

6. INFORMATION ON OUR GROUP

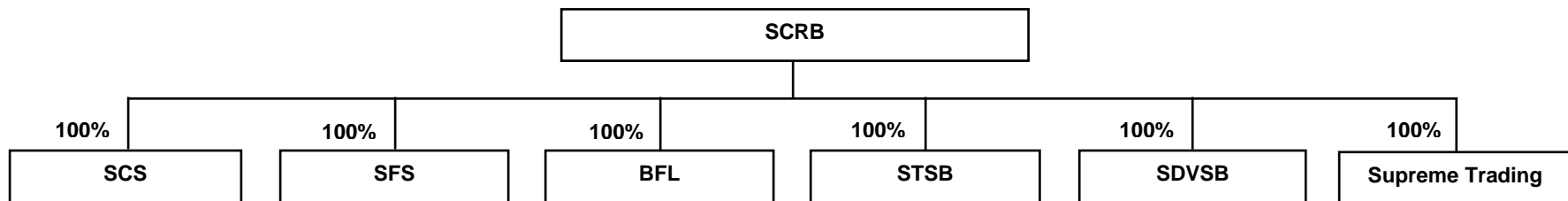
6.1 OUR COMPANY

Our Company was incorporated in Malaysia under the Companies Act 1965 (now repealed by the Act) as a private limited company on 11 July 2016 under the name of Supreme Consolidated Resources Sdn Bhd, as an investment holding company and the listing vehicle for our Group to facilitate the LEAP Market listing. On 10 July 2018, our Company was converted into a public limited company and assumed our present name. Our Company has been listed on the LEAP Market of Bursa Securities since 16 January 2019.

Our principal activity is in the distribution of third-party brands as well as our own brand of Frozen and Chilled Food Products, Ambient F&B Products and Non-F&B Products in Sarawak and Sabah. The principal activities of our Subsidiaries are disclosed in Section 6.4 of this Prospectus.

6.2 OUR GROUP

As at the LPD, the structure of our Group is as follows:



6. INFORMATION ON OUR GROUP (CONT'D)

6.3 SHARE CAPITAL

As at the [LPD], the issued share capital of our Company upon completion of the Bonus Issue of Shares and before our IPO will be RM59,866,944.00 comprising 360,000,000 Shares. Our Group 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.

Details of the changes in the issued share capital of our Company since our incorporation up to the LPD are as follows:

Date of allotment / subdivision	No. of Shares allotted	No. of new Shares after subdivision	Consideration (RM)	Cumulative issued share capital (RM)	Cumulative no. of Shares
11 July 2016	2	-	2.00	2.00	2
2 May 2017	50,499,998	-	50,499,998.00	50,500,000.00	50,500,000
11 June 2018	-	⁽¹⁾ 50,500,000	-	50,500,000.00	101,000,000
3 July 2018	5,860,000	-	2,930,000.00	53,430,000.00	106,860,000
9 January 2019	13,140,000	-	⁽²⁾ 6,436,944.00	59,866,944.00	120,000,000
[●]	⁽³⁾ 240,000,000	-	⁽⁴⁾ -	59,866,944.00	360,000,000

Notes:

- (1) Pursuant to the subdivision of every one (1) existing Share into two (2) Shares in our Company.
- (2) After deducting RM133,056.00 in relation to share issue expenses pursuant to the LEAP Market listing.
- (3) Pursuant to the Bonus Issue of Shares as set out in Section 6.5.1 (i) of this Prospectus.
- (4) Under the Act, a bonus issue can be undertaken either:
 - (i) by way of capitalisation of the retained earnings / accumulated profits of a company; or
 - (ii) without capitalisation, where a company may issue and allot the bonus shares at nil consideration.

In view of the above, our Company has undertaken the Bonus Issue of Shares without any capitalisation from the reserves of our Company and that the new Shares issued pursuant to the Bonus Issue of Shares is issued as fully paid Shares at nil consideration.

Given that the Bonus Issue of Shares is undertaken without capitalisation from our Company's reserves, it allows our Company to preserve our reserves.

