connection with the SSPA, the entire issued share capital of SCS and SFS were likewise sold and transferred to SCR as part of a group restructuring exercise, thereby resulting in SCR becoming the holding company of BFL, SCS and SFS following the completion date of the SSPA.

- (ii) Sale and Purchase Agreement dated 11 January 2018 entered into between SCS and JCSB to purchase from JCSB as the vendor and the developer, all that parcel of land with vacant possession known as Plot 11 (Please refer to Section 4.16 of this Information Memorandum for details) for RM1,281,342.00 inclusive of Goods and Services Tax, payable by way of instalments based on progress claims made by JCSB supported by the certificate of completion of works by the architect, such works of which are to be completed for delivery of vacant possession by JCSB by 10 January 2021. The construction of the building is still on-going and hence, this agreement is still subsisting as at the LPD.
- (iii) Sale and Purchase Agreement dated 11 January 2018 entered into between SFS and JCSB to purchase from JCSB as the vendor and the developer, all that parcel of land with vacant possession known as Plot 10 (Please refer to Section 4.16 of this Information Memorandum for details) for RM1,417,580.00 inclusive of Goods and Services Tax, payable by way of instalments based on progress claims made by JCSB supported by the certificate of completion of works by the architect, such works of which are to be completed for delivery of vacant possession by JCSB by 10 January 2021. The construction of the building is still on-going and hence, this agreement is still subsisting as at the LPD.

9. OTHER INFORMATION (cont'd)

- (iv) Sale and Purchase Agreement dated 11 January 2018 entered into between BFL and JCSB to purchase from JCSB as the vendor and the developer, all that parcel of land with vacant possession known as Plot 12 (please refer to Section 4.16 of this Information Memorandum for details) for RM1,281,342.00 inclusive of Goods and Services Tax, payable by way of instalments based on progress claims made by JCSB supported by the certificate of completion of works by the architect, such works of which are to be completed for delivery of vacant possession by JCSB by 10 January 2021. The construction of the building is still on-going and hence, this agreement is still subsisting as at the LPD.
- (v) Sale and Purchase Agreement dated 31 March 2018 entered into between SCS and EPT to purchase from EPT Lot 8276 (Please refer to Section 4.16 of this Information Memorandum for details) and the sole agency rights to product brands of Ramly, Hiestand, Makcik and Daily Fresh Farm, all for RM1,400,000.00 consisting of RM820,000.00 for Lot 8276, RM300,000.00 for the cold room and RM280,000.00 for the agency rights to the said 4 product brands. The acquisition will be funded via internally generated funds and bank borrowings. The purpose of purchasing Lot 8276 is for future use as a warehouse, and SCS took up an advance from SCR to finance the said purchase. As at the date of this agreement, SCS has obtained consent from Ramly Food Marketing Sdn Bhd to distribute products having brands of Ramly, Hiestand, Makcik and Daily Fresh Farm in the state of Sarawak, Malaysia in place of EPT. This agreement formalises the consideration sum for the said agency rights. The sale and transfer of Lot 8276 to SCS is subject to EPT obtaining approval of all unauthorised extensions carried out to the building from the relevant authorities within 6 months from the date of this agreement ("**conditional period**"). The parties have thereafter signed a letter on 30 September 2018, mutually agreeing to extend the conditional period by another 12 months, and will expire on 29 September 2019 to enable EPT to demolish and remove all the unauthorised extensions from Lot 8276 and thereafter, obtain the necessary approval from the relevant authorities. Upon receipt of such approval, the parties shall proceed to complete the sale and transfer of Lot 8276 under this agreement. As at LPD, this agreement is still subsisting. The acquisition of Lot 8276 is expected to be completed by 30 October 2019 assuming that the necessary approval is obtained by then.
- (vi) Sale and Purchase Agreement dated 31 March 2018 entered into between SFS and Dato Richard Wee and Lim Ah Ted (collectively "**Purchasers**") which was subsequently amended and varied by a Supplementary Agreement dated 30 July 2018 entered into between the same parties, to dispose Lot 1201 (please refer to Section 4.16 of this Information Memorandum for details) to the Purchasers for RM900,000.00. The proposed disposal of Lot 1201 is conditional upon SFS obtaining the consent of the Director of Lands and Surveys for the transfer of Lot 1201 to the Purchasers, within 12 months from 30 July 2018 ("**conditional period**") or an extended period of 6 months from the expiry of the conditional period ("**extended period**"). If such condition precedent is not obtained within the extended period, the Purchaser may opt to rescind the acquisition of Lot 1201 whereupon all monies paid to SFS shall be refunded to the Purchasers. If the application for such consent to transfer is rejected or not approved by the Director of Land and Survey, Kuching within the conditional period or the extended period, the proposed disposal of Lot 1201 will terminate, and SFS will refund all monies paid to the Purchasers and this agreement shall become null and void. The purchase price for Lot 1201 shall be paid by the Purchasers to SFS within 30 days from SFS's written notice of fulfilment of this condition precedent. In view of such condition precedent, the sale and purchase transaction of Lot 1201 under this agreement is still subsisting as at the LPD. The disposal of Lot 1201 is expected to be completed either by 30 August 2019 on the assumption that the condition precedent is fulfilled within the conditional period, or by 29 February 2020 on the assumption that the condition precedent is fulfilled within the extended conditional period.

