



## **SUPREME CONSOLIDATED RESOURCES BHD**

(Company No. 1194146-D)

(Incorporated in Malaysia under the Companies Act, 2016)

**UNAUDITED FINANCIAL STATEMENTS FOR 6-MONTHS FINANCIAL PERIOD ENDED  
("FPE") 31 MARCH 2019 ("FPE 2019")**

**(APPENDIX 6A, PART A OF THE LEAP MARKET LISTING REQUIREMENTS 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 ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY SUPREME CONSOLIDATED RESOURCES BHD ("SUPREME" OR THE "COMPANY"). 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.**

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

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	<b>UNAUDITED</b> <b>31.03.2019</b> RM'000	<b>AUDITED</b> <b>30.09.2018</b> RM'000
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Property, plant and equipment	13,893	11,455
Investment in properties	1,237	271
Intangible assets	238	252
Goodwill	21,992	21,992
	<u>37,361</u>	<u>33,970</u>
CURRENT ASSETS		
Inventories	25,954	23,537
Trade receivables	19,074	18,872
Other receivables, deposits and prepayments	3,362	451
Cash and bank balances	7,708	7,775
Fixed deposits with licensed banks	6,073	6,221
Current tax assets	41	30
	<u>62,212</u>	<u>56,885</u>
<b>TOTAL ASSETS</b>	<u>99,573</u>	<u>90,855</u>

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

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	<b>UNAUDITED</b> <b>31.03.2019</b> RM'000	<b>AUDITED</b> <b>30.09.2018</b> RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	60,000	53,430
Retained profits	7,030	5,256
<b>TOTAL EQUITY</b>	<u>67,030</u>	<u>58,685</u>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	2,857	2,254
Hire purchase payables	625	546
Deferred tax liabilities	324	324
	<u>3,806</u>	<u>3,124</u>
<b>CURRENT LIABILITIES</b>		
Bank borrowings	22,023	18,951
Hire purchase payables	210	227
Trade payables	4,395	7,913
Other payables and accruals	2,105	1,602
Current tax liabilities	4	353
	<u>28,737</u>	<u>29,046</u>
<b>TOTAL LIABILITIES</b>	<u>32,543</u>	<u>32,169</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>99,573</u>	<u>90,855</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the financial statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to this interim financial report.

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)  
Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2019**

	<b>6 MONTHS UNAUDITED</b>	
	31.03.2019	31.03.2018
	RM'000	RM'000
REVENUE	70,370	64,608
COST OF SALES	(60,022)	(55,443)
GROSS PROFIT	10,348	9,166
OTHER INCOME	2,363	202
	12,711	9,368
ADMINISTRATIVE EXPENSES	(7,513)	(5,313)
FINANCE COSTS	(639)	(420)
PROFIT BEFORE TAXATION	4,559	3,634
INCOME TAX EXPENSES	(781)	(800)
PROFIT AFTER TAXATION REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	3,778	2,834
EARNINGS PER SHARE (SEN)	3.15	2.65
NO OF SHARES	120,000,000	106,860,000
EBITDA	5,799	4,547
GP MARGIN (%)	15%	14%
PBT MARGIN (5)	6%	6%
PAT MARGIN (%)	5%	4%

- 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

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the financial statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to this interim financial report.

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2019**

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	<b>Share Capital RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
<b>The Group</b>			
Balance at 1 October 2017	50,500	1,168	51,668
Issuance of shares	2,930	-	2,930
Profit after taxation for the financial year	-	4,088	4,088
Balance as at 30.9.2018/01.10.2019	53,430	5,256	58,685
Issuance of shares	6,570	-	6,570
Dividend	-	(2,004)	(2,004)
Profit after taxation for the financial year	-	3,778	3,778
Balance as at 31 March 2019	60,000	7,030	67,030

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the financial statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to this interim financial report.