6. INFORMATION ON OUR GROUP (CONT'D)**6.4 DETAILS OF OUR SUBSIDIARIES**

As at the LPD, the details of our Subsidiaries are as follows:

Name and registration no.	Date / Place of incorporation	Date of commencement of business	Principal place of business	Effective equity interest (%)	Principal activities
Supreme Cold Storage Sdn Bhd (Registration No. 198701007462 (166180-M))	17 November 1987 / Malaysia	17 November 1987	Malaysia	100.00	Distribution of Frozen and Chilled Food Products
Supreme Food Supply (M) Sdn Bhd (Registration No. 199901005344 (480244-V))	6 April 1999 / Malaysia	1 July 1999	Malaysia	100.00	Distribution of Frozen and Chilled Food Products and Ambient F&B Products
Borneo Food Land Coldstorage Sdn Bhd (Registration No. 200001012433 (515039-V))	24 May 2000 / Malaysia	24 May 2000	Malaysia	100.00	Distribution of Frozen and Chilled Food Products and Ambient F&B Products
Supreme Transportation Sdn Bhd (Registration No. 201601028651 (1199590-D))	24 August 2016 / Malaysia	31 October 2016	Malaysia	100.00	Provision of transportation services
Supreme Dairy Ventures Sdn Bhd (Registration No. 201901020112 (1329441-T)) ⁽¹⁾	10 June 2019 / Malaysia	-	Malaysia	100.00	Dormant as at LPD and is intended for export / trading of dairy products
Supreme Trading Sdn Bhd (Registration No. 200801023186 (824509-V)) ⁽²⁾	8 July 2008 / Malaysia	11 July 2008	Malaysia	100.00	Distribution of Non-F&B Products

Notes:

- (1) On 10 June 2019, our Company has incorporated a new subsidiary, SDVSB, with the intention to undertake the export / trading of dairy products. Further details of SDVSB's intended principal activities is set out in Section 6.4.1 of this Prospectus.
- (2) On 31 May 2023, our Company has acquired the 100% equity interest in Supreme Trading for a purchase consideration of RM1,000.00 comprising 100 ordinary shares at RM10.00 each.

6. INFORMATION ON OUR GROUP (CONT'D)**6.4.1 Our Subsidiaries****(i) Supreme Cold Storage Sdn Bhd****(a) Background and history**

SCS was incorporated in Malaysia under the Companies Act 1965 (now repealed by the Act) on 17 November 1987 as a private limited company under its present name.

SCS is principally involved in the distribution of Frozen and Chilled Food Products.

(b) Share capital

As at the LPD, the issued share capital of SCS is RM10,000,000.00 comprising 10,000,000 ordinary shares.

The changes in the issued share capital of SCS since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration (RM) / Type of consideration</u>	<u>Cumulative no. of shares</u>	<u>Cumulative share capital (RM)</u>
17 November 1987	2	2.00 / Cash	2	2.00
9 April 1991	99,998	99,998.00 / Cash	100,000	100,000.00
15 October 1992	100,000	100,000.00 / Cash	200,000	200,000.00
22 September 1993	100,000	100,000.00 / Cash	300,000	300,000.00
16 September 1994	200,000	200,000.00 / Cash	500,000	500,000.00
13 January 1995	300,000	300,000.00 / Cash	800,000	800,000.00
8 September 1997	400,000	400,000.00 / Cash	1,200,000	1,200,000.00
9 September 1999	320,000	320,000.00 / Cash	1,520,000	1,520,000.00
5 November 2021	8,480,000	8,480,000.00 / Otherwise than cash	10,000,000	10,000,000.00

(c) Shareholder

SCS became our wholly-owned subsidiary on 1 May 2017.

(d) Director

The directors of SCS are Lim Ah Ted, Dato Richard Wee, Brandon Wee Wei Xuan, Terence Lim Tze Yung and Dato Ibrahim Baki.

(e) Subsidiary, joint venture or associated company

As at the LPD, SCS does not have any subsidiary, joint venture or associated company.

6. INFORMATION ON OUR GROUP (CONT'D)**(ii) Supreme Food Supply (M) Sdn Bhd****(a) Background and history**

SFS was incorporated in Malaysia under the Companies Act 1965 (now repealed by the Act) on 6 April 1999 as a private limited company under its present name.

SFS is principally involved in the distribution of Frozen and Chilled Food Products and Ambient Food Products.

(b) Share capital

As at the LPD, the issued share capital of SFS is RM500,000.00 comprising 500,000 ordinary shares.