9. OTHER INFORMATION *(cont'd)*

9.2 Material Litigation

As at the LPD, we are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and our Board does not know of any proceeding pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect our position or business.

9.3 Material Commitments and Contingent Liabilities

9.3.1 Material Commitments

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by us, which upon becoming enforceable, may have material impact on our financial position, save as disclosed below:

	RM'000
Property, plant and equipment	
- Authorised and contracted for	13,715
Investments	
- Authorised and contracted for	-

9.3.2 Contingent Liabilities

Save as disclosed below, as at the LPD, there is no contingent liabilities which, upon becoming enforceable, may have a material impact on our financial position or business save as otherwise disclosed below:

	TOTAL RM'000
Corporate guarantees favouring bank facilities granted to subsidiaries	
Banker Acceptance (Outstanding Amount)	
- CIMB Bank Bhd	1,839
- UOB Bank Bhd	4,694
- Al Rajhi Bank Bhd	2,143
	8,676
Performance guarantee in favour of	
- F&N Beverage Marketing Sdn Bhd	1,800
- Kastam Negeri Sarawak	30
- Auric Marketing Sdn Bhd #	403
	2,233

Note:

Includes the unlimited and continuing guarantee and indemnity dated 25 May 2018 given by SCR to Auric Marketing Sdn Bhd in consideration of the supply of goods, services and credit facilities to be extended by Auric Marketing Sdn Bhd to SFS. As at LPD, the total supply of goods, services and credit facilities rendered was RM0.643 million.

9. OTHER INFORMATION (cont'd)

9.4 Declaration by Our Advisers

9.4.1 Kenanga Investment

Kenanga Investment confirms that there is no existing or potential conflict of interest in relation to its capacity as the Approved Adviser and Placement Agent for our Listing.

9.4.2 Crowe Malaysia

Crowe Malaysia (*formerly known as Crowe Horwath*) confirms that there is no existing or potential conflict of interest in relation to its capacity as the Auditors and Reporting Accountants for our Listing.

9.4.3 Ariffin, Lai & Kan Advocates (Kuching)

Ariffin, Lai & Kan Advocates (Kuching) confirms that there is no existing or potential conflict of interests in its capacity as the Legal Adviser for our Listing.

9.4.4 Protégé Associates Sdn Bhd

Protégé Associates Sdn Bhd confirms that there is no existing or potential conflict of interests in its capacity as the Independent Market Researcher for our Listing.

9.5 Responsibility Statements

Our Directors and the Promoters have seen and approved this Information Memorandum, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted, would make any statement in this Information Memorandum false or misleading.

Kenanga Investment acknowledges that, based on all available information and to the best of its knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning the Listing.

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APPENDIX I

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30
SEPTEMBER 2017**

APPENDIX II

**UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR NINE (9) MONTHS
PERIOD ENDED 30 JUNE 2018**

APPENDIX III

IMR REPORT