**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2019**

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	<b>6 MONTHS UNAUDITED</b>	
	31.03.2019	31.03.2018
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,559	3,634
Adjustments for -		
Depreciation of property, plant & equipment	587	493
Amortisation of intangible assets	14	-
Property, plant and equipment written off	-	4
Interest expense	639	420
Gain on disposal of property, plant and equipment	(2,093)	-
Interest income	(88)	(31)
Operating profit before working capital changes	<u>3,618</u>	<u>4,520</u>
(Increase)/(Decrease) in inventories	(2,418)	5,468
Increase in trade and other receivables	(3,113)	(1,077)
Decrease in trade and other payables	<u>(3,015)</u>	<u>(2,006)</u>
<b>CASH FOR OPERATIONS</b>	<u>(4,928)</u>	<u>6,905</u>
Interest paid	(639)	(420)
Interest received	88	31
Tax paid	(1,141)	(707)
<b>NET CASH FOR(FROM) OPERATING ACTIVITIES</b>	<u>(6,619)</u>	<u>5,809</u>

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**SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)

Company No: 1194146-D

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2019**

	<b>6 MONTHS UNAUDITED</b>	
	31.03.2019	31.03.2018
	RM'000	RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,360)	(2,297)
Purchase of investment properties	(967)	(128)
Proceeds from disposal of property, plant and equipment	2,620	-
Increase in fixed deposits pledged to a licensed bank	(905)	(1,450)
Withdrawal of fixed deposits with tenure more than 3 months	832	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(1,781)</b>	<b>(3,876)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	6,570	-
Dividend paid	(2,004)	-
Increase/(Repayment) of bankers' acceptance	3,545	(4,812)
Repayment of hire purchase obligations	(130)	(164)
Repayment of term loan	(346)	(322)
Drawdown of term loan	951	1,000
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>8,587</b>	<b>(4,298)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>187</b>	<b>(2,364)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>9,800</b>	<b>7,012</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>9,986</b>	<b>4,648</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the financial statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to this interim financial report.

# SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)  
Company No: 1194146-D

## PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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### 1. BASIS OF PREPARATION

- 1.1 These condensed consolidated interim financial statements, for the six months period ended 31 March 2019 are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”), paragraph 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad.

These interim financial statements should be read in conjunction with the combined financial statements for the financial year ended 30 September 2018 and the accompanying explanatory notes attached to this unaudited interim financial statements.

- 1.2 The accounting standards and/or interpretations adopted by the Group in this interim financial statements are consistent with those adopted in the most recent consolidated financial statements for the financial year ended 30 September 2018.

During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’

Amendments to MFRS 140 – Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles

- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on this unaudited interim financial statements.



# SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)  
Company No: 1194146-D

## PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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### 1. BASIS OF PREPARATION (CONT'D)

- 1.3 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for this financial period:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

### 2. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2019.

### 3. CHANGES IN CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There were no material changes in critical accounting estimates and judgements during the financial period ended 31 March 2019.

### 4. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases or repayments of debt and equity securities during the financial period ended 31 March 2019.

## SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)

Company No: 1194146-D

### PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

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#### 5. DIVIDENDS PAID

On 18 January 2019, the Company declared an interim dividend of 1.67 Sen per ordinary share amounting to RM2,004,000. The dividend was paid on 29 January 2019.

#### 6. SEGMENTAL INFORMATION

##### 6.1 Business Segments

The Group's business operations comprise the distribution and warehousing of F&B products from third party brands, focusing on frozen food, chilled and dairy food and dry food as follows:

	Unaudited 6 months			
	31. 03. 2019		31.03.2018	
	RM'000	%	RM'000	%
<b>Food and beverages distributed:-</b>				
Frozen food	43,072	61%	45,421	70%
Chilled food	11,236	16%	8,317	13%
Dairy products	5,323	8%	5,299	8%
Dry F&B	10,739	15%	5,571	9%
<b>TOTAL GROUP</b>	<b>70,370</b>	<b>100%</b>	<b>64,608</b>	<b>100%</b>

##### 6.2 Geographical Information

The Group's revenue is based on the customers who are located in Sarawak.

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## SUPREME CONSOLIDATED RESOURCES BHD

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Company No: 1194146-D

### PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

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#### 7. PROFIT BEFORE TAXATION

	31.03.2019	31.03.2018
	RM'000	RM'000
<b>Profit before taxation for the financial period is arrived at after charging/(crediting);-</b>		
Auditor's remuneration	35	4
Depreciation of property, plant and equipment	587	493
Depreciation of Intangible assets	14	-
Director remuneration	1,030	827
Interest expenses:	639	419
Gain on foreign exchanges	(2)	(7)
Property, plant and equipment written off	-	4
Rental expenses	338	287
Staff costs	3,867	2,771
Interest income	(88)	(31)
Gain on disposal of property, plant and equipment	(2,093)	-
Reversal of impairment loss on trade receivables	(2)	(5)
Rental income	(6)	(3)
Listing Expenses	<u>750</u>	<u>258</u>

#### 8. VALUATION OF PROPERTY AND EQUIPMENT

There was no valuation on property and equipment during the financial period ended 31 March 2019.