The changes in the issued share capital of SFS since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration (RM) / Type of consideration</u>	<u>Cumulative no. of shares</u>	<u>Cumulative share capital (RM)</u>
6 April 1999	2	2.00 / Cash	2	2.00
1 July 1999	199,998	199,998.00 / Cash	200,000	200,000.00
10 April 2000	300,000	300,000.00 / Cash	500,000	500,000.00

(c) Shareholder

SFS has been our wholly-owned subsidiary on 1 May 2017.

(d) Director

The directors of SFS are Lim Ah Ted, Terence Lim Tze Yung, Dato Richard Wee, Brandon Wee Wei Xuan and Dato Ibrahim Baki.

(e) Subsidiary, joint venture or associated company

As at the LPD, SFS does not have any subsidiary, joint venture or associated company.

(iii) Borneo Food Land Coldstorage Sdn Bhd**(a) Background and history**

BFL was incorporated in Malaysia on 24 May 2000 under the Companies Act 1965 (now repealed by the Act) as a private limited company under its present name.

BFL is principally involved in the distribution of Frozen and Chilled Food Products and Ambient Food Products.

(b) Share capital

As at the LPD, the issued share capital of BFL is RM1,000,000.00 comprising 1,000,000.

6. INFORMATION ON OUR GROUP (CONT'D)

The changes in the issued share capital of BFL since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration (RM) / Type of consideration</u>	<u>Cumulative no. of shares</u>	<u>Cumulative share capital (RM)</u>
24 May 2000	5	5.00 / Cash	5	5.00
15 July 2000	999,995	5.00 / Cash	1,000,000	1,000,000.00

(c) Shareholder

BFL became our wholly-owned subsidiary on 16 June 2017.

(d) Director

The directors of BFL are Ting Ing Soon, Lim Ah Ted, Ting Ing Thai, Dato Richard Wee and Dato Ibrahim Baki.

(e) Subsidiary, joint venture or associated company

As at the LPD, BFL does not have any subsidiary, joint venture or associated company.

(iv) Supreme Transportation Sdn Bhd**(a) Background and history**

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.

STSB is principally involved in the provision of transportation services.

(b) Share capital

As at the LPD, the issued share capital of STSB is RM1,000.00 comprising 1,000 ordinary shares.

The changes in the issued share capital of STSB since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration (RM) / Type of consideration</u>	<u>Cumulative no. of shares</u>	<u>Cumulative share capital (RM)</u>
24 August 2016	1,000	1,000.00 / Cash	1,000	1,000.00

(c) Shareholder

STSB became our wholly-owned subsidiary on 7 July 2017.

(d) Director

The directors of STSB are Dato Richard Wee, Brandon Wee Wei Xuan and Lim Ah Ted.

6. INFORMATION ON OUR GROUP (CONT'D)**(e) Subsidiary, joint venture or associated company**

As at the LPD, STSB does not have any subsidiary, joint venture or associated company.

(v) Supreme Dairy Ventures Sdn Bhd**(a) Background and history**

SDVSB was incorporated in Malaysia under the Act on 10 June 2019 as a private limited company under its present name.

SDVSB is currently dormant as at the LPD and is intended for export / trading of dairy products. Currently, our Group is looking at venturing into the distribution of fresh milk products using our own brand, Supreme. As at the LPD, there is no specific timeframe to commence the business operations of SDVSB as our Group is still exploring the market opportunities and understanding the market sentiments of the distribution of this product.

(b) Share capital

As at the LPD, the issued share capital of SDVSB is RM2.00 comprising 2 ordinary shares.

The changes in the issued share capital of SDVSB since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration (RM) / Type of consideration</u>	<u>Cumulative no. of shares</u>	<u>Cumulative share capital (RM)</u>
10 June 2019	2	2.00 / Cash	2	2.00

(c) Shareholder

SDVSB became our wholly-owned subsidiary on 10 June 2019.

(d) Director

The directors of SDVSB are Dato Richard Wee and Lim Ah Ted.

(e) Subsidiary, joint venture or associated company

As at the LPD, SDVSB does not have any subsidiary, joint venture or associated company.

(vi) Supreme Trading Sdn Bhd**(a) Background and history**

Supreme Trading was incorporated in Malaysia on 8 July 2008 under the Companies Act, 1965 (now repealed by the Act) as a private limited company under its present name.

Supreme Trading is involved in the distribution of Non-F&B Products.

6. INFORMATION ON OUR GROUP (CONT'D)**(b) Share capital**

As at the LPD, the issued share capital of Supreme Trading is RM1,000.00 comprising 100 ordinary shares.

The changes in the issued share capital of Supreme Trading since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration (RM) / Type of consideration</u>	<u>Cumulative no. of shares</u>	<u>Cumulative share capital (RM)</u>
11 July 2008	100	1,000.00	100	1,000.00

(c) Shareholder

Supreme Trading became our wholly-owned subsidiary on 31 May 2023.

(d) Director

The directors of Supreme Trading are Dato Richard Wee and Lim Ah Ted.

(e) Subsidiary, joint venture or associated company

As at the LPD, Supreme Trading does not have any subsidiary, joint venture or associated company.

6.5 LISTING SCHEME**6.5.1 Details of the Listing Scheme**

In conjunction with and as an integral part of our listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities, our Company undertook a Listing Scheme which involved the following:

(i) Bonus Issue of Shares

Prior to our IPO, our Company has undertaken a bonus issue of Shares on the basis of 2 Bonus Shares for every 1 existing Share which entailed the issuance of 240,000,000 new Shares. The Bonus Issue of Shares was undertaken without any capitalisation from the reserves of our Company and that the new Shares issued pursuant to the Bonus Issue of Shares is issued as fully paid Shares at nil consideration.

The Bonus Issue of Shares was undertaken to:

- (a) increase the number of issued Shares to facilitate our IPO and Listing;
- (b) achieve a more affordable price per Share for our IPO, thus improving the marketability of our Shares for greater participation by investors; and
- (c) enhance the trading liquidity of our Shares at the time of our Listing.

6. INFORMATION ON OUR GROUP (CONT'D)

On 30 November 2023, Kenanga IB, on behalf of our Board, had announced that our Company proposes to undertake the Bonus Issue of Shares (pursuant to our Listing).

On 9 January 2024, Kenanga IB, on behalf of our Board, had announced that Bursa Securities had, vide its letter dated 9 January 2024, taken note of the listing of and quotation for 240,000,000 Bonus Shares on a date to be determined later after all requisite approvals have been obtained in relation to the Transfer of Listing.

Subsequently, our Company had on 31 January 2024, secured approval from our shareholders in respect of the Bonus Issue of Shares at an EGM.

After obtaining approval from our shareholders and obtaining the requisite approvals in relation to the Transfer of Listing as above, the Bonus Issue of Shares was completed on [●].

Upon completion of the Bonus Issue of Shares, the resultant issued share capital of our Company is RM59,866,944 comprising 360,000,000 Shares where the shareholding structure of our Company before and after the Bonus Issue of Shares are as follows:

Categories	Before the Bonus Issue of Shares		After the Bonus Issue of Shares	
	No. of Shares	(1) %	No. of Shares	(2) %
Non-public shareholders	102,700,000	85.58	308,100,000	85.58
Public shareholders	17,300,000	14.42	51,900,000	14.42
Total	120,000,000	100.00	360,000,000	100.00

Notes:

(1) Calculated based on the total number of 120,000,000 Shares.

(2) Calculated based on the total number of 360,000,000 Shares after the completion of the Bonus Issue of Shares.

(ii) IPO

Upon completion of the Bonus Issue of Shares, we will undertake the IPO, the details of which are set out in Section 4 of this Prospectus.