#### 9. CAPITAL COMMITMENTS

	31.03.2019	31.03.2018
	RM'000	RM'000
Contracted but not provided for:		
Purchase of property, plant and equipment	<u>11,840</u>	<u>3,852</u>

#### 10. CONTINGENT ASSETS AND LIABILITIES

There were no material contingent assets and liabilities.

#### 11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 31 March 2019.

## **SUPREME CONSOLIDATED RESOURCES BHD**

(Incorporated in Malaysia)  
Company No: 1194146-D

### **PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

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#### **B1. REVIEW OF PERFORMANCE**

The Group recorded revenue of RM70.37 million for the FPE 2019 which represents an increase of RM5.762 million or 8.9% compared to RM64.608 million for the FPE 2018. The increase is mainly due to additional revenue of RM8.2 million generated from new distributorships in the chilled food and dry F&B segments. The sale of frozen buffalo meat decreased by RM7.0 million for the FPE 2019 mainly due to the opening of import quota to the other wholesalers since the beginning of 2019. Nonetheless, the sale of other frozen meat and further processed frozen food increased by RM3.0 million and RM1.5 million respectively for FPE 2019.

##### **Group Profit (“GP”) and GP Margin**

Our Group recorded a GP of RM10.348 million (GP margin of 15%) for FPE 2019 as compared to RM9.166 million (GP margin of 14%) for the FPE 2018. The slight increase of RM1.182 million was mainly contributed by the increase in the sale volume from a new agency and frozen food that fetched higher margin.

##### **Profit after Taxation (“PAT”) and PAT Margin**

The Group recorded a higher PAT of RM3.778 million (PAT margin of 5.%) for the FPE 2019 as compared to RM2.834 million (PAT margin of 4%) for the FPE 2018 mainly due to the gain of disposal of our Miri Warehouse of RM2.09 million. The underlying PAT after adjusting the gain on disposal of Miri Warehouse is RM1.688 (PAT Margin of 2.4%) which is lower than FYE 2018 mainly due to one off listing expenses incurred during the period of RM0.75 million and staff bonus provision of RM0.5million.

#### **B2. COMMENTARY ON PROSPECTS**

As disclosed in our Information Memorandum dated 30 November 2018, the proceeds from the IPO will be used to part finance the construction of new warehousing facilities and for working capital purposes. The Group has commenced the construction of new Warehouse facilities and is expected to be completed by December 2019.

Apart from the construction of new warehousing facilities, our Group is also looking at expanding its product range and distribution network.

The Board of Directors of the Company is of the opinion that the prospects of the Group’s financial performance for the FYE 30 September 2019 remain optimistic in the F&B industries.

#### **B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE**

The vendors of the respective subsidiaries of SCR has given a combined profit guarantee of profit after taxation of RM5.1 million for the financial year ended 30 September 2019 as disclosed in Section 9.1 (i) of our Information Memorandum dated 30 November 2018.

## SUPREME CONSOLIDATED RESOURCES BHD

(Incorporated in Malaysia)  
Company No: 1194146-D

### PART C: OTHER INFORMATION

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#### C1. STATUS OF CORPORATE PROPOSALS

There was no corporate proposal announced but pending completion as at the date of this report.

#### C2. UTILISATION OF PROCEEDS

The status of utilisation of the proceeds from the IPO of RM6.57 million is as follows:

<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Deviation RM'000</b>	<b>Balance RM'000</b>	<b>Estimated timeframe for utilisation upon listing</b>
Construction of warehousing facilities	3,500	2,394	-	1,106	Within 24 months
Working capital	1,970	1,400	-	570	Within 12 months
Estimated listing expenses	1,100	1,008	-	92	Immediate
<b>TOTAL</b>	<b>6,570</b>	<b>4,802</b>	<b>-</b>	<b>1,768</b>	

#### C3. MATERIAL LITIGATION

There is no material litigation as at the date of this report.

#### C4. DIVIDEND

On 9 May 2019, the Board declared a first interim dividend of 0.417 sen per share on 120 million shares amounting to RM500,400 in respect of the financial year ending 30 September 2019. The entitlement date for the first interim dividend is 21 May 2019 and will be paid on 28 May 2019.

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