(iii) Listing of and quotation for our Shares

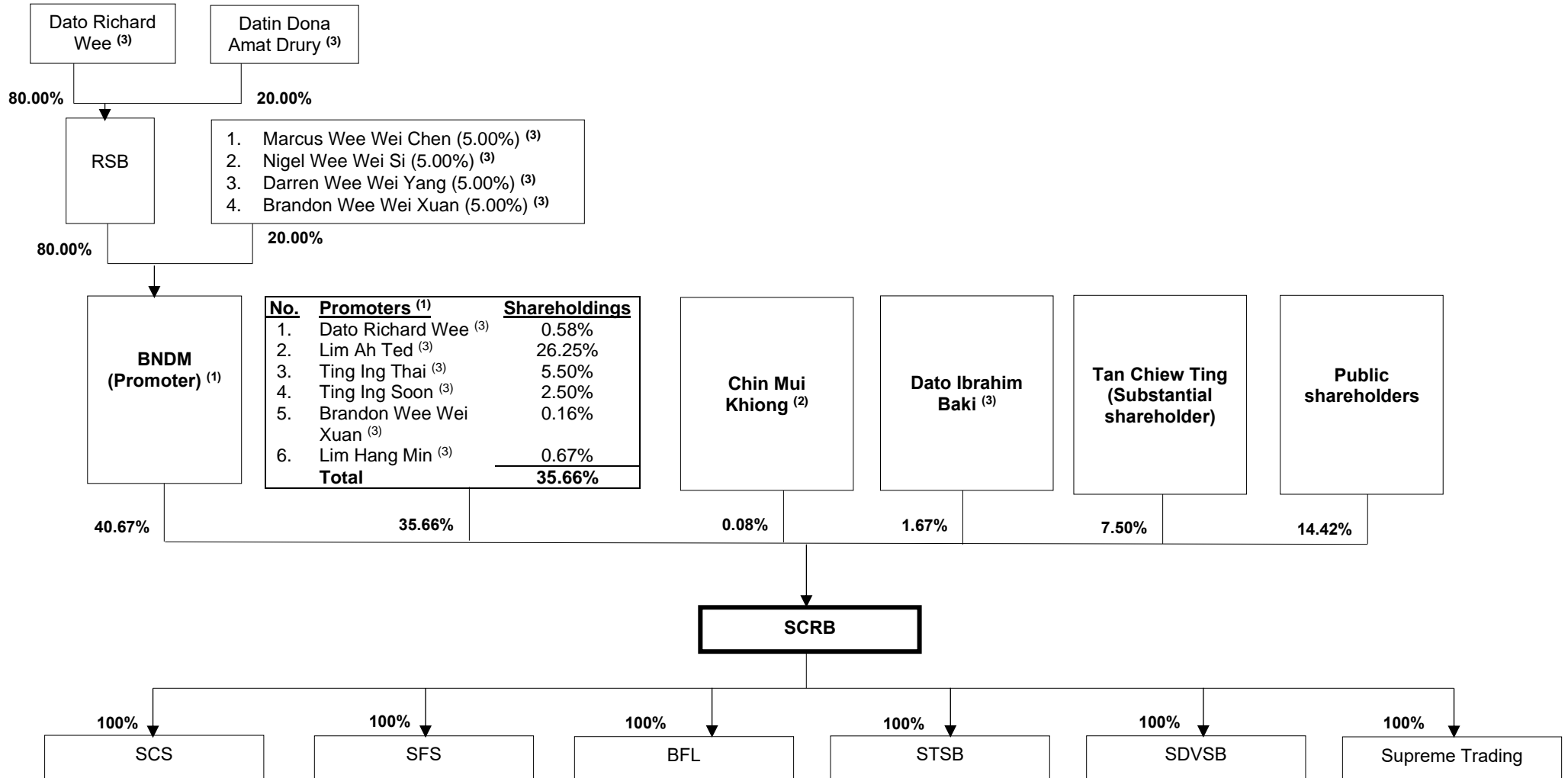
Upon completion of our IPO, we will seek the admission of our Shares into the Official List and the listing of and quotation for our enlarged issued share capital on the ACE Market of Bursa Securities. Concurrently, the Withdrawal of Listing will take effect upon the completion of the Listing.

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6. INFORMATION ON OUR GROUP (CONT'D)

6.5.2 The structure of our Group before and after our IPO

The structure of our Group after the completion of the Bonus Issue of Shares and before our IPO are as follows:



6. INFORMATION ON OUR GROUP (CONT'D)

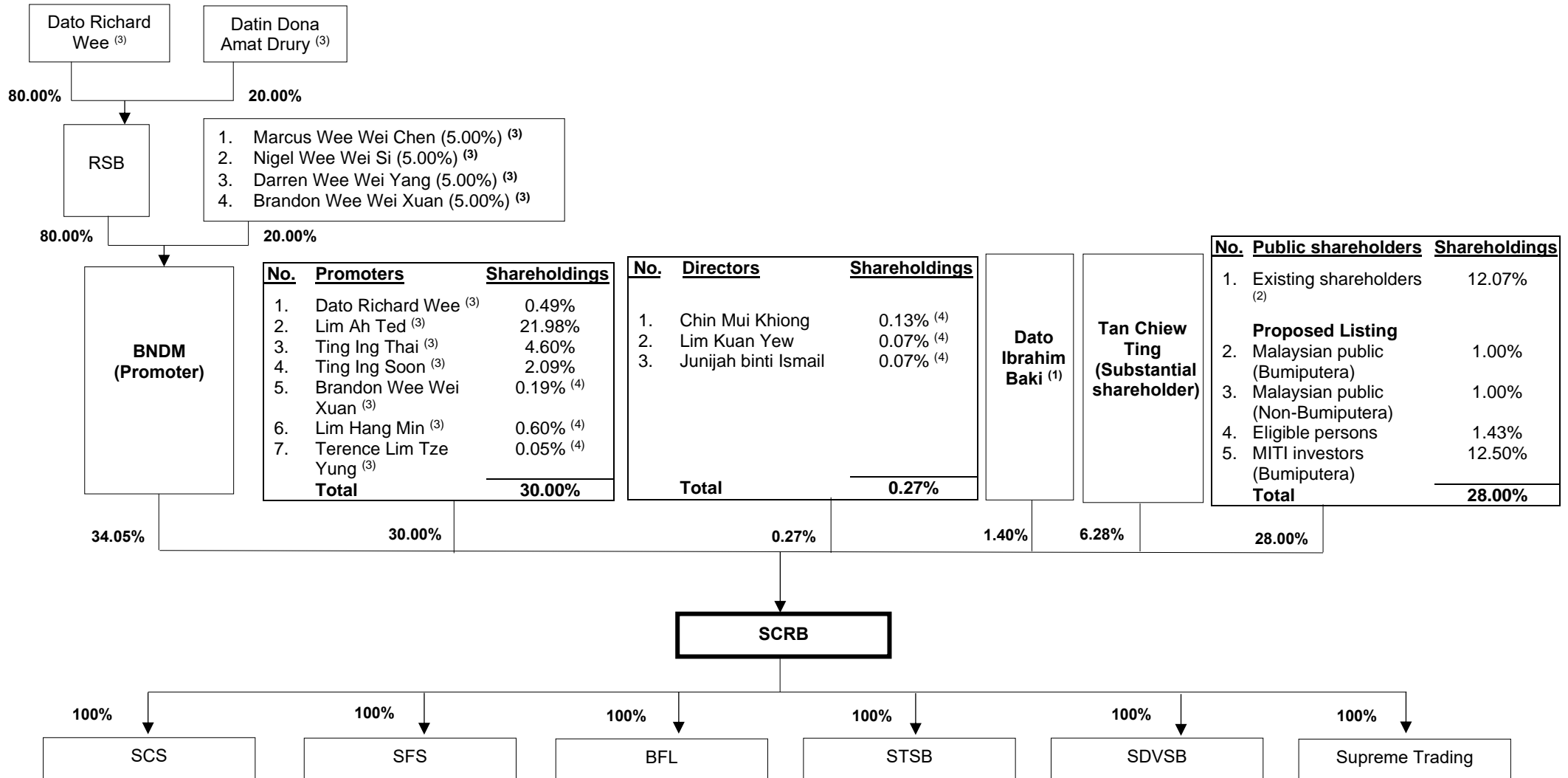
Notes:

- (1) *These are our Promoters which also includes Terence Lim Tze Yung (son of Lim Ah Ted) who does not hold any shares in our Company before our IPO. Our Promoters collectively holds 76.33% of our Shares before our IPO.*
- (2) *Chin Mui Khiong is an Independent Non-Executive Director of our Company.*
- (3) *Dato Ibrahim Baki is a director of the subsidiaries within our Group, namely SCS, SFS and BFL.*
- (4) *The family relationships between substantial shareholders, Promoters and Directors of our Company are as disclosed below:*
 - (a) *Datin Dona Amat Drury is the spouse of Dato Richard Wee;*
 - (b) *Dato Richard Wee and Datin Dona Amat Drury are the parents of Brandon Wee Wei Xuan, Marcus Wee Wei Chen, Nigel Wee Wei Si and Darren Wee Wei Yang;*
 - (c) *Ting Ing Thai and Ting Ing Soon are brothers; and*
 - (d) *Lim Ah Ted and Lim Hang Min are brothers.*

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6. INFORMATION ON OUR GROUP (CONT'D)

The structure of our Group after our IPO is as follows:



6. INFORMATION ON OUR GROUP (CONT'D)

Notes:

(1) *Dato Ibrahim Baki is a director of the subsidiaries within our Group, namely SCS, SFS and BFL.*

(2) *Existing public shareholders of our Company are as follows:*

<i>Existing public shareholders</i>	<i>%</i>
<i>Key senior management</i>	<i>0.27</i>
<i>Business associates</i>	<i>11.74</i>
<i>Other shareholders</i>	<i>0.06</i>
<i>Total</i>	<i>12.07</i>

(3) *The family relationships between substantial shareholders, Promoters and Directors of our Company are as disclosed below:*

(a) *Datin Dona Amat Drury is the spouse of Dato Richard Wee;*

(b) *Dato Richard Wee and Datin Dona Amat Drury are the parents of Brandon Wee Wei Xuan, Marcus Wee Wei Chen, Nigel Wee Wei Si and Darren Wee Wei Yang;*

(c) *Ting Ing Thai and Ting Ing Soon are brothers;*

(d) *Lim Ah Ted and Lim Hang Min are brothers; and*

(e) *Terence Lim Tze Yung is the son of Lim Ah Ted.*

(4) *The allocation of the Pink Form Shares has been included in their respective shareholdings.*

The details of our Subsidiaries are set out in Section 6.4 of this Prospectus.

6. INFORMATION ON OUR GROUP (CONT'D)**6.6 CAPITAL EXPENDITURES AND DIVESTITURES****6.6.1 Capital expenditures**

Save as disclosed below, there was no other material capital expenditures incurred by our Group during the Financial Years Under Review and up to the LPD:

Description	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	Between 1 October 2023 and up to the LPD (RM'000)
Freehold land	(1) 930	-	-	-
Building	(2) 492	39	(10) 239	-
Furniture, fittings and equipment	(3) 1,104	(7) 333	96	145
Motor vehicles	(4) 752	(8) 370	34	-
Office renovation	29	3	4	-
Plant and machineries	(5) 432	(9) 431	(11) 224	74
Capital work in progress	(6) 906	-	-	-
Total	4,645	1,176	597	219

Notes:

- (1) *Relates to the purchase of a freehold land by SFS which is located at Lot 1476. Further details on the freehold land are set out in Section 7.23.1 of this Prospectus.*
- (2) *Relates to the purchase of a building, which is situated on a freehold land (as per Note 1 above) by SFS which is located at Lot 1476. Further details on the freehold land are set out in Section 7.23.1 of this Prospectus.*
- (3) *Relates to the additional furniture, fittings and equipment for Lot 1476 and Lot 842.*
- (4) *Relates mainly to the purchase of vans for the purpose of our delivery services to our customers and also purchase of forklift for the purpose of the transportation of products in our warehouses.*
- (5) *Relates mainly to the purchase of meat grinder machine, meat slicer machine and baking oven for the purpose of our business operations.*
- (6) *Relates mainly to the construction works for our new warehousing facility comprising of a 3-storey office cum warehouse at Lot 842. This capital work in progress was subsequently reclassified to buildings upon completion. Further details are set out in Section 7.1 of this Prospectus.*
- (7) *Relates mainly to the computer and office equipment for staff use as well as conference table and chairs for meeting room.*
- (8) *Relates mainly to the purchase of vans for the purpose of our delivery services to our customers and also purchase of forklift for the purpose of the transportation of products in our warehouses.*
- (9) *Relates mainly to the purchase of GudangSys WMS and purchase of 1 unit of indoor type electric platform lift.*
- (10) *Relates mainly to the cement works with floor hardener for freezer and chiller rooms at Lot 842.*
- (11) *Relates mainly to the purchase of plastic pallets for the storage of our food products.*

6. INFORMATION ON OUR GROUP (CONT'D)

Our material capital expenditure was primarily funded via a combination of bank borrowings and internally generated funds.

6.6.2 Material capital divestitures

We do not have any material capital divestitures during the Financial Years Under Review and as at the LPD.

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